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Central Bedfordshire Local Economic Assessment 2013

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Executive Summary

Executive Summary

- 1.1 Central Bedfordshire is a diverse and high performing economy with a number of successfully established well known brand names, high tech industries and innovative small and medium sized enterprises operating globally and within niche markets. The area is characterised by a highly skilled workforce with over half working in managerial/professional roles and excellent road, rail and air transport links. With space to grow, businesses continue to value the attractive surroundings and natural environment, rating it as one of the best aspects of doing business in the area. Ensuring that Central Bedfordshire remains a great place for business and that our communities prosper is a key priority for the Council.
- 1.2 The Local Economic Assessment has a clear purpose which is to provide a robust evidence base that supports the Council and its partners to identify where we need to take action to support the local economy to grow and specifically to:
 - Ensure we have a clear picture of the Central Bedfordshire economy.
 - Influence the work of our partners on addressing barriers to business growth, job creation and enhancing the local area.
 - Provide a robust evidence base to our key objectives and actions in our strategies, policies and service plans.
 - Inform procurement process when commissioning goods and/or services to maximise the contribution to our local economy.
 - Help the Council and its partners make a clear evidence based business case when bidding for external funding.
- 1.3 This Local Economic Assessment has been undertaken in macro economic conditions that have seen the UK economy grow marginally, with forecasts for future growth positive but subdued. Public austerity measures continue to be enforced until the foreseeable future. Recent data has shown that the global economic outlook is improving, with the United States and some other developed economies continuing to grow, albeit with support from loose monetary policy. However, in the euro-zone area conditions remains challenging as the outlook has deteriorated further and pan European forecasts remain negative.

Central Bedfordshire's Economy

- 1.4 From 2001 to 2011, Central Bedfordshire's population has grown by approximately 20,700 people, a faster rate than England. Population is forecasted to grow by a further 31,700 people by 2021 with the biggest increase forecasted in older people (65 years and above).
- 1.5 With an increase in state pension age, a growing and ageing population presents a number of challenges and opportunities in terms of its impact on local services, the labour market and demand on housing. Such factors need to be considered when planning for future economic growth and making future investment decisions.
- 1.6 However the jobs growth rate whilst increasing by 700 in 2011 is not keeping pace with the population growth rate. This would need to double in order to meet the Council's aspirations of 1,350 jobs per year in line with the Development Strategy.
- 1.7 On top of this, levels of out commuting to other local economies remains a reality with nearly a third of our residents working outside the area in often better paid jobs in London, Hertfordshire, Milton Keynes, Luton and Bedford. This has continued to impact on jobs filled per resident (jobs density) which as a result has remained lower than nationally and regionally. Taking these factors into consideration results in Central Bedfordshire continuing to have a low Gross Value Added (GVA) per head (a commonly used indicator for economic performance) at £15,251 which is below the national level of £21,349.
- 1.8 Despite this, we are doing well in other areas compared to national trends. There are well over 11,500 businesses in Central Bedfordshire which are thriving and the number of businesses continues to increase year on year, with higher survival rates than both nationally and regionally and a higher than average percentage of SMEs.
- 1.9 Businesses here are performing better year on year with a continued increase in turnover overall compared to nationally and regionally which both witnessed a decline in 2012. On top of this local businesses remain optimistic about the future, with over half expecting business performance to improve over the next 12 months and over a third expecting business to remain stable.
- 1.10 With a pro growth planning policy firmly in place that enables new and existing businesses to start up and grow to support a growing population, Central Bedfordshire economy has key strengths in advanced manufacturing technologies and engineering (aerospace and defence), technical testing and analysis and freight transport. With world leading education institutions and businesses and its strategic location at the heart of England, this has attracted a number of large and diverse companies to the area including B/E Aerospace, Millbrook Proving Ground, Nissan Technical Centre, Jordans and Ryvita Company, Whitbread and Amazon. Spring 2014 will see the opening of Woburn Center Parcs which will see the creation of 2,700 jobs in the construction and operation of the new forest village.

- 1.11 Whilst Central Bedfordshire's rate of self employment is higher than England, South East Midlands Local Enterprise Partnership and East of England regions at 15.6%, there has been a continued decrease in the number of people in self employment and a decrease in business start up rate in 2012. At the same time the level of entrepreneurialism (as measured by number of businesses per 10,000 residents) has been declining and is now lower than national levels. This suggests that we need to do more to support those looking to start up their own business to maintain our strength in this area.
- 1.12 Skills shortages (when recruiting from outside the organisation) remain an issue for our local businesses with most commonly cited being job specific, customer service and communication. This has fallen since last year from 49% in 2012 to 44% in 2013, however still accounts for almost half of businesses.
- 1.13 At the same time, demand for more highly skilled occupations is forecasted to grow particularly in employment activities, professional services and business services. Attainment at most NVQ levels has fallen over the past year and we now have a higher rate people of working age with no qualifications than national and regional levels for the first time since 2006 at 9.6%.
- 1.14 Skills gaps within the existing workforce remain less of an issue with around one fifth of businesses reporting gaps. The number of people receiving job related training had fallen for the first six months of 2012 and remains below national and regional levels at 7.1% in December 2012. This indicates the need to support businesses to up skill their existing workforce to meet future skills demand for higher skilled jobs and also encourage our residents to access them.
- 1.15 Apprenticeships represent a largely untapped potential for employers as a means of addressing skills shortages however the number of apprenticeships is still relatively low in Central Bedfordshire, despite growing at a faster rate than nationally and regionally over the last year. This maybe linked to businesses continuing to report (44%) having no current business need as the main reason for not having/not considering having an apprentice. Better marketing and awareness raising of the business benefits to employers is required as is further work with schools/colleges on how this can address skills shortages reported by businesses.
- 1.16 The employment rate across Central Bedfordshire remains above the national level, however it has been decreasing in 2012 which has seen the rate fall each quarter to 74.2% in December 2012 -lower than pre-recession levels. This is in part due to more people choosing not to actively look for work (30,200) and (12,100) stay at home in December 2012. Whilst relatively low compared to nationally and regionally, the unemployment rate has been increasing during 2012 (6.3% in December 2012) in particular for women and young people with levels higher than pre-recession and there remain pockets of deprivation in parts of Central Bedfordshire.

- 1.17 At the same time, the level of young people not in education, employment or training, although lower than nationally and regionally, has witnessed a slight increase. This presents a number of challenges for both the Council and its partners. Reversing this trend is required to increase the overall number of residents in work and enabling more businesses to recruit locally.
- 1.18 The cost and provision of public transport remains a significant barrier for residents accessing the local labour market. This is particularly an issue for young people and women. The growing and significant gap between weekly earnings of residents and those that work in Central Bedfordshire may act as an additional barrier especially for women when also taking into account the cost of child care and transport. Such barriers need to be considered in the design, commissioning and delivery of interventions to support such groups to access the labour market.
- 1.19 Whilst public transport remains a barrier for some residents, location and travel connections continue to be the most highly rated by businesses when asked what is good about Central Bedfordshire as a place to do business. 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. The area occupies a strategic location in the greater South East with excellent transport links to London and surrounding centres including Cambridge, Milton Keynes, Bedford and Luton. The M1 and A1, A5, A6 and A421 all run through Central Bedfordshire creating strategic corridors (particularly the M1 and A1 corridors, which forms a part of wider nationally important connectivity corridors).
- 1.20 With this popularity, the pressures of a fast growing population and the need to address such barriers cited above, transport still remains a priority for connecting people, goods and places. The Council is investing in a number of schemes that should bring major improvements across Central Bedfordshire area and support growth plans there. This includes:
- The A5-M1 link which will comprise of a two-lane dual carriageway from the M1 at a new junction 11A, to the north of Luton, connecting with the A5 north of Dunstable.
 - Woodside Link: providing a new road that will connect Houghton Regis and the industrial estates in Dunstable to the planned new junction 11a (between existing junctions 11 and 12) on the M1 north of the town.
 - Dunstable Guided Busway will open in Autumn 2013. This will provide a 13km long track running between Houghton Regis, Dunstable, Luton and London Luton Airport making it the second longest urban bus way in the world.
 - Measures to reduce congestion and delays at the Black Cat Roundabout on the A1 at its junction with the A421 should also improve movement of goods and labour in the area.
 - Roll out of superfast broadband across Central Bedfordshire to at least 90% of residents and businesses should also enable more residents to start up and work from home and access services.

- 1.21 Although our town centre vacancy rates remain relatively low with the exception of Dunstable, Central Bedfordshire does have high level of retail (comparison) and leisure spend leakage to surrounding areas such as Luton, Bedford and Milton Keynes. This is no surprise given there are no regional level retail centres in the area and high levels of competition in neighbouring areas. The high level and viability of secondary retail town centres is being challenged across the whole country. Improvements to our town centres are underway as a Council priority to encourage residents to spend more locally. Keeping our town centres vibrant and valued is critical in order to ensure services provided are local, accessible and sustainable.
- 1.22 Central Bedfordshire still is a strong performing economy; however the past year has witnessed a fall in a number of key economic indicators. This necessitates further work to increase the rate of jobs growth, business start ups, supporting existing business to grow and attracting more inward investment and supporting residents to access local job opportunities
- 1.23 Since the publication of the Local Economic Assessment 2012, more power, decision making and public funding has been devolved to the Local Enterprise Partnerships. Central Bedfordshire Council has played a key role in forging new partnerships both with South East Midlands Local Enterprise Partnership (SEMLEP), local partners and key government departments to ensure that our priorities on local economic growth and challenges the local economy face, as described in the LEA, are listened to and addressed particularly in light of SEMLEP's responsibility for allocation of EU funding and requirement to produce a Single Investment Strategy for the whole LEP area by 2014/15.
- 1.24 This shift in the balance of power and responsibility for economic growth to a regional level will require the Council to continue to be proactive in shaping plans for economic growth in order to enable Central Bedfordshire to fully realise its economic potential.

SWOT Analysis

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

Strengths

- Diverse and relatively resilient economy with strengths in advanced manufacturing technologies and engineering (aerospace and defence), technical testing and analysis and freight transport and home to many household name employers.
- World leading education institutions, supporting skills development at all ages and specialisms in growth sectors, innovation and R&D.
- High business survival rates and continued high levels of business turnover and self employment rates.
- Relatively high levels of employment, including an above average proportion of high level managerial and professional occupations, and relatively low levels of overall unemployment.
- Strategic location, with strong transport links including access to London, Luton airport, strategic highways network and strong north/south rail and road links.
- Attractive surroundings and natural environment valued by businesses and the wider community and generating significant economic opportunity enhanced by world class attractions such as Woburn Abbey and Safari Park, Whipsnade, Chiltern Downs and many historic buildings and rich heritage.

Weaknesses

- Our rate of job creation is half of the aspired annualised rate required to meet our Development Strategy target of 27,000 jobs by 2026.
- Businesses continue to report skills shortages within the workforce as a major issue.
- Falling level of entrepreneurialism and business start ups.
- Nearly a third of our working age residents commute elsewhere to work often to better paid work that is reflected in the difference in earnings between those who live in Central Bedfordshire and those who work in the area but live elsewhere, and in a low level of GVA.
- Relative affluence and low unemployment levels of the area masks pockets of deprivation in both urban and rural areas which have not improved.
- Accompanied with high levels of female and youth unemployment and unemployment hotspots in some areas.

Opportunities

- Plenty of land and great assets to grow the area's economic potential, delivering sustainable economic growth with positive business growth policies shaping long term population and economic growth via our Development Strategy.
- High forecasted jobs growth in employment activities, professional services, arts and entertainment, tourism and business services.
- Major public and private sector investment in local infrastructure including roads, rail, air and the roll out of super fast broadband.
- Town Centre regeneration programmes progressing to enhance town centres and retain local spend from planned new housing growth and ensuring that they thrive and serve the existing and new communities well.
- Activity focusing on employer engagement and taking a pro growth approach is helping businesses to grow and locate in our area as part of the wider South East Midlands Local Economic area.
- Devolution of government resources to Local Enterprise Partnerships and a new EU funding round enabling the Council to shape and influence these to meet local economic needs.

Threats

- Ongoing uncertainty over wider macroeconomic conditions, including decreasing access to public funding and ongoing concerns over the availability of private financing.
- Continued pressure and pace of the residential development outstripping the demand and investment return for commercial development resulting in local jobs lagging behind population growth, more commuting and less choice to live and work locally.
- Unemployment levels for some groups and in some areas in Central Bedfordshire continue to remain above historical levels. Coupled with increasing numbers of working age people choosing not to actively seek work.
- Falling local skills attainment and persistent skills gaps affecting future competitiveness of local companies with the need for more local small businesses to invest in training to meet high reported skill shortages in the workforce.

Introduction

Introduction

- 2.1 A key priority in the Council's Medium Term Plan 2012-2016 is enhancing the local community through job creation, managing growth, enabling businesses to grow and communities to prosper. With the continued pressure on public spending it is important that we have in place a robust, market led local economic assessment that ensures our interventions are evidence based and respond to market failures within the local economy.
- 2.2 The 2013 Local Economic Assessment (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 and how we compare nationally, East of England and against the South East Midlands Local Enterprise Partnership (SEMLEP) area. 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.
- 2.3 Central Bedfordshire Council's Economic Growth, Skills and Regeneration Team consulted extensively with other teams across the Council and with partners whose works impacts upon issues the LEA covers. By working closely with them in shaping the development and production of the LEA 2013 we have ensured that it reflects the much wider economic issues affecting the local labour market, businesses and communities.

The Economic Development Plan

- 2.4 The Economic Development Plan (EDP) provides the framework to support sustainable economic growth in Central Bedfordshire and outlines nine key work streams 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.
- 2.5 There are four priority themes in the Economic Development Plan:
 - Supporting businesses to grow and thrive
 - Providing a range of land and premises
 - Getting our residents into work
 - Increasing our supply of skilled people
- 2.6 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 continue to be produced as more regular updates on the indicators.

2.7 The monitoring indicators are:

- **Number of people in employment**

This stands at 122,600 people aged 16-64 and increases to 126,200 when taking into account all people over the age of 16. The rate of people in employment aged 16-64 fell each quarter during 2012 and in December was lower than East of England and South East Midlands Local Enterprise Partnership but above England. However, we were slightly below our target of 5 % points above the national rate at 74.2% compared to 70.9%.

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

There are 11,860 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 high albeit lower than previous year at 79.2% in December 2012. It is higher than nationally however lower than East of England and South East Midlands Local Enterprise Partnership regions.

- **Number of People in apprenticeships**

There were 1,960 apprenticeship starts at all levels in the 2011/12 academic year. This is an increase of 330 people, or an increase of 20.3% from the previous academic year. Since 2009/10 there has been a 90.3% increase in apprenticeship take up in Central Bedfordshire.

2.8 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.

2.9 The Economic Development Plan (EDP) has now been implemented and in January 2013 we carried out a review of the EDP and its key achievements during its first year of implementation. Key achievements include:

- Producing a New Single Draft Development Strategy that provides the spatial framework for delivering 27,000 new jobs by 2031.
- Secured funding and starting to deliver A5-M1 link road and the Woodside Connection to support the long term regeneration and growth of the Dunstable and North Houghton Regis area.
- Successful launch of the Business Timebank and a business key account management structure with specific focussed business support for some of our fastest growing companies.
- Supporting specific groups in some of the most deprived areas to tackle multiple barriers to work, training and further education through European Social Fund and European Regional Development funded programmes as well as other initiatives such as our Work Clubs across the area.
- Secured funding for the rollout of superfast Broadband to businesses and residents and accelerated the activation and improvement of a number of exchanges across the area.
- Worked proactively through South East Midlands Local Enterprise Partnership (SEMLEP) and with private sector investors and other partners to ensure economic needs of Central Bedfordshire are promoted and addressed.
- Adoption of the All Age Skills Strategy to support our strategic commissioning of services and with key partners to influence and lead local provision for education, training and employment support including the review of the Adult and Community Learning Service.

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, employment or training (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 South East Midlands Local Enterprise Partnership (SEMLEP) area where data is available. Where relevant we also make comparison with our neighbouring authorities, Bedford, Luton and Milton Keynes.
- 2.12 Local Enterprise Partnerships (LEPs) have been established since October 2010 and are led by businesses and local authorities across natural economic areas working together to provide the vision, knowledge and strategic leadership needed to drive sustainable private sector growth and job creation in their area. As of July 2013, there were 39 LEPs in England. Central Bedfordshire is part of SEMLEP which brings together businesses, universities and colleges, community groups, social enterprises and local government.
- 2.13 Over the past year the government made a series of announcements as part of its comprehensive spending review that will result in more funding and powers being devolved to the LEPs. This includes a requirement to develop and implement a strategic plan for local growth, responsibility for the allocation and management of EU Growth Programme funds and devolving the Local Growth Fund to Local Enterprise Partnerships through the new Growth Deals. The Fund is expected to be operational by April 2015 and will be based on LEPs having in place multi year strategic economic plans.

Methodology

- 2.14 Data for the LEA has been gathered from a range of external sources, mainly the Office for National Statistics and Government Departments. This is supplemented by primary research and qualitative data from other external sources and from our partners across Central Bedfordshire providing evidence of issues affecting different sectors, businesses and communities they work with or represent. Interviews took place with a number of key partners to ascertain their views and a detailed business survey with just under 300 local businesses was also undertaken to inform the LEA. We also commissioned research examining barriers to the labour market faced by specific groups including women and young people to enhance our understanding of issues affecting these groups and others.
- 2.15 Close working with colleagues across Central Bedfordshire Council and external partners 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.
- 2.16 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

- 2.17 This LEA research was conducted within the wider context of a fragile UK economy that witnessed the economy grow by 0.3% in the first three months of 2013 which means it avoided a triple dip recession. This is largely due to strong growth in the services sector and recovery in output by off shore oil and gas in the first quarter of 2013. Industrial output rose 0.7% between February to March 2013 with manufacturing output rising by 1.1%.
- 2.18 However the construction sector saw output fall by 5% in the first three months of 2013. According to recent Business Confidence Monitor results, business confidence has improved and is at its highest since 2010 with confidence improving across all sectors and parts of the country. This is despite a continued and deepening crisis in the euro zone and unemployment soaring in some euro zone countries such as Spain to around 27%. However the findings also highlighted that plans for growth in business investment were weak.
- 2.19 The Consumer Prices Index (CPI) remained at 2.8% in February and March 2013. This is a 0.1% point increase on the previous quarter's rate. This upward trend is largely due to an increase in prices for audio-visual equipment and books, newspapers and stationery. The largest downward contributions came from furniture and furnishings, motor fuels and meat.
- 2.20 The rate of Retail Prices Index (RPI) inflation increased to 3.3% in March 2013 from 3.2% in February 2013.
- 2.21 Average earnings rate of growth in the year to March 2013 was 0.4% and is at its lowest since 2009. This compares to a rate of 0.8% in the year to February.
- 2.22 The Bank of England has maintained the size of its asset purchase programme (Quantitative Easing) at £375 billion and the level of Bank Interest Rate at 0.5%. The Bank of England has also recently revised its growth forecasts upwards for the UK Economy to 0.5% for the second quarter of this year with inflation rate expected to drop to its target of 2% in the next two years.
- 2.23 Public sector net borrowing was £15.1 billion in March 2013; this is £1.6 billion lower net borrowing than in March 2012, when net borrowing was £16.7 billion. Public sector net debt was £1,185.8 billion at the end of March 2013, equivalent to 75.4% of gross domestic product (GDP).

Demography

Demography

Key Issues

- Population of Central Bedfordshire is 254,400.
- Increased at a faster rate than nationally at 8.9% since last census and growth expected to continue, with a 12.4% increase forecast or increase of 31,700 people by 2021.
- Population growth will be highest in the 65+ age group – 35% growth to 2021.
- Relatively low levels of diversity – 93.8% of population is white.
- Relatively low levels of migrant workers.

Population

- 3.1 The population of Central Bedfordshire was 254,400 at the 2011 Census. 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 (8.5%) and national (7.9%) levels.

Table 1: Population of Central Bedfordshire, estimates by age and gender, 2011

Age	Male	Female	All
0-15	25,400	24,400	49,800
16-64	82,300	82,400	164,700
65+	18,400	21,500	39,900
Total	126,000	128,300	254,400

Source: Office for National Statistics, 2011 Census, Table DC2101EW, Ethnic group by sex by age. 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 in size to large cities such as Reading, Plymouth, Derby and Southampton, and larger than neighbouring local authorities Bedford, Milton Keynes and Luton.
- 3.3 Central Bedfordshire has the same percentage of working age people within its population (64.8%) compared to England as a whole, although this is higher than the figure for the East of England (63.5%).
- 3.4 Central Bedfordshire is the 17th largest unitary council in England by population size and 11th largest unitary council by area.

3.5 The largest settlements in Central Bedfordshire are highlighted below:

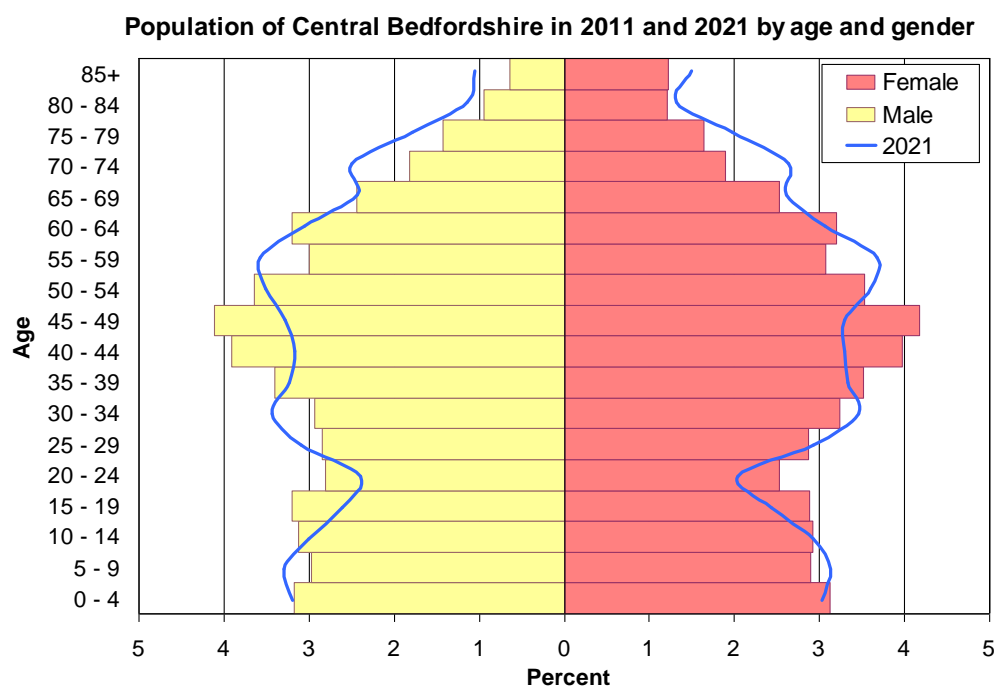
Table 2: Largest settlements, Central Bedfordshire

Town	Population Estimate 2011 Census
Leighton Linlade	37,470
Dunstable	36,250
Houghton Regis	17,280
Biggleswade	16,550
Flitwick	13,000
Sandy	11,660

Source: Office for National Statistics, 2011 Census, Table QS104EW
 Link to Ward profiles for further information on Central Bedfordshire's communities: <http://www.centralbedfordshire.gov.uk/council-and-democracy/local-government-in-central-bedfordshire/statistics-and-census-information/default.aspx>

3.6 The chart below shows how the profile of the population is expected to change between 2011 and 2021.

Chart 1: Mid Year Population Estimates 2011 and 2021



Sources: Office for National Statistics, Mid Year Population Estimates 2011 and Central Bedfordshire Council, Popgroup population forecasting model, 2011

- 3.7 Between 2011 and 2021, the total population of Central Bedfordshire is forecast to increase by 12.4%.

Table 3: Summary of Population Change in Central Bedfordshire, 2011-2021¹

	2011	2021	% change
0-15	49,800	56,700	13.9%
16-64	165,500	176,200	6.5%
65+	40,300	54,400	35.0%
Total population	255,600	287,300	12.4%

- 3.8 The biggest proportionate increase in population, however, is in the number of people aged 65 and over. This is forecast to increase by approximately 35% between 2011 and 2021. It is important to note the impact this will have on the labour market as the retirement age is raised and people continue to work for longer.

Ethnicity

- 3.9 An estimated 10.3% of people in Central Bedfordshire were from ethnic minority communities in 2011. This has increased from 6.1% in 2001. The largest of these groups are White Other (not White British, White Irish, or Gypsy or Irish Traveller, 2.8%); White Irish (1.2%), and Indian (1.0%). There is also some variation by age group: young children (0-9), and younger adults (20-39) have higher proportions of people from ethnic minority groups, while the proportions for older teenagers (15-19) and older adults (40+) were lower.

¹ Figures are rounded to the nearest hundred, so may not sum exactly to total
Sources: Office for National Statistics, Mid Year Population Estimates 2011 and Central Bedfordshire Council, Popgroup population forecasting model, 2011.
Note: These forecasts were produced in May 2013 using the latest information available at the time. They used the 2011 Mid Year Population Estimates as their base year rather than the 2011 Census.

Table 4: Central Bedfordshire population by ethnic group 2011

Ethnic group	Total	
	000s	%
White	238.7	93.8%
Mixed	4.8	1.9%
Asian or Asian British	6.4	2.5%
Black or Black British	3.6	1.4%
Other ethnic group	0.9	0.3%
Total	254.4	

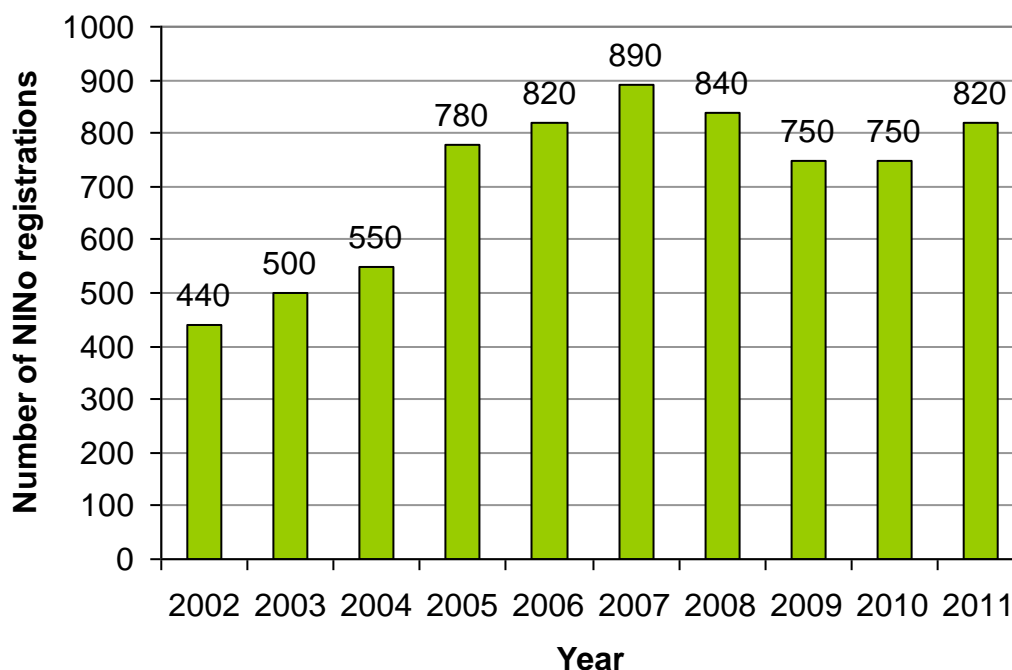
Source: Office for National Statistics, 2011 Census, Table QS201EW, Ethnic group. Figures are rounded to the nearest hundred, so may not exactly sum to total

- 3.10 The wards with the highest proportions of people from minority ethnic groups (groups other than White British) are Parkside (22.3%), Tithe Farm (19.3%), Dunstable Icknield (19.1%) and Cranfield and Marston Moretaine (18.7%).
- 3.11 Just two wards had individual minority groups comprising more than 5% of their population. These were Other White (not White British, White Irish, or Gypsy or Irish Traveller) in Cranfield and Marston Moretaine (5.1%), and Black African in Parkside (5.8%).

Migrant workers

- 3.12 Migrant workers from all countries are required to apply for a National Insurance Number (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. It should be noted that this data only records workers **at the time they apply for a NINo**, and does not show how many workers stay in an area (or in the UK) after their NINo registration.
- 3.13 As the chart below shows, there was a notable increase in the number of migrant workers (from all countries) entering Central Bedfordshire in 2005, following the accession of 12 countries to the European Union (mostly in Eastern Europe). The number of migrant workers reached a peak in 2007, but has remained around 800 workers a year. (Source: Department for Work and Pensions, NINo Registrations to Adult Overseas Nationals entering the UK, Registrations to March 2012, published August 2012)

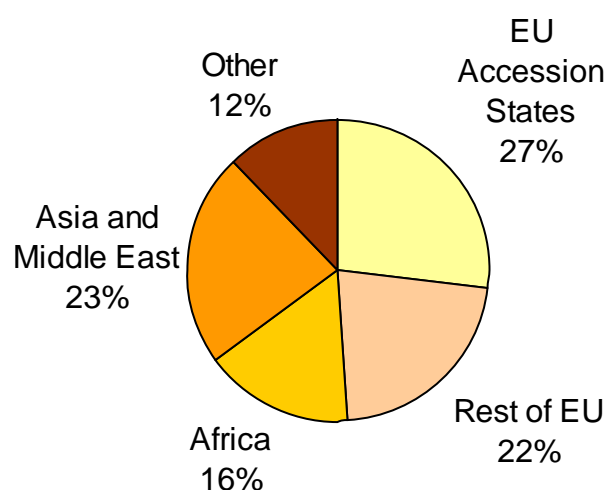
Chart 2: NINo registrations to adult overseas nationals Central Bedfordshire 2002-2011



Source: Department for Work and Pensions, NINo Registrations to Adult Overseas Nationals entering the UK, Registrations to March 2012, published August 2012.

3.14 In 2011, around half of all new migrant workers came from the EU, with around a quarter from the Middle East and Asia. This is similar to the proportions seen each year.

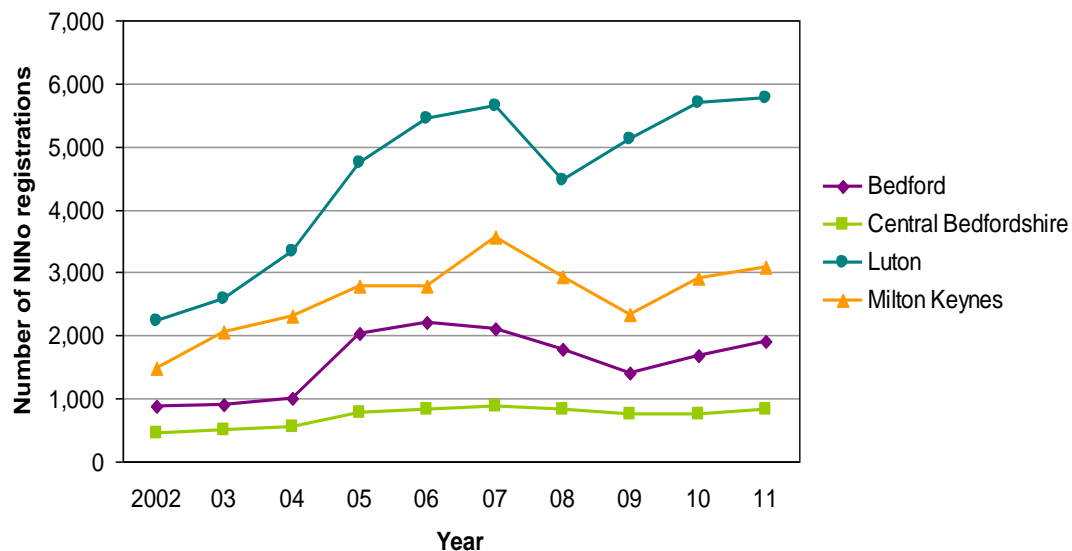
Chart 3: NINo Registrations to Adult Overseas Nationals entering the UK, Registrations to March 2012



Source: Department for Work and Pensions, NINo Registrations to Adult Overseas Nationals entering the UK, Registrations to March 2012, published August 2012.

3.15 The increase in migrant workers in 2005 was seen across all local authorities. The chart below shows registrations in Central Bedfordshire and our neighbouring authorities, and highlights the higher level of NiNo registrations in surrounding areas, compared to those in Central Bedfordshire.

Chart 4: NiNo registrations 2002-2011, Central Bedfordshire and neighbouring authorities

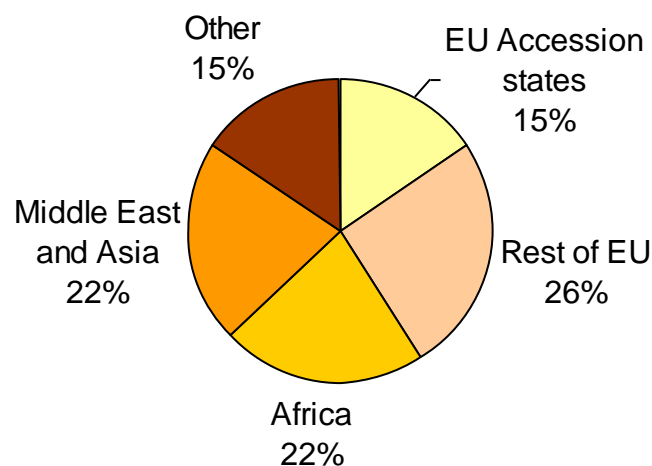


Source: Department for Work and Pensions, NiNo Registrations to Adult Overseas Nationals entering the UK, Registrations to March 2012, published August 2012

3.16 While the NiNo data shown above tells us about who is arriving to work in the UK each year, data from the 2011 Census can show us where people who are working in the UK were born. This gives us some understanding of the numbers of people who continue to stay and work in this country, regardless of when they arrived. However, it should be noted that this data does not include analysis of how long people have been resident in the UK (other than to exclude short term migrants – those staying less than 1 year).

3.17 At the 2011 Census, there were around 12,100 economically active people in Central Bedfordshire who were born outside the UK. As with the NiNo data, the biggest proportion of these were from other EU countries (although a smaller proportion were from the EU Accession states), with similar proportions from Africa, and the Middle East and Asia.

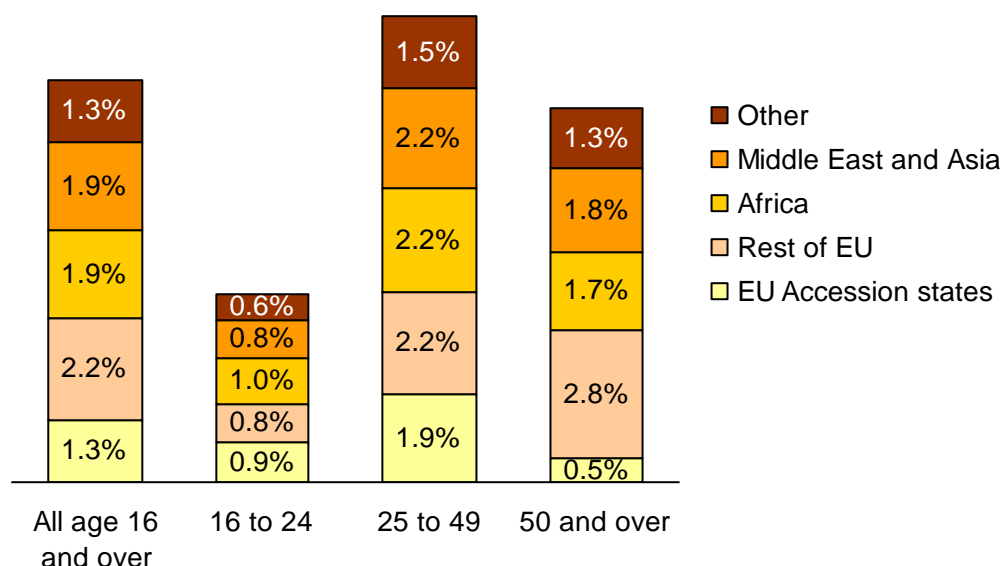
Chart 5: Economic activity by country of birth



Source: Office for National Statistics, 2011 Census, Table DC6203EW, Economic activity by country of birth by sex by age

3.18 Overall, people born outside the UK comprise 8.6% of the total economically active population, ranging from 4.0% for 16 to 24 year olds, to 10.0% for 25 to 49 year olds. The proportions of people coming from each age group were relatively similar, although as we would perhaps expect, people aged 50 and over were more likely to be from the older EU states, rather than the newer Accession States.

Chart 6: Country of birth (area) by age group, all economically active people aged 16 and over



Source: Office for National Statistics, 2011 Census, Table DC6203EW, Economic activity by country of birth by sex by age

Places

Place

Key Issues

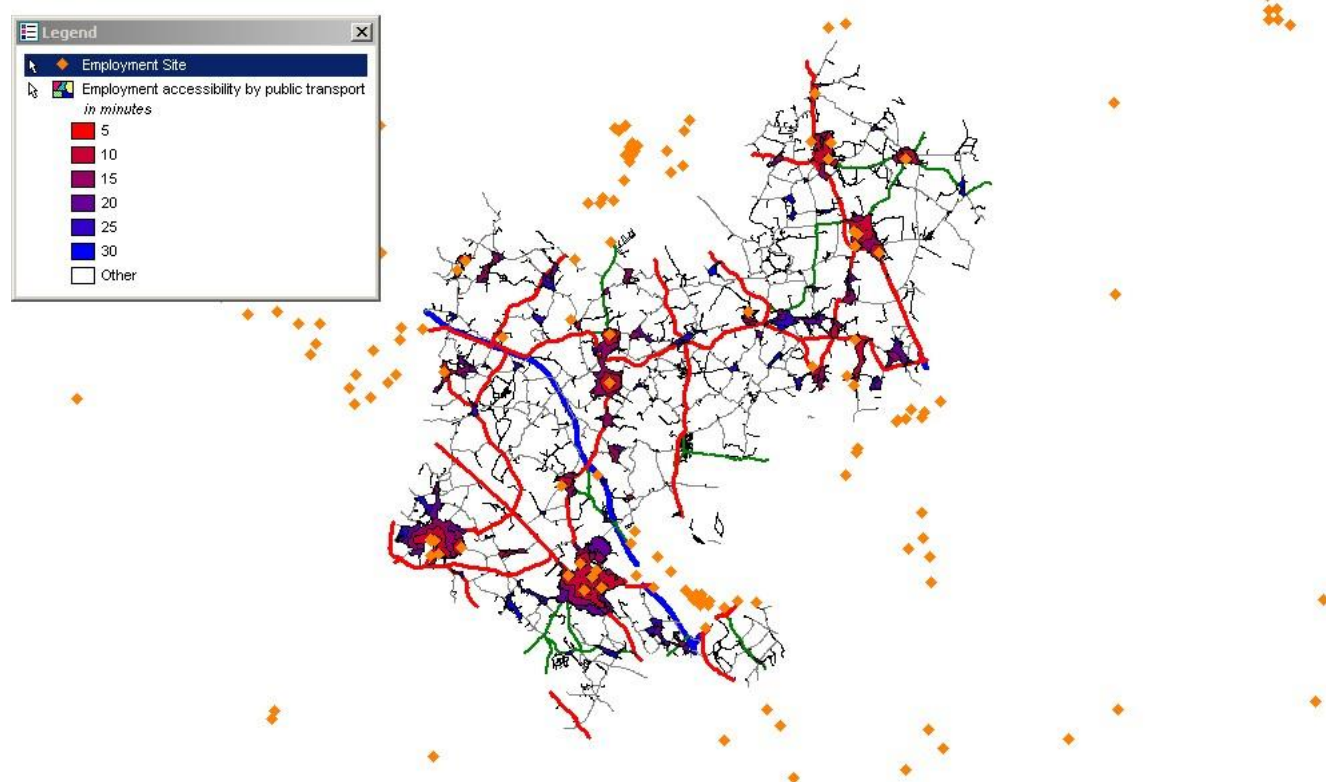
- Strategic location at the heart of England with investment in major transport schemes such as the A5-M1 Link, Woodside Link and East West Rail. However, there remains an ongoing need for enhanced infrastructure to facilitate future growth.
- Central Bedfordshire has seen a reduction in the rate of growth of new commercial floorspace. Development continues to proceed at a faster rate in North Central Bedfordshire compared to South central Bedfordshire, albeit there are well developed significant plans for a range of new strategic employment sites as part of the urban extensions in the South of central Bedfordshire, including Sundon Rail Freight, North of Houghton Regis, North of Luton and East of Leighton Buzzard.
- Potential need to consider how to increase the take up and performance of the B1 office market, reflecting a higher number of commercial deals in the industrial, distribution and retail sectors and the importance of the B1 market in support of future jobs growth aspirations.
- Ongoing high levels of comparison retail spend leakage to surrounding areas (77%), highlighting the importance of the continued enhancement of Central Bedfordshire's town centres.
- Relatively low levels of retail vacancies in Central Bedfordshire, though Dunstable remains the centre with the highest level of town centre vacancies.
- Falling levels of vacant commercial premises as measured by National Non Domestic rates.
- Above or comparable access to higher broadband speeds compared to national averages.
- Some areas of poor broadband speed and coverage.
- House prices rising slower in Central Bedfordshire relative to national levels, though prices still remain higher over all.
- Central Bedfordshire's attractive surroundings and natural environment continue to be rated as a key aspect for businesses in the area year on year.

- 4.1 EDP monitoring – 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:
- Change in commercial floor space stock
 - High street vacancy levels

Connectivity

- 4.2 Central Bedfordshire Council occupies a strategic location in the greater South East with excellent transport links to London and surrounding centres including Milton Keynes, Bedford, Luton and Hertfordshire. The M1 and A1, A5 and A6 all run through Central Bedfordshire creating strategic corridors (particularly the M1 and A1 corridors, which are part of wider nationally important connectivity corridors). The bus network also offers another form of public transport which serves a large part of the population and fosters inter-connectivity between settlements within Central Bedfordshire but also out to Bedford, Luton and Milton Keynes
- 4.3 In terms of rail connections, London, the Midlands and the North can be accessed via the West Coast Mainline, East Coast Mainline and the Midland Mainline, whilst the Marston Vale Line between Bedford and Bletchley, which is primarily a local passenger service and is the only east-west rail connection. The line is due to be upgraded with new services between Bedford and Oxford operating by 2017 with the line electrified by 2019 as part of a £550m East-West Rail improvement scheme.
- 4.4 With regard to more local connectivity, commercial bus services operate between the larger settlements in and around the authority and are supplemented by services subsidised by the authority to help incorporate the smaller towns and villages in the rural parts of Central Bedfordshire into the network.
- 4.5 The ability of local employment sites to be accessed by public transport provision is an important measure of connectivity and some 86% of households across Central Bedfordshire are within 30 minutes travel time to the nearest employment site by public transport as illustrated in Figure 1 below.
- 4.6 Walking and cycling links complete the local transport network and provide vital cogs in the wheel to ensure the area is well connected. The authority is making increasing efforts to increase the priority given to pedestrians and cyclists on local roads and such measures particularly help to cater for local residents without access to a car.
- 4.7 Taking into account this provision modal split of journeys to work by car in 2012 was slightly lower than that in 2010, and this is highlighted in Table 1 below.

Figure 1: Accessibility of employment sites by public transport



- 4.8 In the 2013 Central Bedfordshire's Business Survey, travel aspects are the most positively cited aspects of Central Bedfordshire as a business location, which is consistent with the findings from 2012 and 2011. The highest ratings were for the strategic road network (78% rated as good), rail network (69% rated as good), airport access (67% rated as good) and the local road network (54% rated as good). However, relatively low ratings were received for public transport with 34% rating it as good.

Table 1: Modal Split of Journeys to Work

Mode	2010	2012
Car	75%	71%
Car (as passenger)	2%	5%
Walk	11%	11%
Bus	2%	6%
Train	6%	6%
Cycle	3%	1%

Source: Central Bedfordshire Householder Travel Survey 2012 (based upon 1,050 responses)

Change in Commercial Floorstock

- 4.9 Data from the Central Bedfordshire Annual Monitoring Report ² highlights that in the 2011-2012 period there was a total development of new commercial floor space (defined as planning use class A1-5 retail, B1 office, B2 industrial, B8 office and D2 leisure) of 10,518 square metres (sqm) (113,215 square feet). Over the same period there were 3,565sqm (38,373 square feet) of losses of commercial floor space. This leaves a net level of completions 6,953 sqm (74,841 square feet). This is a reduction from the previous year which witnessed a larger than average completion of commercial floor space of gross of 29,856 sqm (net 12,596 sqm). However this was balanced to some extent with a significant amount of floor space losses. A large proportion of the high gross figure in 2010/11 comes from a single site which accounted for 9,663sqm on its own which related to a Lawful Development Certificate for Existing B1 uses at the former Silsoe Research Institute, Wrest Park, Silsoe (now Wrest Park Enterprise Centre). It was therefore not a new completion. In comparison there were no sites of this size completed in 2011/12, the largest being 3,070sqm.
- 4.10 Reflecting the need to minimise the impact on the environment of new development, 76.5% of commercial development was on previously developed land. This is a fall from 2010-11 performance. Only 6 commercial developments in 2011-12 were on Greenfield land.
- 4.11 The largest gains were in the B1 (general office), and B8 (warehouse). There was a growth in the level of B2 Industrial of almost 1900sqm (20,450sq.ft). By comparison the largest losses were in the B1, D2 and A1 uses, as shown in Table 2 below. In terms of development location some 83% of new development was in the North Central Bedfordshire area (8,749 sqm) compared to 17% (1,769 sqm) in South Central Bedfordshire. In comparison 71% of losses were in South Central Bedfordshire. This is in line with trends from 2010-11, though the proportion of losses has increased in South Central Bedfordshire.

² <http://www.centralbedfordshire.gov.uk/planning/strategic-planning/monitoring.aspx>

Table 2: Commercial floor space change

Use Class ³	Gains (SqM)	On BF (SqM)	Losses (SqM)	Loss To Residential (SqM)	Net (SqM)
A1	579.25	579.25	863.3	0	-284
A2	520	100	70	0	450
A3	863.7	863.7	0	0	864
A4	0	0	0	0	0
A5	119	119	32	0	87
A+	58	58	0	0	58
B1a	2939	2393	1354.5	389	1,585
B1b	0	0	0	0	0
B1c	630	570	100	0	530
B2	1894	1894	0	0	1,894
B8	2252	883	0	0	2,252
B+ General	0	0	245	0	-245
D2	663	203	900	0	-237

4.12 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>

³ The Town and Country Planning (Use Classes) Order 1987 (as amended) puts uses of land and buildings into various categories known as 'Use Classes'. For a full list of use classes, please visit: <http://www.planningportal.gov.uk/permission/commonprojects/changeofuse/>

Commercial Property Market

4.13 Data from the EGI property database, highlights that in 2012-13 there were 164 commercial property deals. These include both premises and land. Within Central Bedfordshire, Dunstable, Houghton Regis and Leighton Buzzard accounted for the majority of deals, reflecting the higher level of commercial premise stock in these areas.

Table 3: Commercial property deals location

Location	% of Commercial Property Deals
Arlesey	1.8%
Biggleswade	13%
Dunstable and Houghton Regis	46%
Henlow	1%
Leighton Buzzard	20%
Sandy	14%
Shefford	4%
Arlesey	1.8%

Source: EGI database

4.14 Of the deals completed for premises in Central Bedfordshire, 47.5% were industrial commercial and distribution, 22.5% were for offices and 30% were for retail. This highlights the continued dominance of the industrial, commercial and distribution sectors in the Central Bedfordshire property market and the need to develop the B1 sector in Central Bedfordshire.

4.15 Reflecting the Council's Draft Development Strategy ambitions to support the creation of 27,000 new jobs by 2031, it will be important for Central Bedfordshire to ensure that all aspects of the commercial property market are highly performing. The Council has initiated a research project to identify the performance of the office market in the area, which is considered to be a major driver of future jobs growth.

Rental levels

4.16 The highest achievable office rental values in the area are around £15-16/sqft (£161 – 172/sqm). This is significantly lower than the £20/sqft which was being received 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.

Table 4: 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

Non Domestic Property Vacancy Rates

4.17 Data on the level of vacancies for non domestic rates (27.01.12) indicates a vacancy rate for Central Bedfordshire of 11.4%. This is a 0.8% point reduction from 2012. Further analysis by number of vacant units in the area highlights particular hot spot areas: Dunstable (177), Leighton Linslade (88) and Biggleswade (52).

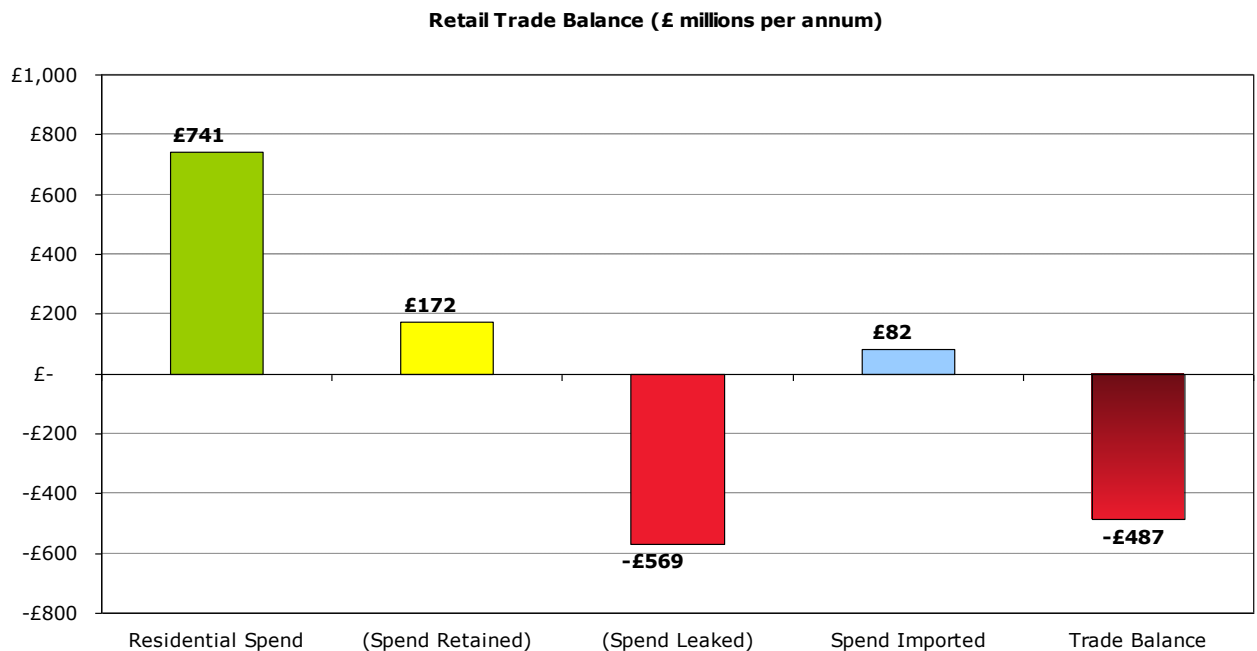
Retail

4.18 Central Bedfordshire has a mixture of market towns, retail centres and rural retail centres, offering a range of leisure and retail facilities. It is a Council priority to support the area's centres to thrive, and the Council is working on a range of masterplans, site development briefs and town centre regeneration projects in Dunstable, Leighton Buzzard, Biggleswade, Flitwick and Houghton Regis.

4.19 When considering retail spend, £172m is spent by Central Bedfordshire residents on comparison goods in centres within Central Bedfordshire. This compares to £569m in centres outside the region. This gives a leakage of 77%. This has increased from 74% in 2011. Conversely, £82m is spent within Central Bedfordshire on comparison goods by residents from outside the region. This has risen from £66m in 2011.

4.20 The balance of trade in Central Bedfordshire on comparison goods spend is -£487m, with seven times as much money leaving Central Bedfordshire, than coming into the region as shown below

Chart 1: Retail flows



- 4.21 Central Bedfordshire loses £569m a year to centres outside of the region. This indicates that there are many strong centres just outside Central Bedfordshire, which are attracting residents of the region. Milton Keynes pulls in the highest amount of spend from Central Bedfordshire residents (£207m), totalling 28% of the areas total spend. There are also significant losses to Luton, Bedford and Central London.
- 4.22 Centres within Central Bedfordshire attract £82m from residents outside the region. Dunstable and Dunstable - Luton Road make up the vast majority of this, with 48.8% of Dunstable - Luton Road's spend coming from outside the region.
- 4.23 When considering leisure spend £154m is spent on eating and drinking out by Central Bedfordshire residents in centres within Central Bedfordshire. Only £101m is spent in centres outside of the region. This equates to a regional leakage of 40%. £69m comes into Central Bedfordshire from centres outside of the region, accounting for almost a third of all on-trade spend. The balance of trade is -£32m (13% of residential spend), with around one and a half times more money leaving Central Bedfordshire than entering it.
- 4.24 40% of the leisure spend in Central Bedfordshire leaks to leisure destinations outside of the region. This indicates that there is a significant amount of competition pulling residents out of the area. This is not anywhere near as high as the levels seen for comparison spend in the retail balance of trade.
- 4.25 When comparing retail and leisure spend, it can be seen that Central Bedfordshire centres perform significantly better in terms of leisure spend than retail spend.

- 4.26 Of the £69m imported spend on eating and drinking out, Dunstable is responsible for 45% and Leighton Buzzard for 28%. Both of these have over a third of their total spend coming from centres outside of Central Bedfordshire.
- 4.27 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 Dunstable remains the town with the largest number of vacant retail units, but has seen a slight decrease in the vacancy rate over the year. Flitwick witnessed the largest reduction in vacancies over the year. Conversely both Shefford and Biggleswade have witnessed an increase in vacancies during the year.

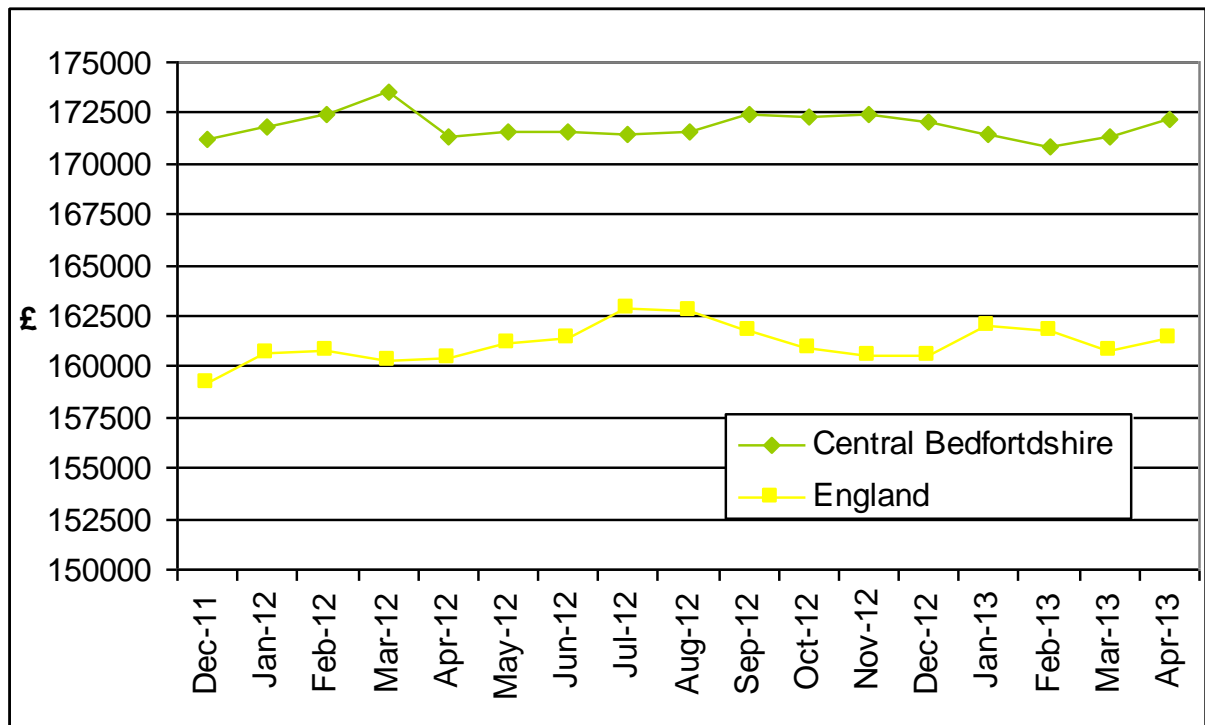
Table 5: Town centre vacancies % in Central Bedfordshire, April 2012-May 2013

	Apr-12	Jul-12	Oct-12	Feb-13	May-13	Change % points
Ampthill	5.6	6.7	7.8	4.4	4.4	-1.1
Arlesey	0.0	0.0	0.0	0.0	0.0	0.0
Biggleswade	4.9	6.9	7.6	4.9	6.9	2.1
Dunstable	17.7	16.9	17.3	18.4	16.1	-1.6
Flitwick	7.7	5.1	5.1	10.3	2.6	-5.1
Houghton Regis	0.0	0.0	3.8	0.0	0.0	0.0
Leighton Buzzard	5.4	6.9	5.9	7.8	5.4	0.0
Sandy	4.7	3.1	6.3	0.0	3.1	-1.6
Shefford	5.0	5.0	7.5	7.5	7.5	2.5
Stotfold	0.0	0.0	0.0	0.0	0.0	0.0
Total	8.6	9.0	9.5	9.2	8.2	-0.4

House Prices

- 4.28 The average house price in Central Bedfordshire in April 2013 was £172,153. (Source HM Land Registry). This has increased by £841 (0.5%) since April 2012. The average house price in Central Bedfordshire is some 6.6% higher than the average for England overall. However, over the last year the average house price increased slightly faster in England (0.68%).

Chart 2: Change in house price



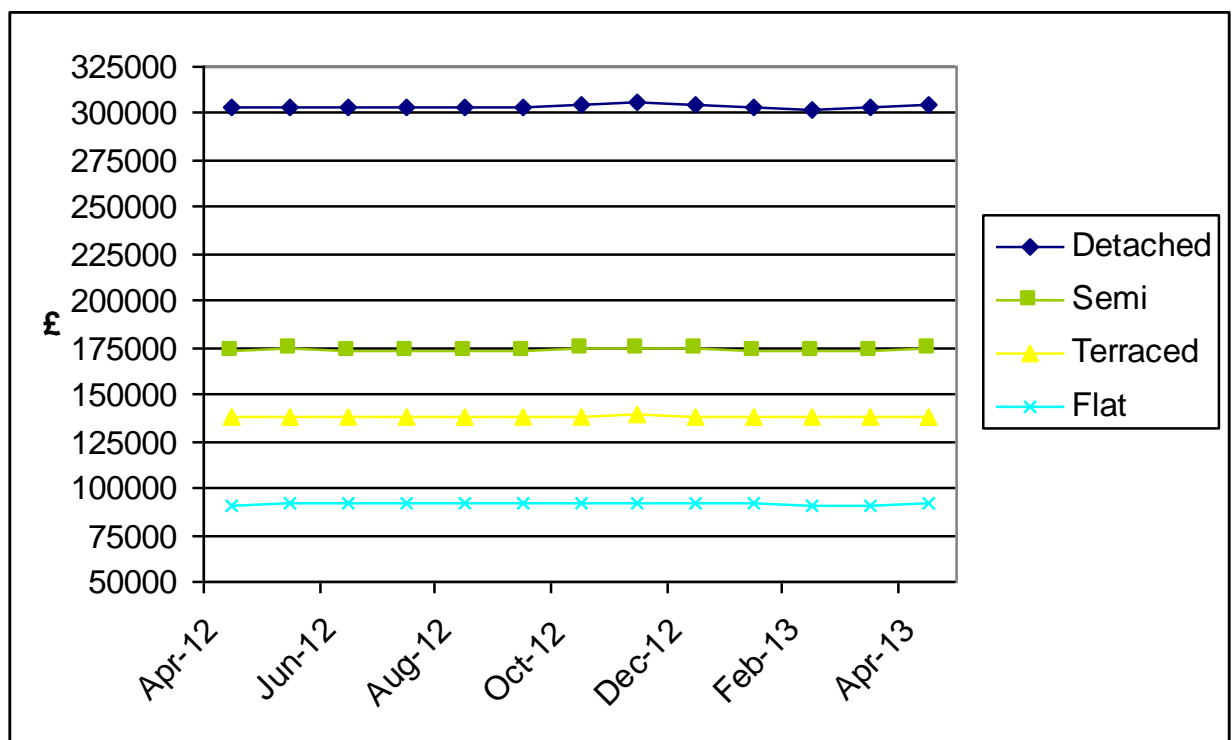
Source: HM Land Registry

Table 6: Average price of property type in Central Bedfordshire.

House type	Price £ In April 2013
Detached	304,943
Semi Detached	174,546
Terraced	138,590
Flat/ Maisonette	91,711

Source: HM Land Registry

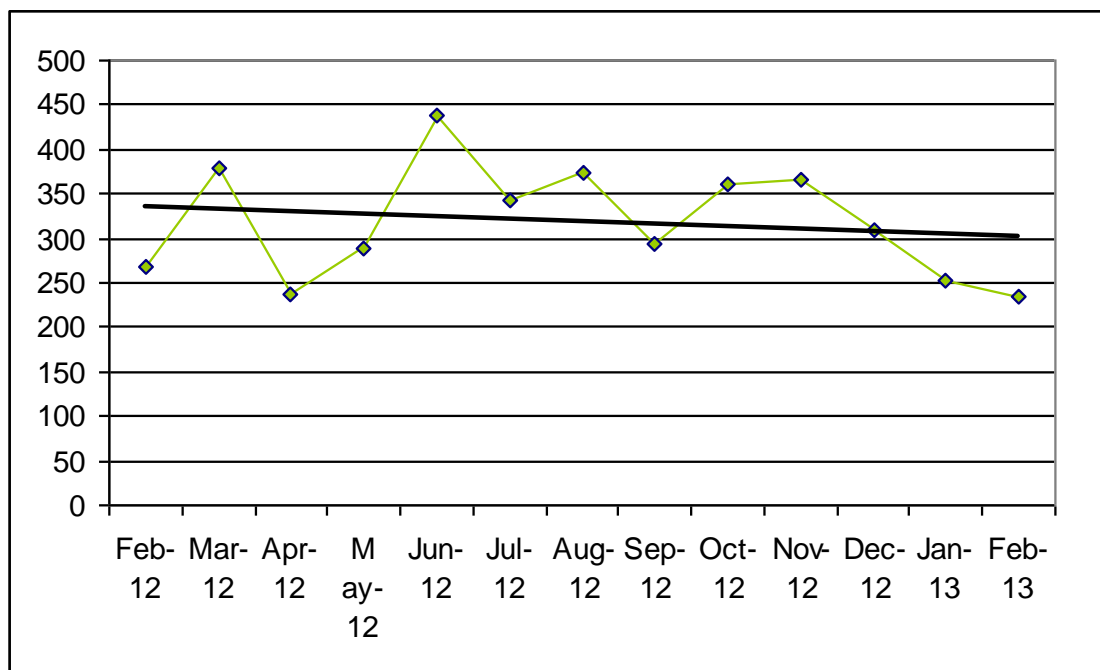
Chart 3: House price change over time by property type



Source: HM Land Registry

- 4.29 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.
- 4.30 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 slight decline over the past year.

Chart 4: Volume of house sales



4.31 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

4.32 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 had been falling from 2005 to 2009. However, in 2010 there was an increase of 68.47 Kilo Tonnes (4.1% increase). The largest increase was in the domestic sector, which increased by 39.89 Kilo Tonnes (7.6%). However, the largest contributor to total CO₂ emissions was Road Transport which accounts for 40% of all emissions.

Table 7: 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	518.26	590.04	787.98	1,897.39	7.8	
2006	517.33	595.29	752.14	1,866.00	7.6	- 31.39
2007	511.76	586.62	742.58	1,842.25	7.4	- 55.14
2008	522.14	575.11	719.75	1,818.73	7.2	- 78.66
2009	460.39	521.53	702.63	1,684.97	6.7	- 212.42
2010	480.06	561.42	709.69	1,753.44	6.9	- 143.95

Source: Department for Energy and Climate Change, 2013

4.33 In the 2013 Central Bedfordshire's Business Survey, over half of businesses (61%) had undertaken some form of environmental business activities. This compared to 57% in 2012, 55% in 2011 and 64% in 2010. The most common activities undertaken are using green or environmentally friendly products or services (cited by 53%), steps to reduce CO2 emissions or improve energy efficiency (43%), having an environmental policy (30%) and an assessment of the business's carbon footprint (22%). However, those who did not undertake any form of environmental business activities, the majority (65%) stated that it was not appropriate to their business as the main reason.

Energy consumption

4.34 Between 2010 and 2011 Electricity consumption by commercial users in Central Bedfordshire fell 36.7 gigawatt hours (gwh). This may be due to decreased output due to the recession and businesses seeking to improve productivity and use of resources to control costs and remain competitive. The decrease in Central Bedfordshire of 6.5% is greater than that of England (5% decrease) and Luton (6.2% decrease), but less than Bedford (7.1% decrease).

Renewable Energy

4.35 The latest data available on renewable energy for East of England is 2011.

A review of datasets installations in 2011 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.

Table 8: 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

4.36 Data is also available for domestic usage. The AEA Micro Generation Index provides data for all local authorities for the deployment of small scale renewable energy generation. This would typically be roof mounted Solar Photovoltaic (PV) panels or non commercial wind turbines. The data is based on payments of the Feed in Tariff (FIT) and the latest data is for up to 30th June 2011. At this time in Central Bedfordshire 0.544 MW are generated from micro renewables. Of this 98.9% is from Solar PV and 1.01% from wind. This is likely to have continued to increase due to on-going government incentives, such as FITs, alongside a steady decrease in the cost of PV systems.

- 4.37 Over the coming year the Council intends to look more closely at the capacity of Central Bedfordshire to accommodate a range of renewable energy generating technologies. This will include an assessment of opportunities (e.g. linkages to new development) as well as constraints (e.g. grid connection or landscape impact). The Bedfordshire Energy and Recycling (BEaR) Project is seeking to deliver a long term waste treatment solution for CBC. Its scope includes the provision of a long term residual waste treatment solution, organics waste treatment solution, the redevelopment of each of the Authority's Household Waste Recycling Centres (HWRCs) and the provision of a Salt Barn. The waste treatment solutions sought to treat the residual and organic waste streams could involve the production of energy and contribute to additional recycling performance.

Natural Environment

- 4.38 The 2013 Central Bedfordshire Business Survey asked local businesses to list the best things about the area as a business location. Attractive surroundings and environment ranked third, behind good transport links and accessibility of the area. This is the same ranking as last year's survey. This combined with 65% of business ranking the attractive surroundings as good (a 1% point increase from the 2012 result) highlights the continued importance that business place on the natural environment of Central Bedfordshire.
- 4.39 Flooding and environmental disasters are a real issue for businesses. 1 in 5 businesses are affected by major disruption each year, and of these, 1 in 10 will go out of business as a result. (ODPM, 2004). Extreme weather is by far the most common cause of business disruption, above IT loss, loss of staff, telecommunications and utilities failures. This highlights the importance of managing environmental risks to businesses. (Chartered Management Institute, 2012). The natural environment has a role to play in managing these environmental risks through flood management, improving water quality, and reducing urban temperatures.
- 4.40 Data on these risks for CBC can be found in our climate change adaptation evidence base, link here:
http://www.centralbedfordshire.gov.uk/Images/Central%20Beds%20Climate%20Change%20Risk%20Assessment%20Apr%2012_tcm6-31868.pdf
- 4.41 Local Nature Partnerships are a government initiative to drive positive change on the local natural environment. They are encouraged to work together with Local Enterprise Partnerships to deliver economic outcomes for the local natural environment. Across the South East Midlands Local Enterprise Partnership area, there are four Local Nature Partnerships working together on cross boundary projects that benefit the natural environment.
- 4.42 One example of this is the Bedford and Milton Keynes Waterway which includes Central Bedfordshire. This is a significant local, regional and national new environmental infrastructure project providing the 26km missing link between the main UK canal network and the Fenland waterways, linking the Grand Union Canal at Milton Keynes to the River Great Ouse at Bedford.

- 4.43 It is expected to deliver a wide range of economic, social and environmental benefits to the surrounding area. This includes creating between 2,900 and 3,400 jobs a year in construction and 500 to 900 additional jobs in businesses and other organisations with an additional £35-70m annual Gross Value Added (GVA). When completed, it is estimated to attract around almost 1 million annual trips generating between £16.6m and £26.5m GVA per year. (Source: South East Midlands Local Enterprise Partnership, It's the economy naturally, 2013).

Digital Infrastructure

- 4.44 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, supporting new job growth and driving productivity.
- 4.45 The Council has identified the roll out of superfast broadband (with speeds over 24 Megabits Per Second (Mbits/s) as part of its Medium Term Plan. As part of this, the Council has developed a Joint Local Broadband Plan with Bedford and Milton Keynes Council's setting out how the authorities intend to work with the Government and industry to ensure that a minimum of 90% of Central Bedfordshire residents and businesses 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
- 4.46 Data from the Ofcom 2012 UK Fixed Broadband report, highlights that Central Bedfordshire has an average broadband speed of 13.7 Mbit/s and that take up of broadband services is 77.3%. This is greater than the national level of 70.1% with the average speed also being higher than the national 12.7 Mbit/s. The average speed in Central Bedfordshire and nationally have both increased since 2011. The report also highlights that 70.3% of Central Bedfordshire is covered by commercially available superfast broadband services, with a take up level of 8.6%. Again this is higher than the national level of 65% of coverage and 7% take up of services.
- 4.47 However, this does mask the fact many areas in Central Bedfordshire do not receive an adequate broadband service, which can result in costs to business and an inability for residents to access services. As part of the Council's activities to promote the rollout of superfast broadband services, a demand stimulation program has been launched. Approximately 2500 residents and business have responded to the survey, with 97.8% supporting the need for better broadband services.
- 4.48 As part of the Council's activity to support Superfast broadband, the Council is proceeding with the Broadband Delivery UK procurement process to select a provider to meet our Local broadband targets. As part of this a state aid consultation process has been undertaken to identify the private sectors rollout plans over the next three years. This has highlighted that 75.5% of Central Bedfordshire will be covered for Superfast broadband under commercial roll out plans over the next three years.

- 4.49 Likewise, 97.8% of premises will be able to receive basic broadband coverage. This does however leave a high number of premises not able to receive superfast services or basic broadband speeds, if the council wishes to achieve its goals and realise the economic benefits from broadband. Full details of coverage expectations are at a local level are available at www.centralbedfordshire.gov.uk/broadband.
- 4.50 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 2012), Central Bedfordshire has 99.9% 2G geographical coverage and 99.9% 2G premises coverage. This is an increase from 2011 in both cases; however this does not mean that all operators will provide a signal to all areas, with only 94.2% of premises receiving at least 2 operators. When considering 3G coverage 0.1% of the area receives no reliable signal. However 39.2% of the area and 33.3% of the premises does not receive services from at least 3 operators. 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.

Business

Business

Key Issues

- There are 11,545 active businesses in Central Bedfordshire and the economy remains in a strong position with a higher than average percentage (97.6%) of small businesses.
- The area has a number of key strengths in advanced manufacturing technologies and engineering (aerospace and defence), technical testing and analysis and freight transport.
- A number of large and diverse companies including well known brand names such as Amazon, Whitbread and B/E Aerospace and in 2014, the area will see the opening of Woburn Center Parcs creating 2,700 jobs.
- The number of businesses has increased in the past year and the increase is greater than East of England however not as high as nationally, SEMLEP area and compared with some of our neighbouring economies.
- Business turnover continues to increase year on year and in 2012 increased by 10.3% compared to a decrease in turnover regionally and nationally.
- Professional, technical and other services have witnessed a significant decline in turnover in the past year however remain optimistic about future performance.
- Arts, entertainment and other services have witnessed the biggest growth in turnover.
- Business survival rates are higher than national and regional survival rates.
- Gross Value Added per head currently stands at £15,251 which is below all comparator areas at a national and regional level and remains a key concern.
- There has been an increase in the number of jobs (700) in Central Bedfordshire in 2011 and the growth rate was higher than national and regional levels. However this is well below the Council's aspirations of 1,350 jobs per year.
- Local businesses continue to remain optimistic about future performance with over half expecting business performance to improve over the next 12 month.
- There is a slight downward trend in businesses reporting an improved performance over the past 12 months over time, but this is not out of keeping with national performance.
- Access to finance was ranked second by businesses this year in terms of top constraints on future growth compared to the previous year.
- The area has seen a decrease in business start up rate in 2012 and there remain pockets of low start up activity in the most deprived areas.
- Levels of self employment remain higher than comparator areas however levels have fallen in 2012.
- Falling levels of entrepreneurial activity, 52.7 new businesses per 10,000 residents aged over 16 in Central Bedfordshire, which has fallen since 2012 and is now below national levels.
- The proportion of businesses who reported links to higher and further education in Central Bedfordshire has fallen since last year.

Key Issues (cont.)

- Opportunity to support university and further education establishments to develop and maximise their impact on innovation and economic growth remains a priority.
- Businesses generally rate Central Bedfordshire as a good place to do business and the most highly rated aspects of the area are its strategic road network, rail network, airport access and attractive surroundings.
- Businesses do have concerns about certain aspects of the area and the top four worst things about the area are local support available to businesses, high rates and rent, poor parking facilities and lack of facilities.

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 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

5.2 To 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 ownership by gender
- 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

- 5.3 In 2012 there were 11,545 active enterprises⁴ in Central Bedfordshire. This level has increased by 250 businesses (2.2%) since 2011 when it was 11,295 (source: ONS UK Business Activity, Size and Location 2012)⁵. In comparison number of active enterprises grew slightly higher nationally (2.6%) and in SEMLEP area (2.5%) however is slightly above East of England (2.1%). Milton Keynes, Luton and Corby saw the biggest percentage increase out of all local authorities in SEMLEP between 2011 and 2012. This equates to 4.0%, 3.8% and 3.7% respectively. This highlights the need to support more business start ups in Central Bedfordshire.
- 5.4 The businesses that have seen the biggest increase in Central Bedfordshire are mainly micro enterprises, with an increase of 225 businesses. Businesses with a workforce of 0-4 people saw the biggest increase by 170 in 2012.
- 5.5 Both North and South of Central Bedfordshire saw an increase in the number of businesses between 2011 and 2012. North witnessed a greater increase by 2.8% (185) compared to the South which increased by 1.3% (65).
- 5.6 Industries in Central Bedfordshire with the greatest number of 'local units' in 2012 (similar to workplaces) are Construction (1,755), Professional, Scientific and Technical (1,795) and Retail (890).

Business Survival Rates

- 5.7 The five year survival rate for new businesses in Central Bedfordshire was 49.6% in 2010 (based on businesses started in 2006). This was above the East of England (45.9%), SEMLEP area (47.0%) and national average (44.8%). The table below indicates that business survival rates were higher than regional, SEMLEP and national levels at all age of business (one to four year) with one year business survival rates of 97.3%.

⁴ The figure is based on VAT trader and PAYE employer information by Standard Industrial Classification (UK SIC 2007) Broad Industry Group passed to the ONS by HM Revenue & Customs under the Value Added Tax Act 1994 for VAT traders and the Finance Act 1969 for PAYE employers; details of incorporated businesses are also passed to ONS by Companies House. It therefore does not account for businesses who do not fall into these categories i.e. very small sole traders who are active but not registered with HMRC for VAT or PAYE. Figures are rounded up or down to the nearest 5.

Table 1: Business Survival Rates of businesses started in 2005

	One Year Survival rate %	Two Year Survival rate %	Three Year Survival rate %	Four Year Survival rate %	Five Year Survival rate %
Central Bedfordshire	97.3	86.6	71	57.6	49.6
England	96.5	80.7	66.2	53.0	44.8
East Of England	96.1	81.1	66.5	54.1	45.9
SEMLEP	97.0	82.7	68.3	55.3	47.0

Source: Office for National Statistics, Business Demography, 2011

Business Size

- 5.8 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.

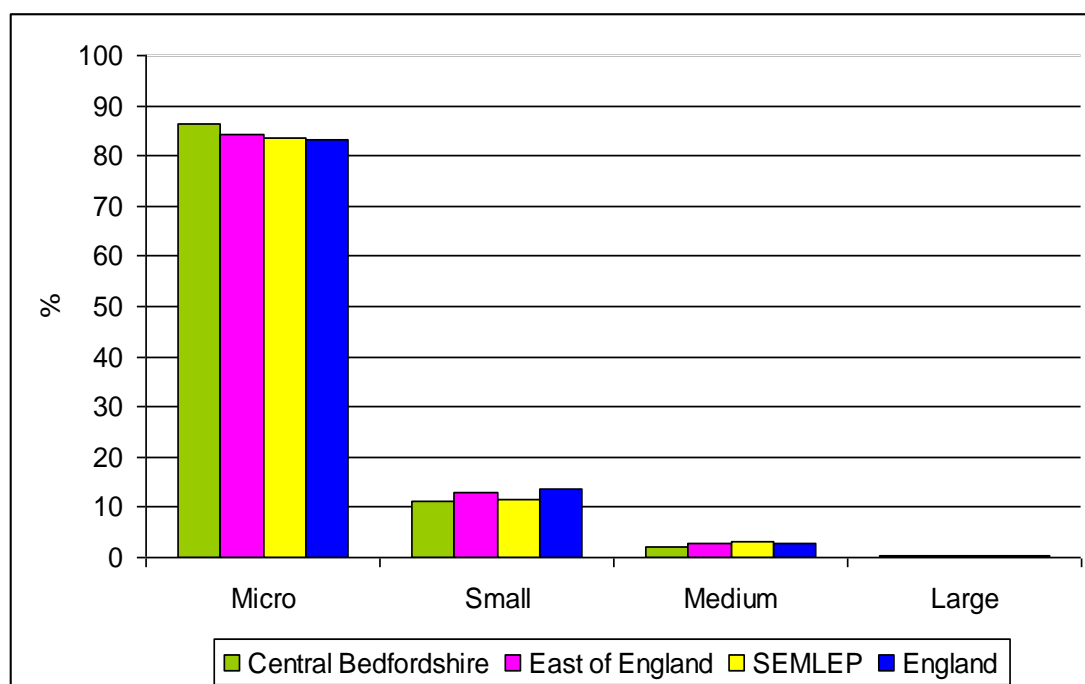
Table 2: Number of businesses in each size band in Central Bedfordshire

Number of employees	Number of businesses	% of all businesses
0-4	8540	74
5-9	1440	12.5
10-19	800	6.9
20- 49	490	4.2
50-99	170	1.5
100-249	75	0.6
250 -499	25	0.2
500-999	5	0.04
1000+	0	0
Total	11,545	

Source: Office for National Statistics, UK Business Activity, Size and Location 2012

5.9 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 2012 (IDBR), further analysis shows that there are likely to be 3 businesses within Central Bedfordshire employing more than 1000 people. This remains unchanged from the previous year. A list of some of the biggest employers in Central Bedfordshire can be found on p.67.

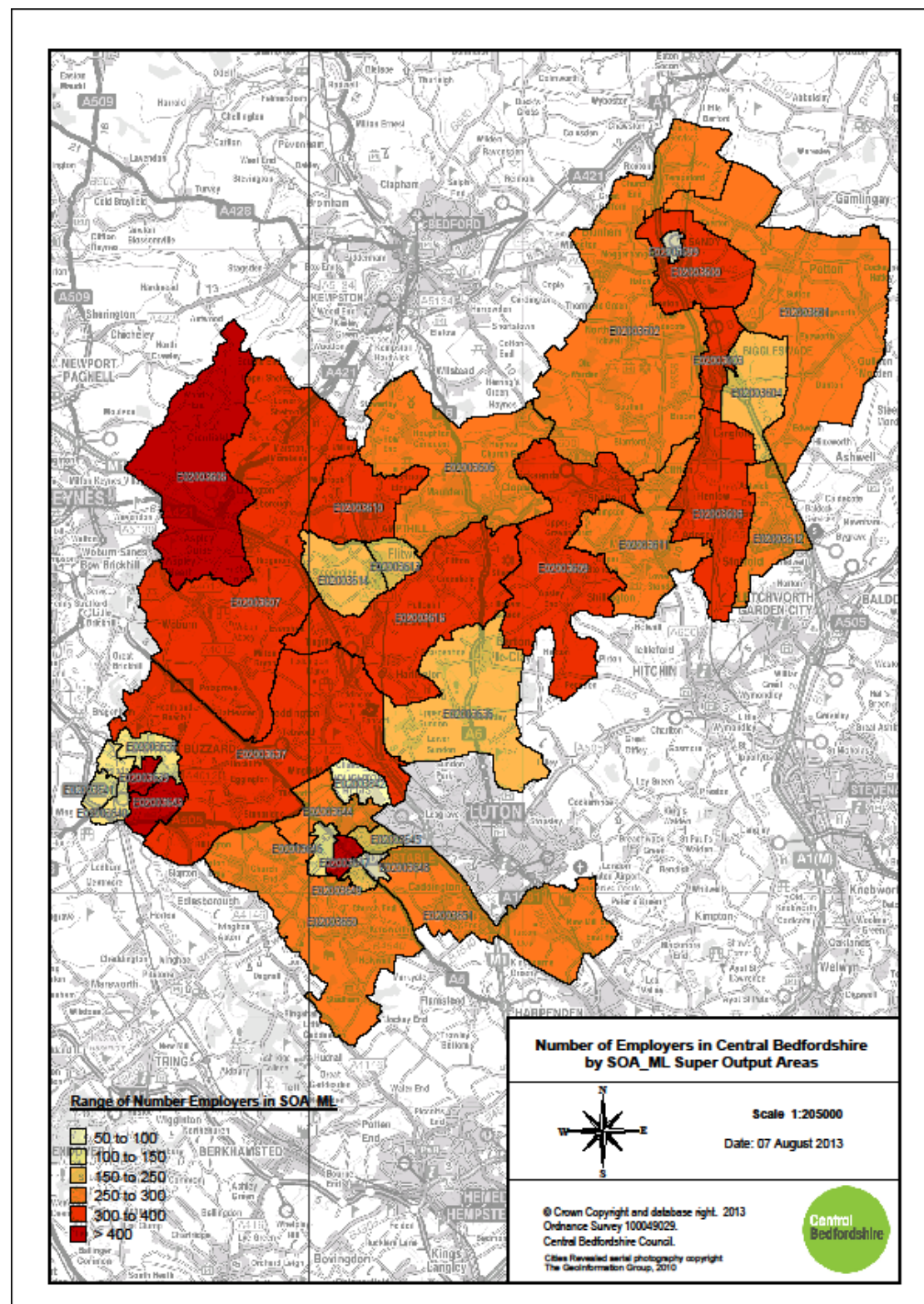
Chart 1: Percentage of businesses in each size group



Source: Office for National Statistics, UK Business Activity, Size and Location 2012

5.10 86.4% of businesses in Central Bedfordshire were micro, more than regional (84.1%), SEMLEP (83.6 %) and national (83.1%) levels. Small businesses account for a further 11.2% of local businesses, indicating that 97.6% of businesses in Central Bedfordshire employ fewer than 50 people, compared to 96.7% nationally, 96.6% in SEMLEP and 96.9% regionally.

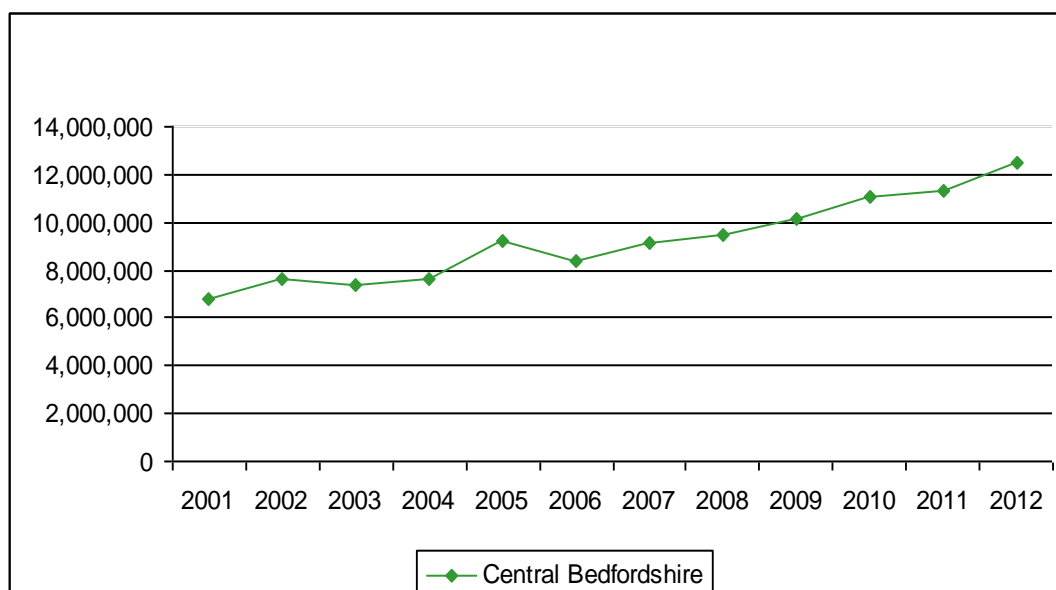
Map of number of Employers in Central Bedfordshire by SOA_ML Super Output Areas, August 2013 (Source IDBR, 2012)



Business Turnover

5.11 Business turnover in Central Bedfordshire continues to increase year on year despite the impact of the recession at a macro economic level. In 2012, businesses in Central Bedfordshire collectively turned over £12,521,467,000. This is a 10.3% increase on 2011 and shows the continuing strength and diversity of the local economy. In contrast, turnover in England fell by 0.38% between 2011 and 2012 and in the East of England fell by 10.4%. (Source: Inter Departmental Business Register (IDBR) 2012)

Chart 2: Business Turnover in Central Bedfordshire



Source: Office for National Statistics, IDBR 2012

- 5.12 Similar to the previous year, the sectors that witnessed the largest turnover were construction, production and wholesale. Construction saw an increase of 8.7% from 2011 whilst turnover in production increased by 29.6% which is a significant increase when compared to 2010 during which turnover only increased by 3.9% from 2010 to 2011 as previously reported in LEA 2012. The sectors that saw the highest growth in turnover were arts, entertainment, recreation and other services (44.1%), production (29.6%), health (20.5%) and education (17.6%). However the professional, scientific and technical sector saw the biggest fall in turnover by 14.0%.
- 5.13 Data for accommodation and food services industry for 2011 and 2012 and for transport and storage is deemed to be disclosive and is therefore unavailable. It should be noted however that based on the most recent data for accommodation and food services, in 2010 turnover was £2,099,141,000.

5.14 At a national level, the last quarter of 2012 showed a number of sectors that had declined in output in 2012. This included the production industries (-1.8%) and distribution, hotels and restaurants (-0.4%). The impact of the Olympic Games on service industries was evident during quarter 3 whilst quarter 4 witnessed a contraction in output for specific industries mainly sports activities, amusement and recreation, accommodation, food and beverages and land transport.

Table 3: Turnover change 2011-2012

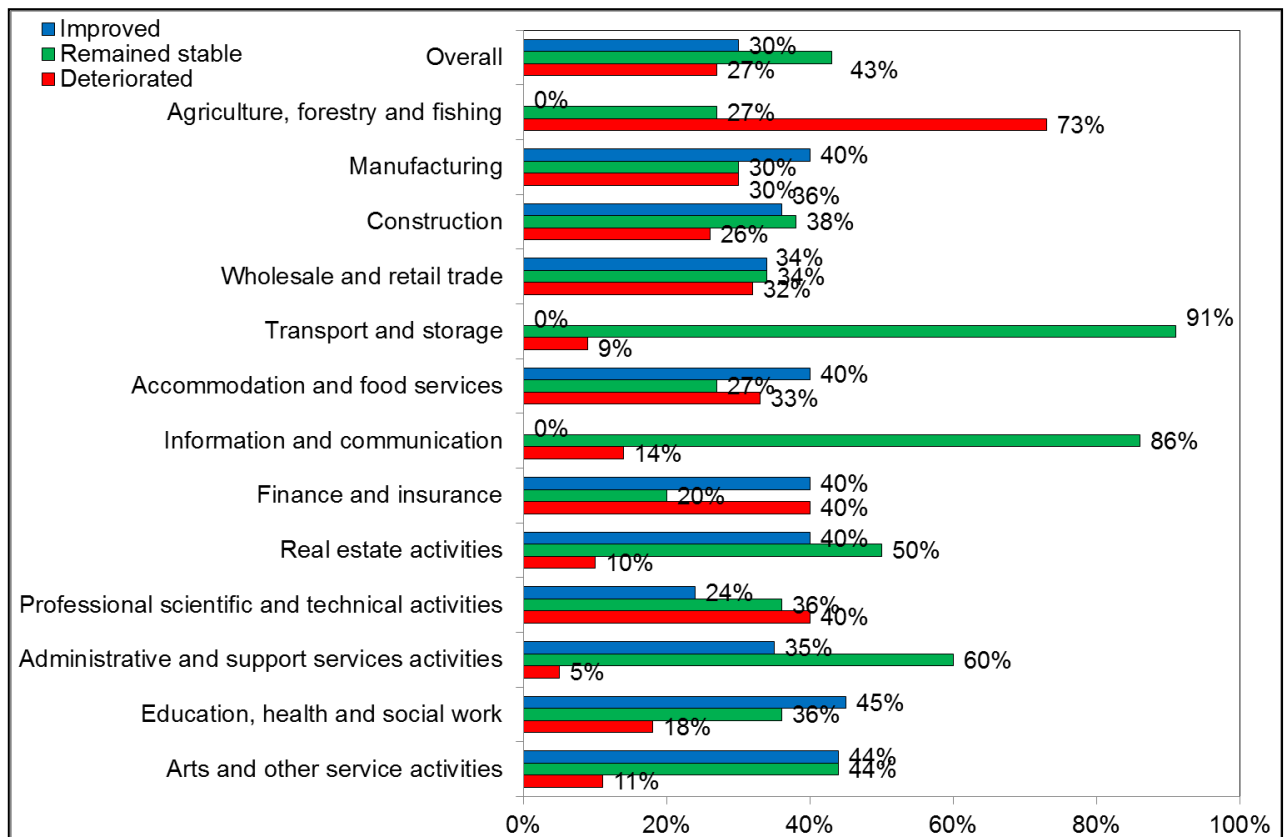
Industry Sector	2011 Turnover £000s	2012 Turnover £000s	% change
Construction	2,680,255	2,912,915	8.7
Production	2,007,052	2,601,479	29.6
Wholesale	1,034,163	1,116,031	7.9
Motor Trades	531,590	501,817	-5.6
Business administration and support services	437,525	421,934	-3.6
Professional, scientific & technical	436,096	374,929	-14.0
Education	334,610	393,574	17.6
Property	333,727	298,340	-10.6
Retail	324,046	335,555	3.6
Arts, entertainment, recreation and other services	274,708	395,984	44.1
Information & communication	236,642	242,683	2.6
Health	163,096	196,553	20.5
Transport & Storage (incl postal)	160,730	N/A	N/A
Agriculture, forestry & fishing	138,106	152,921	10.7
Finance & insurance	26,929	28, 922	7.4
Accommodation & food services	N/A	N/A	
Public administration and defence	N/A	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 2013

Business Performance

- 5.15 As part of the LEA, the Central Bedfordshire Business Survey 2013 was commissioned by Central Bedfordshire Council and conducted in April 2013. This survey follows 2011 and 2012's Business Surveys and allows for a comparison of results and analysis of changes to Central Bedfordshire businesses over the past 12 months. Overall, 251 interviews were completed across Central Bedfordshire with a range of business sectors and sizes and 24 businesses completed the online version of the Survey.
- 5.16 The survey results indicate that 30% of businesses reported an improved business performance over the past 12 months (compared to 38% in 2012), with 43% reporting that business performance has remained stable (compared to 37% in 2012) and 27% reporting a deterioration in business performance (compared to 24% in 2012). There were no notable differences by size of business.
- 5.17 The business sectors that reported the best performance over the past 12 months were Arts and other services (44% reported an improved performance, with 11% citing a deteriorated performance), Administrative and support services (35% reported an improved performance, with 5% citing a deteriorated performance) and Real estate activities (40% reported an improved performance, with 10% citing deteriorated performance). The sectors which reported the worst performance were Agriculture, forestry and fishing (73% reported a deteriorated performance) and Professional, scientific and technical activities (40% reported a deteriorated performance).

Chart 3: Business performance in the last 12 months, by sector

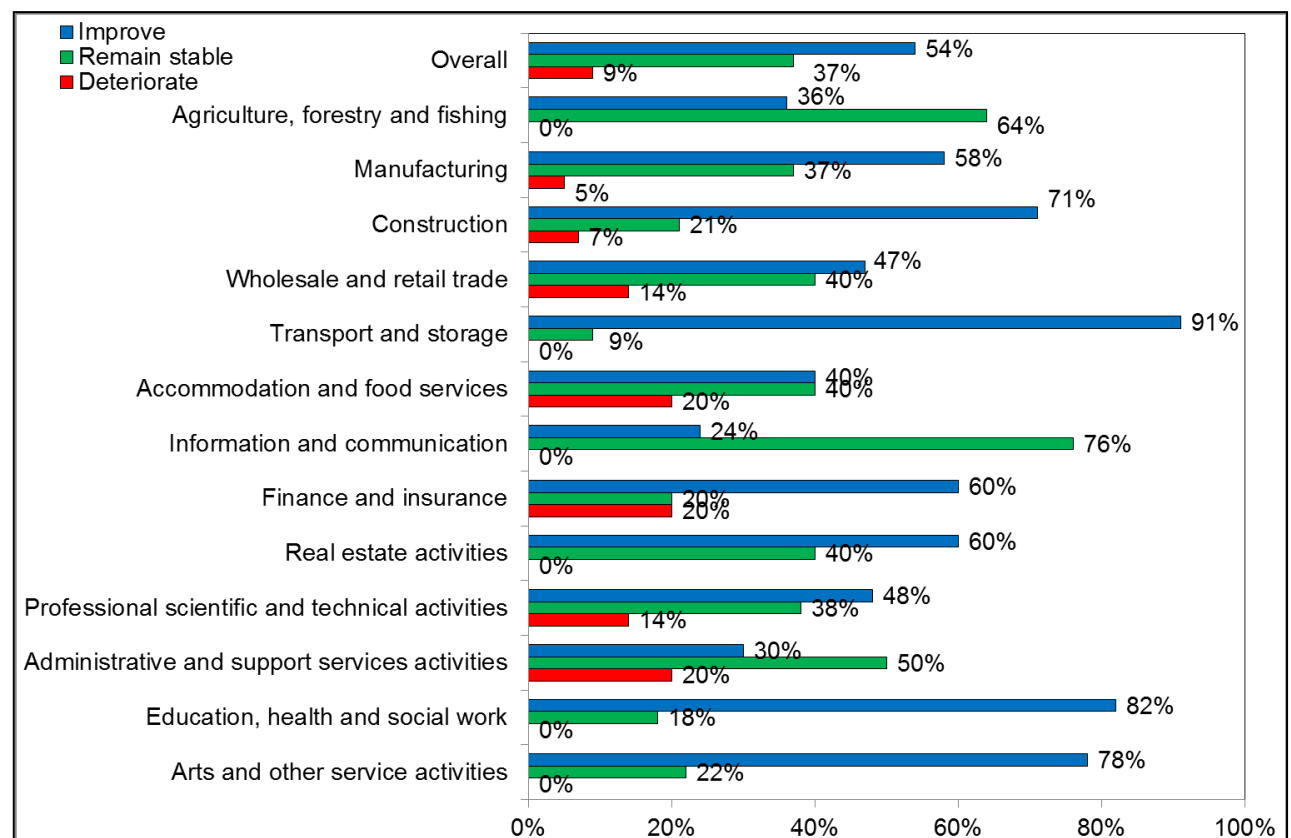


Source: Central Bedfordshire Business Survey 2013

5.18 Businesses are overall optimistic about future performance. 54% of businesses in 2013 expect business performance to improve in the next 12 months, 37% expect it to remain stable and 9% expect business to deteriorate. These results are similar to the level of optimism reported in previous years. There were no notable differences by size of business. As a national comparison, Business Confidence Monitor results in Q1 2013 highlighted that business confidence has improved and is at its highest since 2010 with confidence improving across all sectors and parts of the country. However the findings also highlighted that plans for growth in business investment were weak (Source: ICAEW/Grant Thornton, UK Business Confidence Monitor, Q1 2013).

5.19 The sectors that are most optimistic about future business performance are Transport and storage (91% expect future performance to improve), Education, health and social work (82%) and Arts and other service activities (78%). The sectors that are most pessimistic about the future are Accommodation and food services and Administrative and support services (for both 20% expect performance to deteriorate).

Chart 4: Expectations of business performance in the next 12 months, by sector



Source: Central Bedfordshire Business Survey 2013

- 5.20 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 access to finance.
- 5.21 37% of businesses cited the general economic climate as a constraint on business growth, followed by access to finance (cited by 17%) and attracting and retaining customers (cited by 14%). Compared to previous years, the results are similar although access to finance appears higher up the list than in previous years. This compares to 33% of businesses last year citing access to finance as a constraint on future growth.
- 5.22 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.
- 5.23 Feedback from University of Bedfordshire highlighted the difficulty some businesses face accessing finance if their business is not in the right sector i.e. if it does not fall under the sectors outlined in the government's Industrial Strategy.
- 5.24 The Survey also asked businesses whether they supply to the Council. The percentage of businesses that supply to the Council has increased from 14% in 2012 to 19% in 2013. Businesses with 1-24 employees are well represented as suppliers, with 18% of businesses with 1-9 employees and 11% with 10-24 employees supplying to the Council. However, larger businesses are more likely to supply to the Council, with 33% of businesses with 25-49 employees supplying and 40% of businesses with 50 or over employees supplying to the Council. Overall, 30% of businesses are aware of the types of services or products purchased by the Council and 21% know how to access the Council's procurement opportunities.
- 5.25 In terms of a national comparison, the Federation of Small businesses panel survey (March 2012) identified that four in 10 small firms said they wanted the tendering process to be simpler, nearly the same figure said they believe that the public sector should actively use small businesses and 37% of businesses believe they are sidelined by public officials who favour bigger businesses.
- 5.26 In addition, when businesses were asked about what information they would like to receive from the Council, information on supplying to the Council was ranked third suggesting that procurement is an important issue for businesses and the need to raise awareness and knowledge about the Council's procurement process.
- 5.27 Consultation with local business representative organisations including the Federation of Small Businesses (FSB), Chamber of Commerce, Cranfield University and Wenta on the issues facing their members and clients in Central Bedfordshire are similar to the findings in the business survey.

- 5.28 FSB members cite access to finance, skills shortages and the process involved in recruiting an apprentice as key issues and frequently cite procurement as a key issue for businesses supplying to the local authority.
- 5.29 Members of the Bedfordshire Chamber of Commerce cite access to finance, calibre of business support advisors and confusion over the plethora of business support on offer as key issues for businesses.
- 5.30 Cranfield University also cite transport as a big issue for businesses in terms of employers and pre-starts visiting the campus. It was also noted that there is a need for greater focus on the University as a centre for innovation given its achievements and international reputation and to encourage inward investment.
- 5.31 The business survey also asked businesses for their views on the area as a place to do business. A majority (60%) of those responding to the survey rate Central Bedfordshire as a good place to do business. This has increased from 58% in 2012 however is below previous years, 64% in 2011 and 66% in 2010.
- 5.32 When asked about the best and worst aspects of the area, transport remains the most positively cited aspect of Central Bedfordshire as a business location, which is consistent with the findings from 2012 and 2011. The highest ratings were for the strategic road network (78%), rail network (69%), airport access (67%) and attractive surroundings (65%). However, relatively low ratings were received for local support available to businesses (15%). This has decreased from 23% in 2012.
- 5.33 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 (15%), more support and advice generally (12%) and help small businesses (11%). 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.
- 5.34 Consistent with 2012 and 2011, the lowest ratings were for local support available to businesses (15% rated good) availability of affordable housing (19% rated good) and support on planning permissions (23% rated good) and local support available to businesses (15% rated good / 49% rated poor).). Proximity to Universities and good value rent and rates also received relatively low ratings.

Table 4: Proportion of respondents that rated key aspects of the area as good year by year (ordered by the most highly rated)

Indicator	2013 Good	2012 Good	2011 Good
Strategic road network (273)	78%	78%	67%
Rail network (240)	69%	61%	61%
Airport access (244)	67%	66%	69%
Attractive surroundings (268)	65%	64%	63%
Good quality Schools/Colleges (217)	60%	61%	68%
Local road network (274)	54%	61%	55%
Ease of transportation of freight (202)	52%	48%	N/A
Walking/cycling routes (214)	48%	47%	N/A
Supply Chain located locally (241)	43%	42%	54%
Skilled Staff (196)	35%	34%	43%
Availability of suitable premises (211)	34%	43%	46%
Availability of local services (260)	34%	34%	45%
Public transport (193)	34%	34%	34%
Average pay scales / wage levels (197)	31%	28%	31%
Good value rent and rates (221)	30%	23%	26%
Proximity to Universities (205)	30%	45%	39%
Support on planning permissions (126)	23%	19%	21%
Availability of affordable housing (189)	19%	25%	N/A
Local support available to businesses (210)	15%	23%	19%
Overall/Average	45%	46%	50%

Source: Central Bedfordshire Business Survey 2013

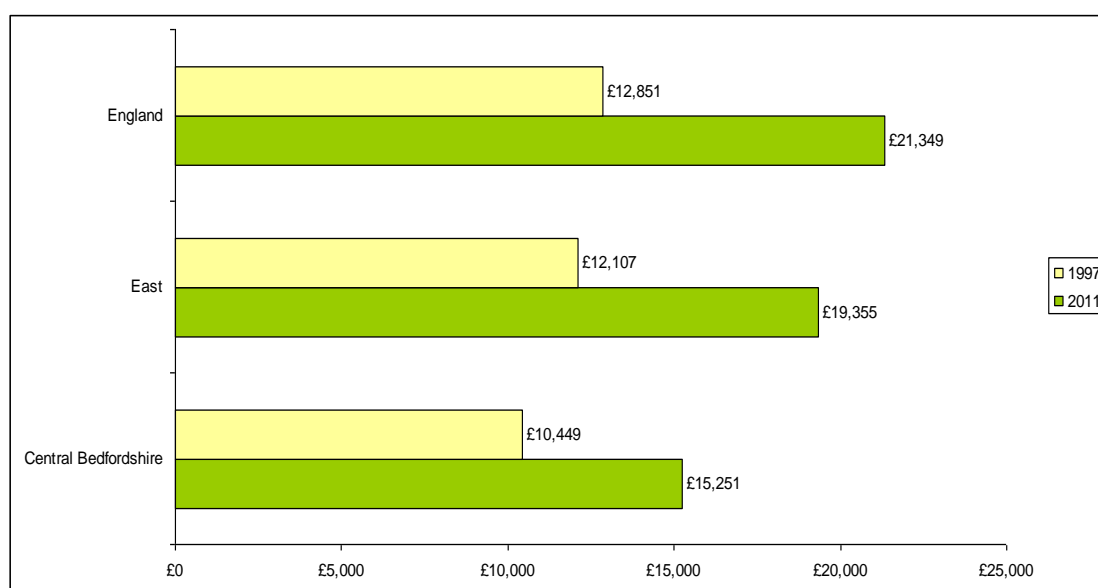
5.35 With regard to planning performance it must be noted that the survey does not measure whether respondents have used the planning service. Data available on the actual performance of the planning service indicates that from June 2012 to May 2013, 76.2% of minor applications had been dealt with within 8 weeks, 42.9% of major applications had been dealt with within 13 weeks and 92.8% of other applications had been dealt with in 8 weeks. This is an improvement on the previous period we reported on in the LEA 2012. In terms of the percentage of planning applications satisfied with the service received from the planning department, data for 2012/13 indicates that 79% were satisfied, reflecting a much stronger perception of planning services from those who have accessed them compared to the business survey.

Productivity

5.36 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. According to ONS Regional GVA 2011, Central Bedfordshire was £3.945 billion. This is an increase of £143 million since 2010 and a 45% increase since 2001. This increase in total GVA in Central Bedfordshire is slightly below comparator areas including nationally and East of England.

5.37 One measure of productivity of an economy is GVA per head. In Central Bedfordshire, this currently stands at £15,251. This has increased from £14,983 in 2010 and represents a 31% increase from 2001. However, the rate of growth in GVA per head in Central Bedfordshire is below regional, national and local comparators and importantly is some 29% lower in total than the national (England) GVA per head (£21,349).

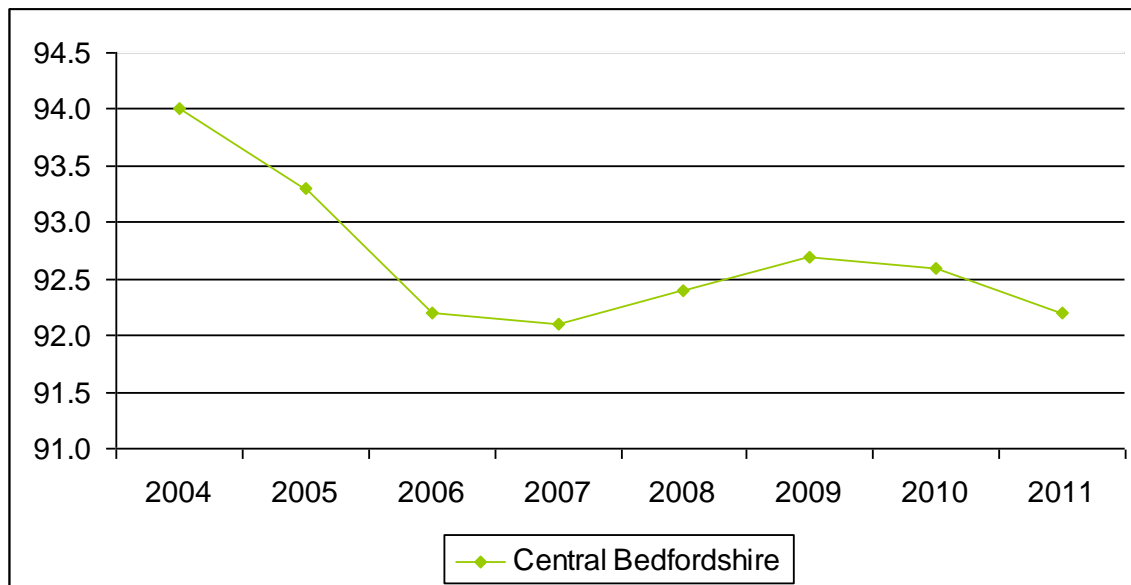
Chart 5: GVA (£) per head, 1997 and 2011



Source: Office for National Statistics, Gross Value Added per head indices by NUTS 3 area at current basic prices, 1997-2011

5.38 Additional analysis of productivity at a local level highlights that according to recent figures from Office for National Statistics nominal GVA per filled job in Central Bedfordshire has fallen from an index of 95.8 in 2002 (compared to the UK rate) to 88.6 in 2010. This is partly due to the fall in the overall number of people of working age and the fall in employment rate over a long period. This is also similar when measuring GVA per hour worked which has also fallen from an index of 94 to 92.2 between 2004 and 2011. In contrast, neighbouring authorities such as Bedford have seen both indicators increase. (Source: Office for National Statistics, Subregional Productivity, April 2013 using NUTS3 subregional data)⁶

Chart 6: Nominal GVA per hour worked, by NUTS 3 subregions, 2004 - 2011



Source: Office for National Statistics, Nominal GVA per hour worked, by NUTS 2 and NUTS 3 subregions, 2004 – 2011

⁶ GVA per hour worked and GVA per filled job are the most appropriate measure of regional and subregional productivity. These measures only count the input of those who are directly employed in the production process (rather than the whole population) and additionally, they provide a workplace-based labour input denominator to match the workplace-based GVA numerator, thus fully accounting for the impacts of commuting.

Chart 7: Nominal GVA per filled job, by NUTS 3 subregions, 2002-2010



Source: Office for National Statistics, Nominal GVA per filled job, by NUTS 3 subregions, 2004 – 2011

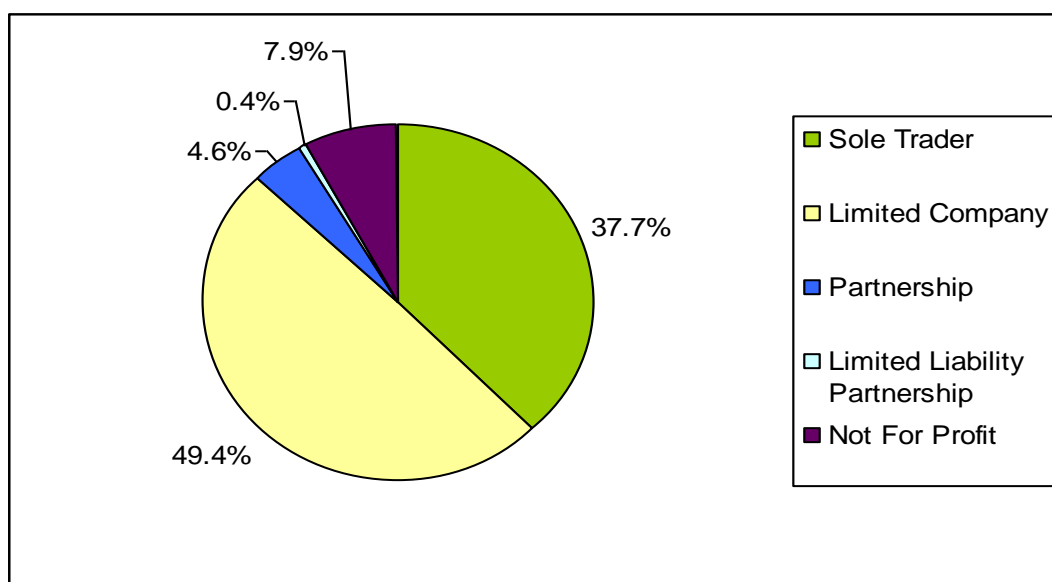
- 5.39 The continued and worsening fall in productivity levels in Central Bedfordshire economy remains a key concern when considering the area's competitiveness, ability to be resilient to macro economic shocks and ability to realise future jobs growth opportunities. This needs to be looked at further to understand the extent to which productivity in Central Bedfordshire is a real issue and what could be done to address this.
- 5.40 GVA should not be used in isolation as an indicator of economic performance. When compared to other indicators such as business turnover, business survival rates and the area's sector profiles these show a relatively diverse growing business base. Likewise there maybe some statistical anomalies in the calculations of Central Bedfordshire. In addition, whilst GVA per filled job and per hour worked takes into account the impact of in-commuting it excludes those who live in Central Bedfordshire but work elsewhere and therefore their level of output is not included.

New businesses

- 5.41 In 2011, there were 1,095 business 'births' in Central Bedfordshire. This equates to 52.7 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 lower than the national figure (54.8 per 10,000) however slightly above East of England figure (52.5 per 10,000) however it has fallen from 2008 when there were 61.1 new businesses per 10,000 residents aged over 16. This is also lower than SEMLEP with 54.3 new business start ups per 10,000 residents over 16. In 2011, there were also 1,015 business 'deaths'. (Source: Office for National Statistics, Business Demography, 2011)

- 5.42 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.
- 5.43 The Banksearch data shows that there were 2,246 start ups in Central Bedfordshire in 2012, a decrease of 10.6% on the previous year. This includes not-for-profit businesses. There are wide variations in the number of start-ups across England. In 2012, London (-2.6%), Yorkshire and The Humber (-2.8%) and North East (-3.4%) have seen the strongest growth compared to the corresponding period in 2011. The South East (-4.6%), South West (-5.3%) and the North West (-5.9%) have had the weakest growth.
- 5.44 Of the Central Bedfordshire start ups in 2012, 178 were classed as not-for-profit businesses (7.9%) and 846 were sole traders (37.7%). The percentage of start ups classed as Limited Company has increased since 2011 from 40.2% to 49.4%. In contrast, the number of sole traders has fallen by 331 (28%) from 2011 to 2012. There were no start ups whose legal status was unknown in 2012.
- 5.45 In the first four months of 2013, there were 762 business start ups which is 6.4% less than the corresponding period in 2012.

Chart 8: Start ups by business type, 2012



Source: Banksearch Small Business Start Ups Survey, April 2013

- 5.46 The industry with the most start ups in 2012 was real estate, professional services and support activities with 630 start ups. This was followed by recreational, personal and community service (391) and construction (320). This is a similar picture to 2011 however all three sectors have seen a drop in the number of start ups. There were no start ups in the fishing industry compared to previous year when there was 1 start up. In terms of sectors, the biggest percentage decrease in start ups was agriculture (-53%) manufacturing (-29%) and construction (-19%), and the wards with the highest number of start ups in 2012 were Arlesey (141), Leighton Buzzard South (132) and Stotfold and Langford (111).
- 5.47 Start ups in 2012 were predominantly in the least deprived areas of Central Bedfordshire. Majority of business start ups (54.8%) were in the least deprived areas and very few in most deprived areas. There were no start ups in the 20% most deprived areas in Central Bedfordshire. (Source: Banksearch, April 2013).
- 5.48 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 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 economic inactivity. The programme had a target of 40% participation from deprived areas across Bedfordshire. At the end of May 2013, 522 individuals had enrolled on the programme, of which 225 had been referred to business support services and 135 had proceeded to a job or self employment. In regards to gender, there were 271 males and 251 females participating in the programme. Out of the 522 enrolled, more females (72) than males (58) started their own business as a result.

Business ownership by gender

- 5.49 The most comprehensive data on business ownership by gender is available at a national level. In 2012, only 19% of small and medium sized businesses were led by women⁷ whereas 49% were entirely led by men (Source: Department for Business Innovation and Skills, Small Business Survey 2012).
- 5.50 Women led businesses face a number of barriers to starting up and growing their business. A report by RBS Group entitled, 'Women in Business: A Different Perspective' revealed that women were more likely to start their business with lower levels of both human and financial capital which relates to their experiences of employment and serial entrepreneurship. Whilst women tend to outperform men in regards to educational attainment they remain underrepresented in senior management roles. It also showed that there were differences between male and female views of business ownership with women more likely to use self employment and business ownership as a means for balancing child care and generating income at key stages in their lives.

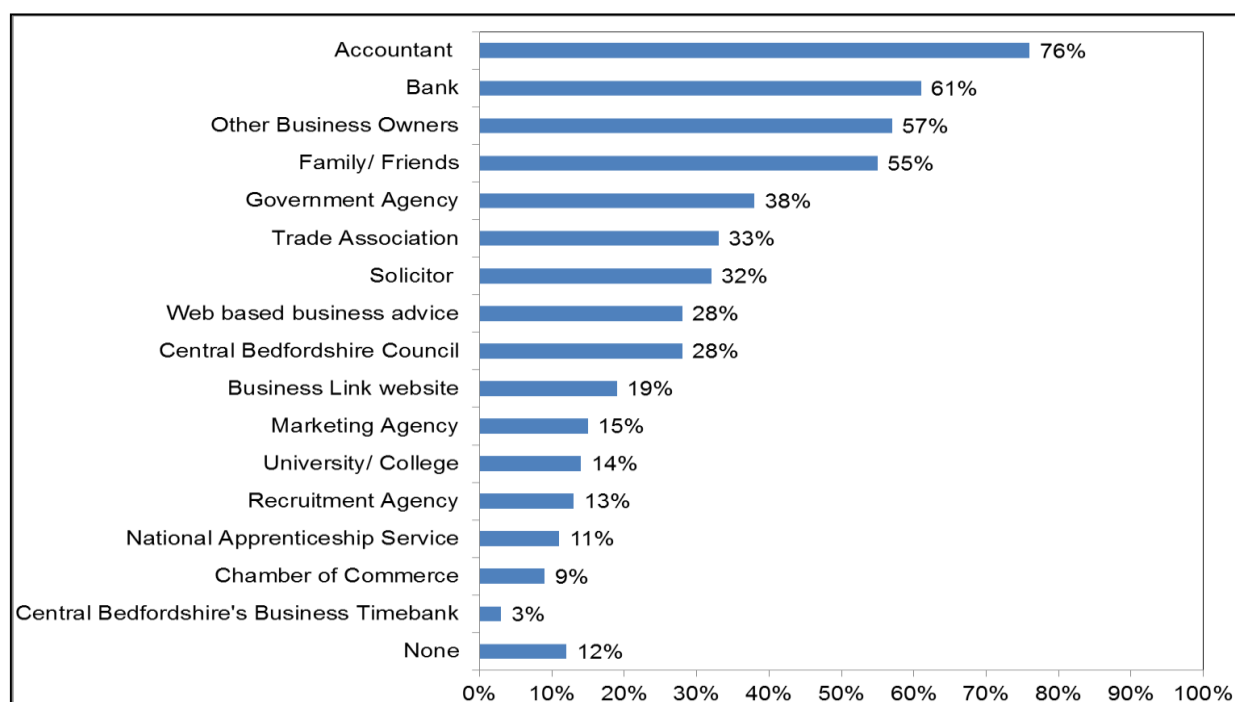
⁷ This is defined as controlled by a single woman or having a management team, majority of whom are women.

- 5.51 Based on analysis of available data, women led businesses are much less likely to use external finances and borrow less than men led businesses. The report concludes that based on the evidence more women led businesses tend to be home based, part-time and operate within less knowledge intensive sectors that do not require a high level of borrowing. (Source: RBS Group, Women in Business: A Different Perspective, 2012)
- 5.52 According to the Women's Business Council, only 29% of women led SMEs think they have the skills to set up a business compared to male led SMEs (45%). The report also highlights that women are less likely than men to access finance to support the start up of their business and the lack of female role models. (Source: Women's Business Council, Maximising women's contribution to future economic growth, 2013)
- 5.53 This is also reflected at a local level based on feedback from Bedfordshire Business Women's Association which highlights a number of specific barriers women led businesses face accessing business support and to grow their business. A lack of female representation in many business networks, flexible child care provision that works around business hours and lack of confidence in promoting their business were highlighted as key concerns for members.

Business Support

- 5.54 The 2013 Central Bedfordshire Business Survey highlights that 88% of businesses in Central Bedfordshire have used some form of business advice or support in the past 12 months. This is down from the previous year when it was 95%. The most common sources of advice are accountants (used by 76% of respondents), banks (61%), other business owners (57%) and family and friends (55%). These top four sources of advice were also the top four in 2012, 2011 and 2010. These results were consistent regardless of the size of the business. Those that mentioned web based business advice mainly referred to Google, LinkedIn and the Business Link website.
- 5.55 To support business start ups, a new incubation facility called Incuba in Dunstable due to be completed by September 2013 will create a new enterprise centre providing support for start up and growing businesses with a focus on developing low carbon technology together with training opportunities within this sector.

Chart 9: Sources of business advice or support used in the last 12 months



Source: Central Bedfordshire Business Survey, 2013

- 5.56 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.
- 5.57 Since the abolition of Regional Development Agencies and associated support services, such as regional Business Link, there has been a greater emphasis placed on Local Enterprise Partnerships (LEPs) to support businesses to grow and address barriers to business support. An independent report by Lord Heseltine for the government on how to increase growth, 'No Stone unturned: in pursuit of growth' (October 2012) recommended that most business support funding should be devolved to the LEPs and for a co-ordinated business support which is led by the private sector that is easily accessible and sustainable.
- 5.58 Since the Review the Government has endorsed most of the recommendations and regards LEPs as being best placed to support the creation of strong and secure local private sector support networks for business, working with chambers, other bodies, private sector providers and other local partners. It is currently considering how best to improve co-ordination of business support to help small businesses navigate the market.
- 5.59 Feedback from Federation of Small Businesses (FSB) highlights that business support is increasingly fragmented and difficult to navigate for SMEs. This partly due to the demise of Business Link and the plethora of business support organisations that have been growing in size since then.

- 5.60 Wenta, a business support agency that works across Bedfordshire and Hertfordshire highlighted a number of trends in the make up of clients that they support and patterns of self employment. Over the past year, more young people have accessed their business support services and in particular, are using their IT skills to launch a business product or to teach others how to use IT. Furthermore, they are supporting more Job Centre Plus clients into self employment via the New Enterprise Allowance which has seen a high uptake and success rate of people remaining in self employment. However they also reported more people balancing a part-time job with self employment due to increased competition for jobs and the continued economic uncertainties.
- 5.61 In addition, feedback from Bedfordshire Voluntary Community Action Services (VCAS) highlights that there is less take up by third sector and community organisations for business support due to a reduction in government funding of the third sector.
- 5.62 Business In the Community is working across Bedfordshire in conjunction with VCAS to engage employers with local community organisations to make them more sustainable by sharing their knowledge and support in different areas of running a business This will become increasingly important as greater emphasis is placed on third sector to become much more business minded when applying for funding or delivering a public service. According to Bedfordshire VCAS User Survey of voluntary and community organisations in 2012, the top priority/need respondents listed was fundraising and funding advice.

Business Sectors and Job Growth

- 5.63 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.
- 5.64 The main industries in Central Bedfordshire, in terms of employee numbers, according to the 2011 Business Register and Employment Survey, are education (9,200), retail (9,400) and manufacturing (9,100).
- 5.65 The 2011 Business Register and Employment Survey (BRES) reports that between March 2010 and March 2011 Central Bedfordshire experienced an increase in jobs compared to East of England – a total of 700 new jobs, or 0.9% overall growth. This is greater than SEMLEP (0.6%) and opposite to the national trend which saw a 0.11% drop of jobs and in the East of England at 0.07%. This marginal growth contrasts with a much sharper increase in 2010 of 6,700 new jobs or 8.2% overall growth. However it should be noted that the BRES dataset was updated with 2009 estimates adjusted to remove the discontinuity between 2011 BRES and earlier years. These estimates replaced the 2009 unadjusted estimates previously available in the dataset which will change previous years LEA findings.
- 5.66 However some sectors have witnessed sharp increases in numbers of employees including Business Administration and support services, retail and motor trades. Others – property, professional, scientific and technical and education– have seen large decreases, as can be seen in Table 5.
- 5.67 Our current performance of approximately 700 jobs per year means that the jobs growth rate as it stands is below the Council's aspirations of creating 1,350 jobs per year in line with the new Development Strategy and highlights the need for additional jobs growth in the area.
- 5.68 Analysis at ward level shows that the areas with the biggest jobs growth were Cranfield and Marston Moretaine, Leighton Buzzard South and Caddington whereas Dunstable Watling, Eaton Bray, Shefford and Stotfold and Langford saw the least jobs growth.

Table 5: Number of jobs, 2011

Industry Sector	Number of jobs 2010	% of all jobs 2010	Number of jobs 2011	% of all jobs	% change
Agriculture, forestry & fishing	300	0.4	400	0.5	33.3
Mining, quarrying & utilities	500	0.6	400	0.5	-20.0
Manufacturing	9,000	11.0	9,100	11.1	1.1
Construction	5,100	6.2	5,300	6.4	3.9
Motor trades	1,800	2.2	2,100	2.5	16.7
Wholesale	5,000	6.1	4,800	5.9	-4.0
Retail	9,000	11.0	9,400	11.5	4.4
Transport & storage (inc postal)	4,500	5.5	4,400	5.3	-2.2
Accommodation & food services	5,000	6.1	5,100	6.2	2.0
Information & communication	2,300	2.8	2,200	2.6	-4.3
Financial & insurance	900	1.1	900	1.1	0.0
Property	2,200	2.7	1,800	2.2	-18.2
Professional, scientific & technical	7,000	8.6	6,000	7.3	-14.3
Business administration & support services	4,800	5.9	6,100	7.5	27.1
Public administration & defence	2,700	3.3	2,900	3.5	7.4
Education	9,500	11.6	9,200	11.1	-3.2
Health	6,300	7.7	6,500	7.9	3.2
Arts, entertainment, recreation & other services	5,800	7.1	5,700	6.9	-1.7
Total	81,700		82,300		0.9

Source: Business Register and Employment Survey 2011 (job numbers are rounded to the nearest hundred)

Sector Specialism

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

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.

Table 6: Central Bedfordshire Location Quotients

SIC 2007 Industry	2010 CB LQ	2011 CB LQ
A : Agriculture, forestry and fishing	0.43	0.71
B : Mining and quarrying	1.00	1.00
C : Manufacturing	1.21	1.28
D : Electricity, gas, steam and air conditioning supply	0.02	0.1
E : Water supply; sewerage, waste management and remediation activities	0.83	0.67
F : Construction	1.40	1.42
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	1.19	1.23
H : Transportation and storage	1.20	1.13
I : Accommodation and food service activities	0.95	0.91
J : Information and communication	0.68	0.62
K : Financial and insurance activities	0.28	0.28
L : Real estate activities	1.69	1.38
M : Professional, scientific and technical activities	1.16	0.97
N : Administrative and support service activities	0.72	0.90
O : Public administration and defence; compulsory social security	0.62	0.70
P : Education	1.22	1.17
Q : Human health and social work activities	0.61	0.62
R : Arts, entertainment and recreation	1.40	1.42
S: Other service activities	1.76	1.67

Source: Analysis of BRES 2011

5.70 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:

- Manufacturing of military vehicles (LQ 50.34).
- Activities relating to support of agriculture activities(LQ 5.10), wholesale of agriculture raw materials and live animals (LQ7.53) and silviculture (growth of forests) and other forest activities (LQ 7.57) represent a large share of employment compared to the national share in employment in those sectors. This is partly due to the predominantly rural landscape of Central Bedfordshire.
- Retail trade (wholesale) (LQ 3.64) is another key sector that represents a significant share of employment versus the national share of employment in that sector. This maybe partly due to the strategic road networks that the area offers to businesses in this sector as well as its proximity to Luton Airport in terms of easy access for the transportation of goods and services.
- Technical testing and analysis (LQ3.30) which includes Millbrook Proving Ground, one of the country's leading locations for the development and demonstration of land vehicles.
- Freight transport by road and removal services (LQ 2.58). This includes FedEx, the world's largest express transportation company.
- Manufacture of air and spacecraft and related machinery (LQ 2.03) which includes B E Aerospace an international company that manufactures aircraft passenger cabin interior products.
- Construction of residential and non-residential buildings (LQ1.93) and other civil engineering projects (LQ 1.56). This includes the headquarters of Kier Housing.
- Amusement and recreation activities (LQ 4.34) and restaurants and mobile food service activities (LQ1.06). This includes Woburn Estates which encompasses Woburn Abbey and Safari Park and also famous household names such as Whitbread and Costa Coffee.
- Management consultancy activities (LQ1.17). This forms part of the area's knowledge economy sector with a range of specialisms including research, and intelligence on high technology, digital media and support services for public sector.

5.71 These specialisms reflect Central Bedfordshire's strengths in the advanced manufacturing, engineering and construction sectors as well as indicating the continued importance of the rural economy, particularly through leisure and tourism based and agriculture and forestry activities. It also reflects how diverse and resilient its economy is. Data also indicates a potential underrepresentation in certain sectors, notably finance and insurance. Professional, technical and scientific sector have seen their national share of employment in that sector fall between 2010 and 2011.

Public Sector Employment

- 5.72 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). 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.
- 5.73 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.
- 5.74 The Local Government Association provides a split of the QPSES into local authority areas. The figures are derived from the local authority's payroll. However since last year many schools in Central Bedfordshire no longer use the local authority's payroll and therefore this makes the figure for number of people in the public sector appear very low. Therefore we will report on 2011 figure as it is the most statistically reliable. Analysis shows an estimated 9.8% of the workforce was 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.
- 5.75 In December 2012, however, the Annual Population Survey records the number of people employed in the public sector in Central Bedfordshire as 18.9% of all people in employment, below the national rate (22.8%), although caution should be taken with these figures as per the note above. This represents a decrease of 26.8% from the previous year.
- 5.76 In comparison, private sector employment witnessed a slight increase of 100 people of working age or 0.1% to 81.1% in December 2012 from December 2011.

Self Employment

- 5.77 The Annual Population Survey in December 2012 showed, the number of people aged 16+ in employment that are self-employed was 19,700 or 15.6%. This represents a decrease of 3,600 or 15.5% since December 2011. However this continues to be higher than all comparator areas - England 14.5%, SEMLEP 14.4% and the East of England 15.4%. The percentage of males in employment who are self employed is 21.6%, a fall of 1% compared to 8.4% of females which has seen a fall of 3.8% (or 2,500 females). In regards to male self employment, the rate in Central Bedfordshire is higher than comparator areas but the gap between the male and female rate is similar in all areas.

5.78 The Council supports self employment in a number of ways including providing start-up business advice and referrals to business intermediaries. We also work in partnership with Cranfield University to promote innovation, help market the Flitwick business club offering and engage with the Women's Resource Hub in Dunstable.

Economic Resilience

5.79 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.

5.80 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.

5.81 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. The latest available data is the 2010 index (included in 2012's LEA) which 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).

Social Enterprise

5.82 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.⁸

4.1 ⁸ 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 maximise profit for shareholders and owners' (accepted Government definition taken from Hansard Parliamentary Reports, December 2011)

5.83 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

The Rural Economy

5.84 Analysis of the 2012 IDBR shows that 49.2% of businesses in Central Bedfordshire are based in wards that are classed as rural and 53.7% of all people employed in Central Bedfordshire are employed in wards classed as rural, therefore the rural economy remains to be of critical importance to the overall economy of Central Bedfordshire.

5.85 The 2013 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. Urban and rural businesses shared similar top and bottom rated aspects of the local area 60% of rural businesses rated Central Bedfordshire as an area that is good for business, compared with 61% of urban businesses.

5.86 However, there are some specific aspects where differences between rural and urban businesses are notable. For example, 80% of rural businesses rated attractive surroundings as good compared to 55% of urban businesses. 20% of urban businesses said the area was improving for businesses compared to 21% of rural businesses. 18% of urban businesses rated the Council as good at communicating with businesses compared to 25% of rural businesses. And 23% of urban businesses were satisfied with the Council from a business perspective compared to 27% of rural businesses. Urban businesses rated their past business performance slightly more positively than rural businesses and were more optimistic about their future business performance.

5.87 In terms of possible constraints on future growth, there were notable differences with regard to interest rates/cost of finance for 13% of rural businesses compared to 3% of urban businesses, lack of skilled labour for 10% of rural businesses compared to 4% of urban businesses, and high cost of energy was more of an issue for 8% of rural businesses compared to 2% of urban businesses. This may indicate a need to do more to support rural businesses to access finance and skilled labour.

5.88 The Department for Environment, Food and Rural Affairs announced a Rural Economy Growth Review in 2011 which led to the government committing a £165 million package of measures to stimulate growth in the rural economy. This includes addressing barriers to growth by establishing Rural Growth Networks in 5 pilot areas across England. Further details can be found here: <https://www.gov.uk/government/policies/stimulating-economic-growth-in-rural-areas#background>

Table 7: Elements of the local area rated as good by urban and rural businesses (ordered by highest scoring overall)

Indicator	Urban	Rural
Strategic road network	79%	76%
Rail network	66%	72%
Airport access	65%	72%
Attractive surroundings	55%	80%
Good quality Schools/Colleges	54%	60%
Local road network	52%	57%
Ease of transportation of freight	52%	52%
Walking/cycling routes	42%	59%
Supply Chain located locally	46%	40%
Availability of local services	33%	37%
Skilled Staff	38%	31%
Availability of suitable premises	36%	31%
Public transport	35%	32%
Average pay scales / wage levels	29%	34%
Good value rent and rates	29%	32%
Proximity to Universities	26%	35%
Support on planning permissions	29%	19%
Availability of affordable housing	20%	18%
Local support available to businesses	15%	16%
Overall	42%	45%

Source: Central Bedfordshire Business Survey 2013

Table 8: Constraints on business growth by urban and rural businesses

Constraint	Urban	Rural
The general economic climate	36%	37%
Access to finance	19%	14%
Attracting and retaining customers	13%	16%
Over regulation/red tape	8%	13%
Cash flow	10%	9%
Constraints with premises or location	8%	11%
Business rates	10%	6%
Interest rates/cost of finance	3%	13%
Lack of skilled labour	4%	10%
High cost of energy	2%	8%
Lack of appropriate business support	4%	5%
IT infrastructure	5%	4%
Reduction in public sector expenditure	4%	4%
Increasing competition	5%	2%
Difficulties with obtaining planning permission	3%	2%
High cost of labour	2%	2%
Transport infrastructure (road, rail and sea)	1%	1%
Access to public transport	1%	2%
Transport costs	0%	2%

Source: Central Bedfordshire Business Survey 2013

Innovation

- 5.89 Business links with higher and further education can fuel innovation in new products and processes, in turn delivering improvements in business productivity and help diversify their business. However the percentage of businesses with links to higher and further education in Central Bedfordshire has fallen. In the Business Survey 2013, 9% of businesses reported to have links with universities or colleges for research and development purposes, compared to 12% in 2012, 10% in 2011 and 6% in 2010.
- 5.90 Small to medium sized businesses are more likely to have links, with 22% of businesses with 10-24 employees and 17% of businesses with 25-49 employees having links compared to 7% of businesses with 1-9 employees. The sectors most likely to have links with universities or colleges are Agriculture (36% have links) and Information and communication (33%). The types of activity undertaken with universities and colleges include research, joint delivery of projects and training.
- 5.91 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. 34% of businesses have introduced a new product, service or significantly improved process in the past 12 months. 32% of businesses plan to introduce a new product, service or process innovation in the next 12 months. These results are in line with the results for 2011 and 2010, albeit down on the results for 2012 (44%).
- 5.92 Larger businesses are more likely to innovate with 40% of businesses with 50+ employees having innovated in the past 12 months and 60% planning to do so in the next 12 months. This compares to 33% of businesses with 1-9 employees having innovated in the past 12 months and 30% planning to do so in the future.
- 5.93 Central Bedfordshire is home to a number of companies who are at the forefront of innovation across a range of industries including aerospace, automotive, off shore wind, health life sciences and information technology.
- 5.94 An example of a company leading in innovation is B/E Aerospace, the largest global manufacturer of aircraft cabin interior products and distributor of aerospace fasteners and consumables for commercial airliners and business jets with its global headquarters in Leighton Buzzard. It has invested in a \$100m programme for the new Airbus A350 aircraft over the next 30 years in addition to on-going R & D investment of \$3m annually commencing in 2016.
- 5.95 University of Cranfield in Central Bedfordshire is recognised as a centre for innovation. In 2012, it led 17 Knowledge Transfer partnerships which involved high quality graduates (KTP Associates) working within companies on projects central to the needs of the company jointly supervised by company personnel and a senior academic.
- 5.96 Cranfield's partnerships with Airbus, BAE Systems, Boeing and Rolls-Royce have created facilities from flying laboratories and flight deck simulators to industrial-scale gas turbine engine test facilities used for performance and diagnostic studies.

Tourism

- 5.97 Tourism remains an important sector of the economy in Central Bedfordshire with major attractions such as ZSL Whipsnade Zoo, Woburn Abbey and Safari Park, and its 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 2014 which will support 2,700 jobs both in construction (1200 jobs) and its subsequent operation (1500 jobs).
- 5.98 Central Bedfordshire's attractive natural environment continues to be cited as one of the best aspects of the area by local businesses 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).
- 5.99 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.
- 5.100 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 7,900 jobs, accounting for 9.7% of total employment in the area. However there has been a fall in number employed in this sector from 2010 to 2011 by 398 people or a 5% decrease.
- 5.101 In 2011, Visit England, Visit Scotland and Visit Wales commissioned a new survey to measure volume and value of tourism day visits in England. In 2012 there were an estimated 3,130,000 day visitors to Central Bedfordshire who spent an estimated £60.34 million. (Source: Visit England, Visit Scotland and Visit Wales, The GB Day Visitor, Statistics 2012, April 2013) This is the first year such data on Central Bedfordshire has been made available so we are unable to draw comparisons on previous years for that reason. Comparative data will be included in LEA 2014.
- 5.102 In 2012, the turnover for the Arts, entertainment, recreation and other services sector in 2012 was £395,984,000. This is an increase of 44.1% from the previous year.
- 5.103 According to the latest East of England Forecasting Model 2013, the Arts, and entertainment sector is forecast to grow by 36% by 2031. This broadly covers creative, arts and entertainment, libraries, archives, museums and other cultural activities, gambling and betting activities, sports activities, amusement and recreation activities.
- 5.104 Further information about how tourism is promoted in Central Bedfordshire can be found on Experience Bedfordshire website:
<http://www.experiencebedfordshire.co.uk>

Labour Market

Labour Market

Key Issues

- Whilst the labour market in Central Bedfordshire remains relatively strong compared to the national picture, the employment rate has continued to fall each quarter during 2012 to 74.2% in December and the gap between the England and Central Bedfordshire employment rates is narrowing.
- More people of working age in Central Bedfordshire were economically inactive and not looking for work in 2012 (30,200) than the previous year.
- Fewer people aged 65 years old and over remain in employment than in 2011. This age group accounted for 3,600 in December 2012 compared to 5,700 in December 2011.
- Although the unemployment rate remains below comparator areas, it remains higher than pre-recession levels at 6.3% in December 2012.
- Female unemployment rate increased during 2012 and is now above comparator areas at 8.2% in December 2012-higher than pre-recession levels.
- Cost of child care remains a key barrier for women returning to the labour market.
- People aged 16-24 years old claiming Job Seekers Allowance is still high at 24.2% in April 2013, however this has fallen from 26.7% in April 2012.
- Cost and provision of public transport is still a major barrier for residents accessing the labour market especially for young people and women.
- Despite the fall in JSA amongst 16-24 years old, youth unemployment still remains an issue for Central Bedfordshire as the rate has increased significantly during 2012.
- Worklessness levels, in particular those who are not working and do not want a job, continue to rise whilst levels continue to fall at a national and regional level.
- The most common reason for being economically inactive and not seeking a job in 2012 was due to looking after family/home.
- Locally, Jobcentre Plus continues to find that those seeking work in the area face difficulty accessing employment due to limited transport options and child care availability.
- The area has seen a jobs growth of approximately 700 jobs which is a 0.9% increase from the previous year, however jobs filled per resident (job density) remains low and at the same level in the past two years due to large amounts of people commuting out of Central Bedfordshire.
- In terms of future jobs growth, the industries forecast to employ the most people in Central Bedfordshire in 2031 are Retail, Professional Services, Construction and Education.

Key Issues (cont.)

- Resident earnings are high in Central Bedfordshire at an average of £560 per week and have increased at a faster rate than nationally, however there remain large discrepancies between the earnings of residents and workers and the difference between those earning the most and least in Central Bedfordshire has increased.
- Whilst there are differences in the earnings of people living in parts of the South compared to parts of the North of Central Bedfordshire, those in the South have seen a bigger increase in weekly earnings.
- The level of out of work benefits has continued to fall over the past year and may relate to efforts to move more people off benefits and into work through initiatives such as the Work Programme.

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 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
- Levels of youth unemployment

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

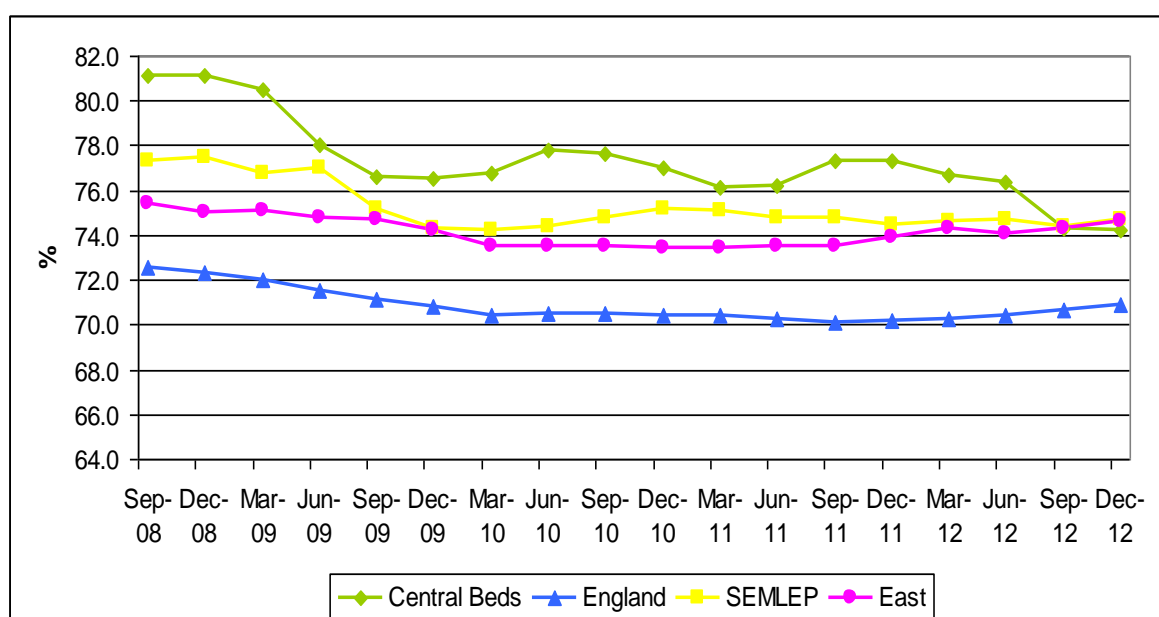
6.2 As a wider evidence base, this chapter of the LEA will look at a number of other areas to give a broader picture of the Central Bedfordshire labour market:

- Barriers to the labour market
- Worklessness
- Jobseekers' Allowance claimant count
- Job vacancies
- Work programme
- Job density
- Indices of deprivation
- Income
- Poverty

Employment

6.3 In December 2012 there were 122,600 people in employment in Central Bedfordshire of a total working age population (aged 16 to 64) of 165,300 – 74.2%. This is higher than England (70.9%) but lower than the South East Midlands (74.7%) and the East of England (74.6%). Whilst we have historically been consistently higher than these areas – over 5 percentage points higher than the national figure – since September 2012, we have been slightly below this. The number of people in employment is however; significantly lower than it was prior to the recession in 2008 when levels were just above 81%. When comparing with our neighbouring authorities, our employment rate is slightly higher than Milton Keynes (73.8%) which has a similar working age population, lower than Bedford (77%) and higher than Luton (65%).

Chart 1: Employment rate as a percentage of working age people (16-64), change over time



Source: ONS Annual Population Survey December 2012, via Nomis

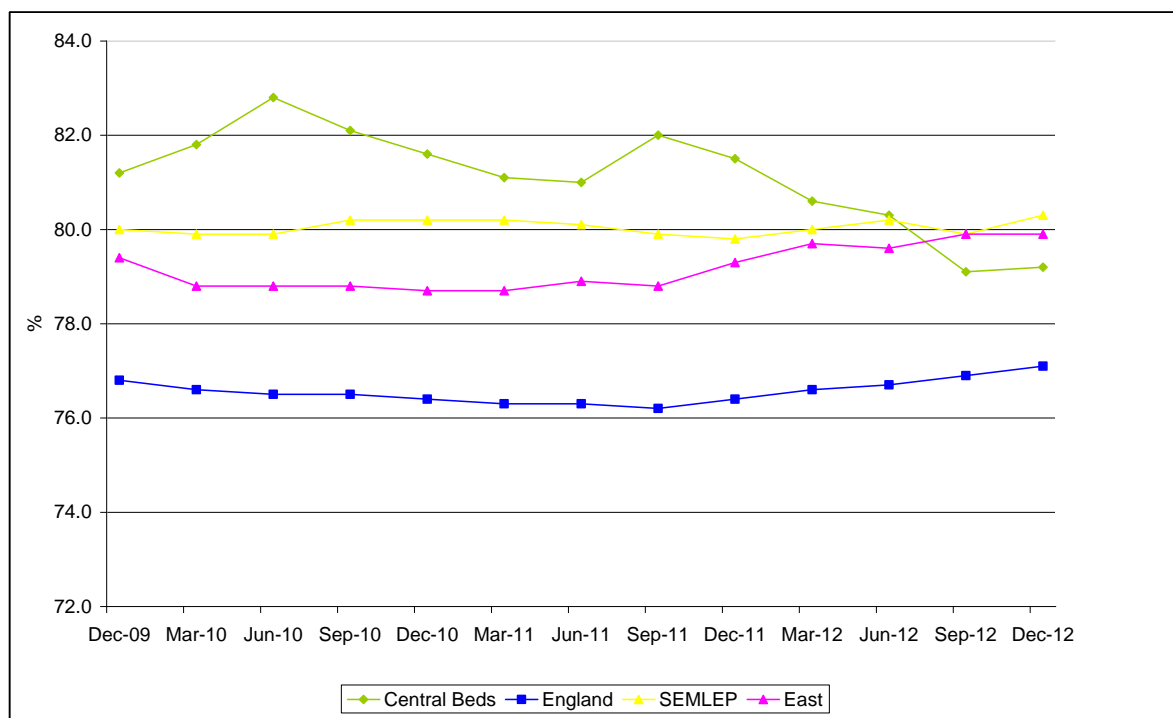
6.4 The number of people in employment generally rises when taking into account those people who remain in work beyond the age of 65 coupled with the removal of the default retirement age and state pension age for both men and women increasing to 66 by 2020. In December 2012, the number of people in employment decreased by 7,500 to 126,200 from December 2011 when looking at all people in work over the age of 16. Whilst the number of people over the age of 65 in employment continued to rise over recent years, the numbers have fallen significantly since March 2012 from 6,600 to 3,600 people in December 2012. This represents a decrease of 45.5%. This maybe due to people leaving the labour market to take early retirement or for other reasons such as a change in personal circumstances. At the same time, this age group has also seen a decrease of 33.3% in percentage of people over the age of 65 who are economically active during the same period.

- 6.5 The employment rate can also be split into full-time and part-time employees. In December 2012 the percentage of the workforce in part-time employment was 23.5%, or 28,800 people. This has decreased from 26.9% in December 2011 and has been steadily declining each quarter. This equates to a fall of 5,600 people of working age in part-time employment during December 2011 to December 2012 or a decrease of 16.3%. This is despite an increase in part-time employment at a national level of 1.1% or 66,700 people from December 2011 to December 2012 which now stands at 25.7%. However both South East Midlands and East of England experienced a fall in the number of people in part-time employment by 11,200 (-5.3%) and by 7,700 (-1.1%) respectively.
- 6.6 The percentage of men working part-time has decreased from 11.5% in December 2011 to 6.8% in December 2012. Although the female part-time employment rate has historically been higher than the male rate, it has however fallen between December 2011 from 45.3% to 43.2% in December 2012 (ONS Annual Population Survey, December 2012, via Nomis). The male part-time rate remains below England (11.4%), SEMLEP (9.3%) and the East of England (9.9%), however the female part-time employment rate is slightly above England (42.3%) and SEMLEP (41.1%) but below East of England (43.3%).

Economic Activity

- 6.7 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 worklessness level has been increasing each quarter and is now higher than pre-recession levels at 42,700 in December 2012. The economic activity rate in December 2012 was 79.2% of working age population, or 130,900 people. This is above England (77.1 %) however below SEMLEP (80.3 %) and the East of England (79.9%). All other areas have witnessed slight increase in the economic activity rate; whereas Central Bedfordshire has fallen more steeply and maybe due to the smaller sample size for recording economic activity rate in Central Bedfordshire compared to SEMLEP, East of England and nationally. It also reflects the ongoing impact the economic recession is having on the working age population.

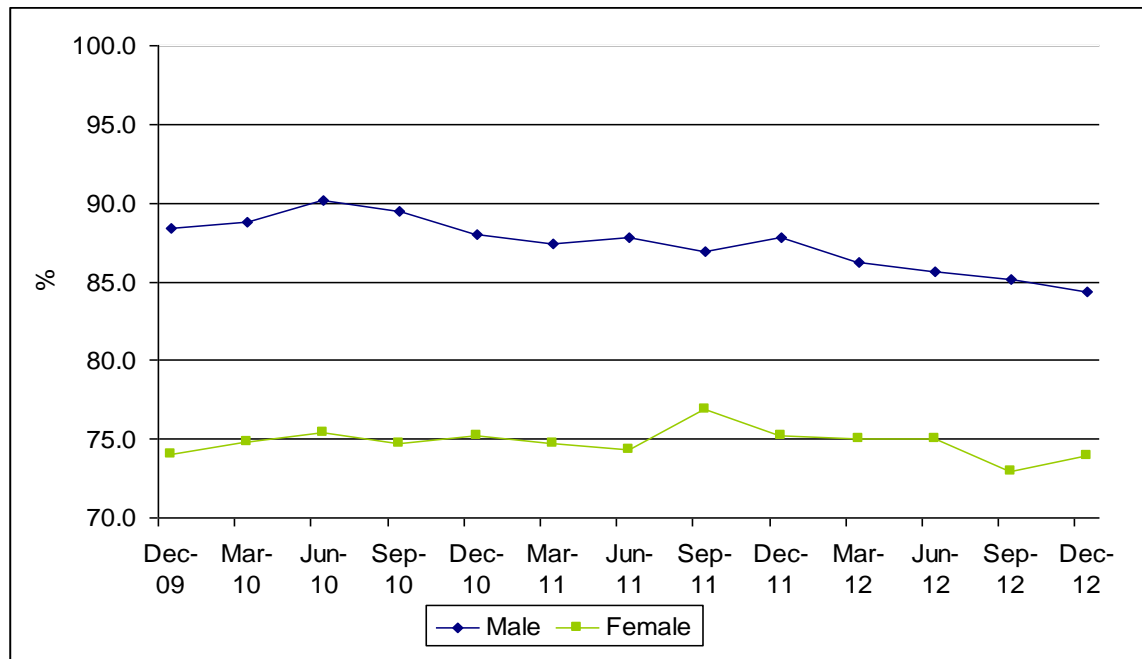
Chart 2: Economic Activity Rate as a percentage of working age people (16-64) change over time



Source: Annual Population Survey December 2012, ONS via Nomis

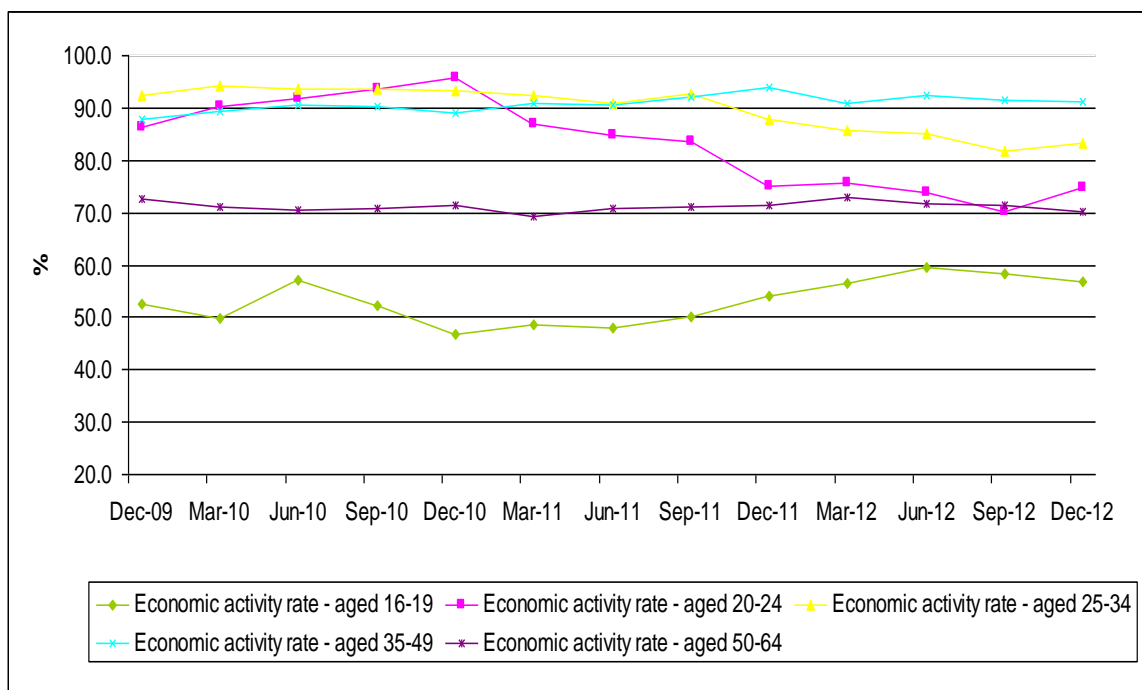
- 6.8 The economic activity rate of males and females in Central Bedfordshire varies, with the male rate (84.4% in December 2012) consistently higher than the female rate (73.9%). This is also true at regional, national and SEMLEP levels. Both male and female economic activity rates remain lower than SEMLEP and East of England but higher than the national rate.
- 6.9 When considering reasons for economic inactivity, the largest single reason given for inactive is looking after family/home. This accounted for 35.2% of economically inactive (compared to 25.9% nationally) in December 2012. The percentage of economically inactive looking after family/home in Central Bedfordshire has increased by 5,100 people or an increase of 75% from December 2011 to December 2012. This is almost all accounted for by females (4,800 or an increase of 72%). The largest increase in the reasons for economic inactivity for males was being long term sick (2,100 or an increase of 124%). This trend for long term sick does not correlate to data on claimed benefits where the rate of long term (over 5 years of claiming Incapacity benefit or Severe Disability Allowance has dropped for both men and women).
- 6.10 The economic activity rate of individual age groups in Central Bedfordshire highlights that those aged 35-49 years old witnessed the biggest decrease in numbers of economically active by 4,300 people between December 2011 and December 2012.

Chart 3: Economic activity rate by gender over time in Central Bedfordshire



Source: Annual Population Survey December 2012, ONS via Nomis

Chart 4: Economic activity rate by age band over time in Central Bedfordshire



Source: Annual Population Survey December 2012, ONS via Nomis

6.11 Despite the relatively high rates of economic activity in Central Bedfordshire, several groups face barriers to the labour market. 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.

Table 1: Employment rates among the most disadvantaged groups in Central Bedfordshire

Group	Employment Rate (%)
All working age people	74.2
All people 50-64	68.9
Ethnic minorities	86.5 ⁹
Ethnic minority males	84.3 ¹⁰
Ethnic minority females	85.6 ¹¹
All people 16-24	60.6
Disabled ¹² people	49.4
Disabled males	42.0
Disabled females	56.8

Source: Annual Population Survey December 2012, ONS via Nomis

6.12 It is not possible to analyse economic activity by ethnicity from the Annual Population Survey, due to the small sample size. However, this data is available from the 2011 Census.

6.13 Please note that the total figure for economic activity from the 2011 Census (68.5%) is not comparable with the total figure for economic activity from the Annual Population Survey (79.2% in December 2012). This is because the Annual Population Survey is for people of working age only (16-64), while Census figure is for all people aged 65 and over. This means that the total cohort for the 2011 Census includes people aged 65 and over who are less likely to be economically active.

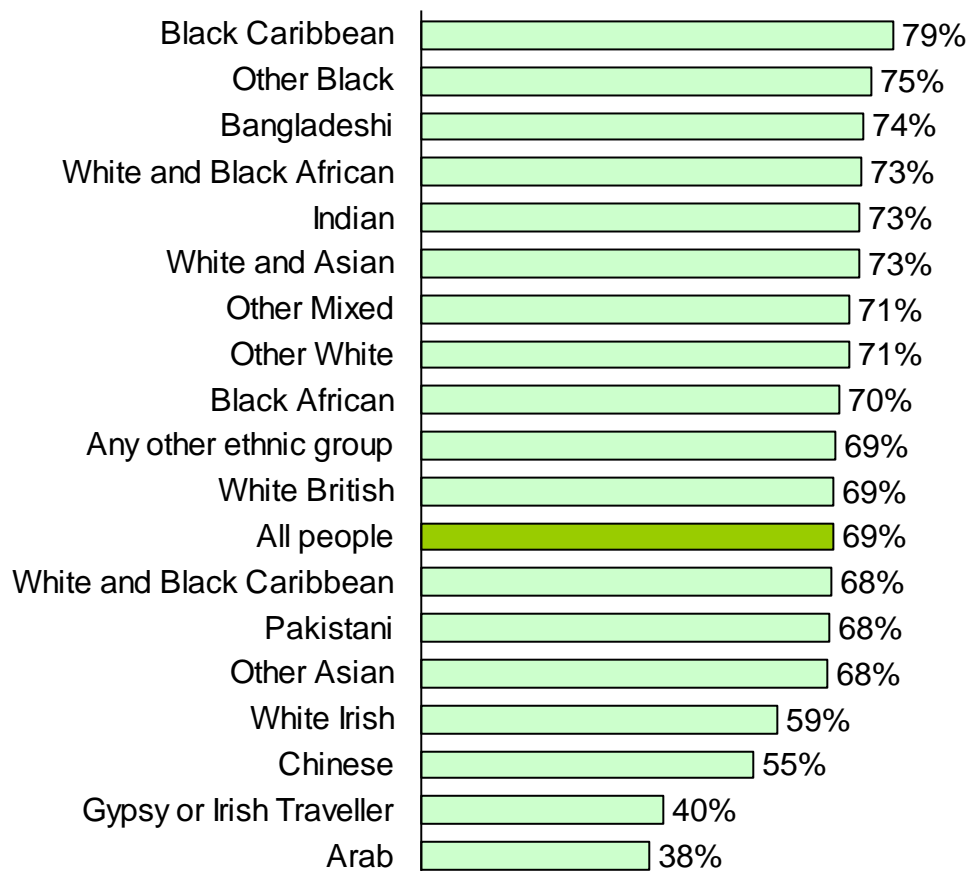
⁹ Please note the confidence interval for ethnic minority employment rate is 22.6% plus or minus therefore the actual figure maybe higher or lower.

¹⁰ The most recent figure available for employment rate of ethnic minority male is September 2010.

¹¹ Please note the confidence interval for ethnic minority female employment rate is 30.2% plus or minus therefore the actual figure maybe higher or lower.

¹² 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>

Chart 5: Economic activity rate by ethnic group, 2011 Census



Source: Office for National Statistics, 2011 Census, Table DC6201EW, Economic activity by ethnic group by age by sex

6.14 Most ethnic groups had an economic activity rate similar to or higher than the rate for all people of 69% (shown as a darker bar in the chart above). However, four groups had lower economic activity rates. There are differing reasons for this:

- Arab: more likely to be students (40%, compared to 4% of all people), or looking after the home (14%, compared to 4% of all people)
- Gypsy or Irish Traveller: more likely to be looking after the home (19%, compared to 4% of all people), or sick or disabled (15%, compared to 2% of all people)
- Chinese: more likely to be students (28%, compared to 4% of all people)
- White Irish: more likely to be retired (31%, compared to 20% of all people)

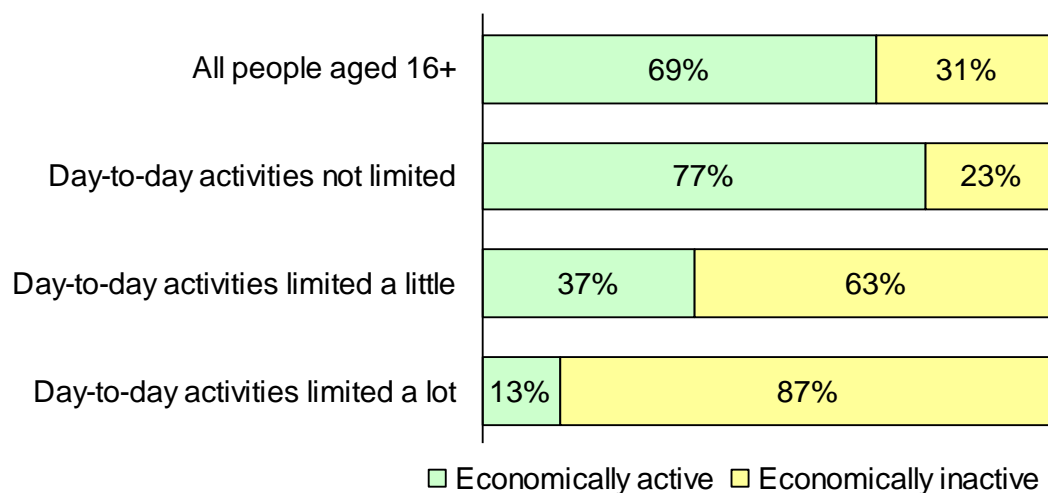
6.15 Further analysis by age and gender shows that:

- Unemployment was higher in the 16-24 age group. This was particularly the case for males of Gypsy or Irish Traveller (33%), and Pakistani (24%) origin, and females of Bangladeshi (27%) and Black African (20%) origin. Note that an unemployed person is still economically active, as they are looking for work.
- Arab, Gypsy or Irish Traveller, Pakistani, and Bangladeshi females were more likely to be looking after the home (41%, 30%, 28% and 21%, respectively).

6.16 As the chart below shows, people whose day-to-day activities are limited are much less likely to be economically active, even where their activities are limited only a little.

6.17 Of those whose day-to-day activities were limited a little, 52% were retired, with a further 5% long term sick or disabled. Of those whose day-to-day activities were limited a lot, 60% were retired, with a further 22% long term sick or disabled. This compares with 23% retired and 0% long term sick or disabled of people whose day-to-day activities are not limited. We do not have a breakdown of these figures by age, but this may suggest that many people with limited activities are in older age groups.

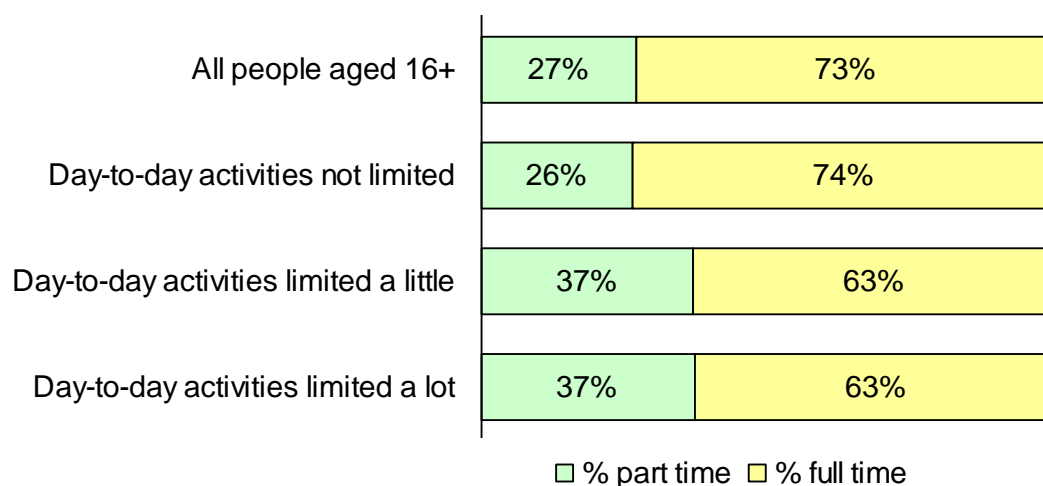
Chart 6: Economic activity by long term health problem or disability, all people aged 16+



(Source: Office for National Statistics, 2011 Census, Table DC6302EW, Economic activity by hours worked by sex by disability)

6.18 While fewer people with limited activities were in employment, there were only small variations in the proportions working part-time, from 26% for people whose activities were not limited, to 37% for people whose activities were limited (either a little or a lot).

Chart 7: Hours worked (full-time or part-time) by long term health problem or disability, all people aged 16+ and in employment



Source: Office for National Statistics, 2011 Census, Table DC6302EW, Economic activity by hours worked by sex by disability)

Barriers to the labour market

- 6.19 In April 2013, Central Bedfordshire Council commissioned research to examine the barriers different communities face accessing the labour market. The purpose of the research was to enhance our knowledge of differences amongst those who share protected characteristics as defined under the Equality Act 2010 in regards to participation in the labour market. This research analysed differences in employment rates by sector and occupation, unemployment rates, qualifications, economic activity/inactivity and the specific barriers faced by different groups accessing the labour market.
- 6.20 This involved analysis of a range of quantitative data from different sources mainly Annual Population Survey to ascertain differences in labour market outcomes. It also involved consultation with service users who access employment and skills support programmes locally to determine what barriers they face and also a questionnaire with providers who deliver employability support services on behalf of the Council to understand the challenges they face and their understanding of the barriers.

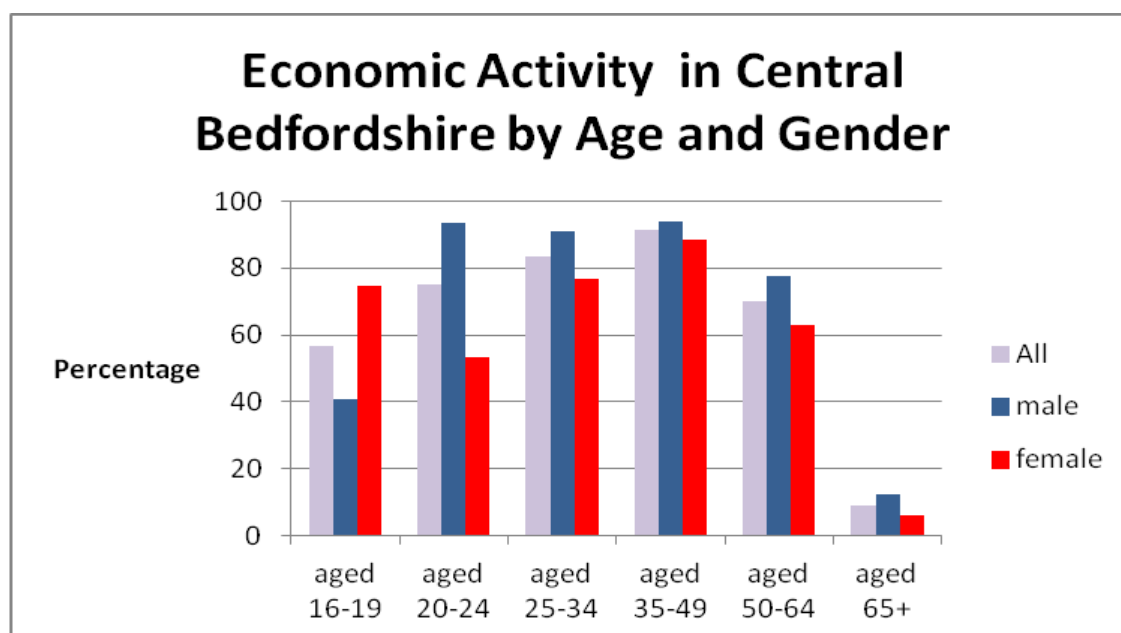
6.21 The desk research highlighted a number of issues in regards to differences in labour market outcomes:

- Women in Central Bedfordshire outperform men in regards to educational attainment from NVQ Levels 1 to 3 but this trend is reversed at NVQ Level 4 and above. In December 2012, this stood at 31.3% of females of working age with NVQ Level 4 and above compared to 34.4% of males of working age.
- Disabled women in Central Bedfordshire have a higher economic activity rate (68.2 %) than nationally (52.3%). However the economic activity rate for disabled males of working age is lower at 59.2% compared to 61.4% in England.
- Employment rate is generally higher amongst disabled people in Central Bedfordshire than in England as a whole. However there exists differences in employment rates between disabled and non disabled females in Central Bedfordshire. Employment rate of non disabled females in Central Bedfordshire was 13.4% higher (70.2%) than females who are disabled which stood at 56.8% in December 2012.
- A greater proportion of Black/African/Caribbean and Black British people work in lower managerial, administrative and professional occupations in the area than nationally.

6.22 Chart 8 below shows that there is a peak in economic activity in the 35-49 year old age range for both males and females. There is a low economic activity rate amongst males aged 16-19 years old¹³ than females. However economic activity rate amongst males subsequently rises steeply in the 20-24 year old age range to 93.4%. However, in women the pattern is reversed with a significant drop in economic activity occurring between these age ranges.

¹³ Please note that there is no confidence interval for male economic activity rate for 16-19 year olds. Analysis of economic activity data has been focused instead on trends over time which is showing that males continue to have a much higher economic activity rate overall from age of 20 years old and above.

Chart 8: Economic Activity in Central Bedfordshire by Age and Gender



Source: ONS Annual Population Survey, December 2012

Unemployment

6.23 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:

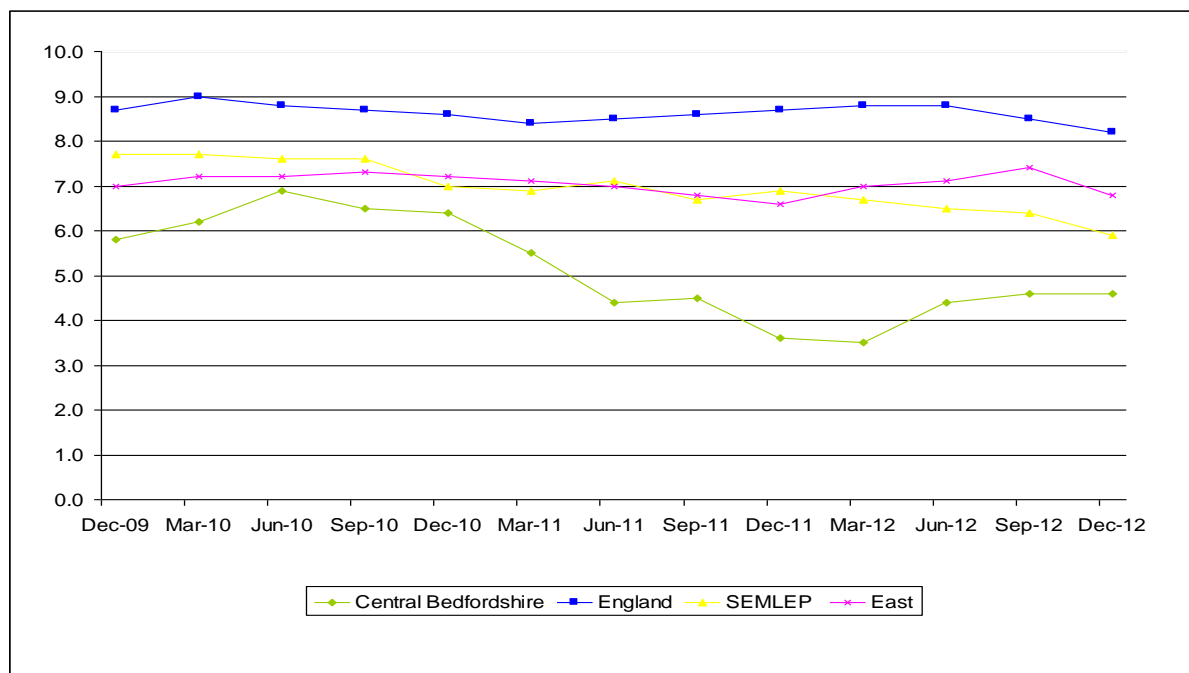
- Without a job, want a job, have actively sought work in the last four weeks and are available to start work in the next two weeks
- Out of work, have found a job and are waiting to start it in the next two weeks.

6.24 Unemployment in Central Bedfordshire remains relatively lower than comparator areas and in December 2012 the rate was 6.3% or 8,300 people compared to 8.0% in England, 6.9% in SEMLEP and 6.7% in the East of England. However, Central Bedfordshire's unemployment rate remains volatile and above pre-recession levels and has increased at a faster rate than comparator areas since June 2008.

6.25 It has been suggested that the recovery of unemployment rate to pre-recession levels will take longer than previous recessions due to a variety of factors. This includes changes to working patterns, common practice of labour hoarding, the weakness of the economy to recover and the protracted nature of the recession. (Source: Labour Market Statistics User Group Conference, March 2013)

6.26 At a national level, unemployment has risen but at a slower rate than Central Bedfordshire. The percentage change over the period June 2008 to December 2012 shows that the unemployment rate more than doubled in numbers from 4,000 to 8,300 which represents an increase of 107.5% since June 2008 compared to nationally which saw an increase of 53.7% during the same period.

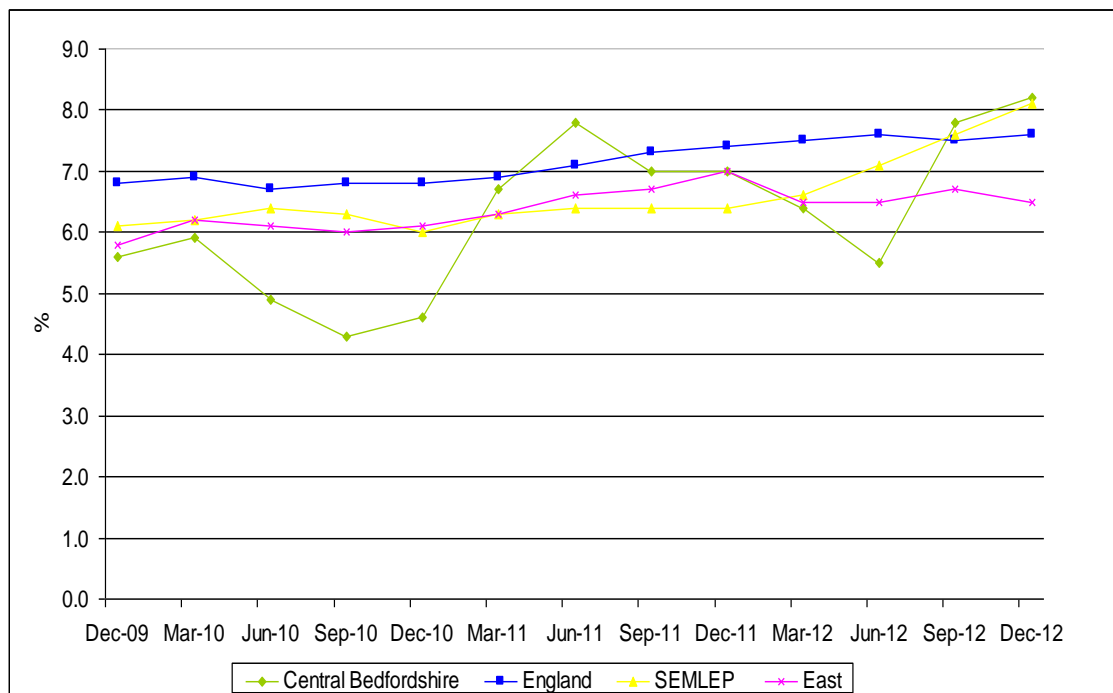
Chart 9: Unemployment rate over time as a percentage of working age population



Source: ONS Annual Population Survey, December 2012, via Nomis.

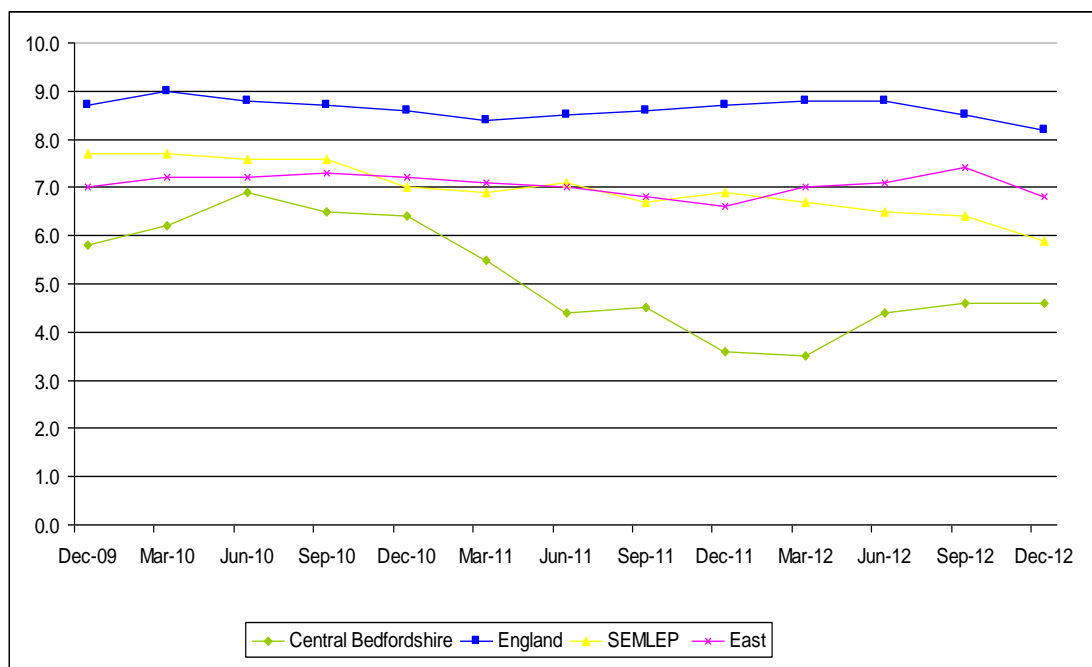
6.27 The unemployment rate varies between males and females in Central Bedfordshire and historically the female rate has been higher than the male rate. The female unemployment rate has continued increase during 2012 and was 8.2% in December 2012, the highest it has been since June 2011 when it was 7.8%. This represents an increase of 13.6% or 600 of the working age female population from December 2011 to December 2012. However the increase in the rate of female unemployment is higher than the national rate which has seen a smaller increase of 3.7%. However South East Midlands witnessed the greatest increase in female unemployment rate by 31.3% during the same period. The male unemployment rate now stands at 4.6% in December 2012 which is significantly lower than England (8.2%), SEMLEP (5.9%) and East (6.8%). Whilst female unemployment is higher, the rate at which male unemployment has increased is greater by 34.6% from December 2011 to December 2012 or by 3,500.

Chart 10: Female unemployment rate as a percentage of female working age population



Source: ONS Annual Population Survey, December 2012, via Nomis.

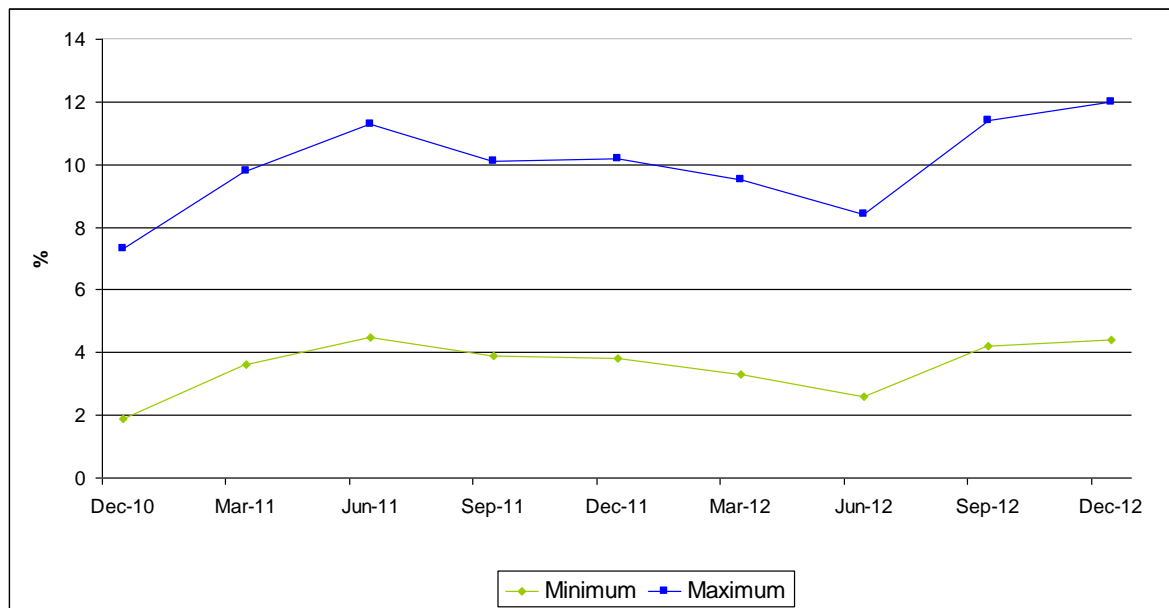
Chart 11: Male unemployment rate as a percentage of male working age population



Source: ONS Annual Population Survey, December 2012, via Nomis.

6.28 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 chart below shows the minimum and maximum points for the female unemployment rate from December 2009 to December 2012. This is based on the confidence interval for each quarter during this period which is as much as 5.5% higher or lower than the figure reported. This means that the female unemployment rate will therefore actually fall at some point between the maximum and minimum points in the graph below.

Chart 12: Possible range of female unemployment rate



Source: ONS Annual Population Survey, December 2012

6.29 The historically high levels of female unemployment maybe explained when considering the national picture. According to Office for National Statistics, the main reason why more women are becoming unemployed is because more full-time mums are having to re-enter the labour market and therefore moving from economically inactive and not seeking work to unemployed. The recent increase in female unemployment nationally has also been linked to pension reform and increase in state pension age which has led to older women abandoning their retirement plans and re-entering the labour market thus moving from economically inactive to unemployed. Furthermore, the impact of public sector cuts, rising cost of child care and inflexible working practices also act as barriers to women returning to the labour market.

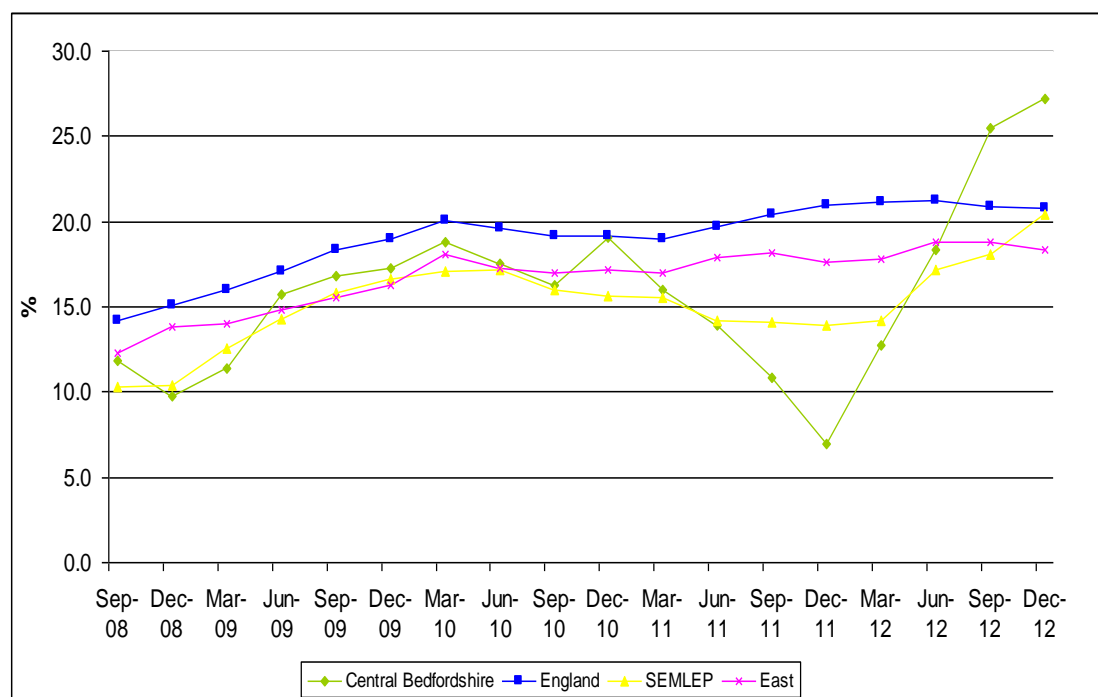
- 6.30 As part of the Labour Market Inequalities research, a number of focus groups took place with women returners and young mums to find out what barriers they face accessing/returning to the labour market. Key findings from the focus groups highlighted the following barriers:
- lack of flexibility of employers about existing constraints, such as school hours.
 - the expense of updating skills having been out of the labour market to look after family/home.
 - attitudes of Jobcentre staff.
 - lack of internet access at home, combined with limited public transport, particularly in rural areas.
 - lack of consistency with advisors and tutors – no opportunity to build a rapport or relationship because people see a different advisor every time.
 - lack of work experience.
 - the stigma of being out of work, especially as a (single) mother.
 - quality and affordability is a major issue for young mothers.
 - part-time work that fits around free child care provision (15 hours) is scarce.

Youth unemployment

- 6.31 Figures for JSA claimant count show that in April 2013, there were 985 16-24 year olds (3.8%) in receipt of JSA, which is 190 fewer than it was a year ago. Again, this is below England (5.2%), SEMLEP (4.6%) and the East of England (4.6%). The rate of male JSA claimant count in this age group is considerably higher than female, 4.7% compared to 2.7%. People in the age group 16-24 account for 24.2% of all people claiming JSA in Central Bedfordshire. However this has decreased from 26.7% in April 2012.
- 6.32 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.
- 6.33 An alternative measure of youth unemployment highlights that levels have surged since March 2012 when it was 12% increasing to 27.2% in December 2012. Since December 2011, youth unemployment has seen an increase of 5,500 people aged 16-24 years old unemployed. This makes the rate higher than England (20.8%), SEMLEP (20.4%) and East of England (18.3%). Youth unemployment has continued to increase during 2012 and remains volatile.
- 6.34 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 13.2 percentage points, meaning that the actual figure could fall anywhere with 13.2 points either side of the figure reported.

- 6.35 Youth unemployment includes people in full-time education (FTE) if they have been looking for work within the last four weeks and are available to start work within the next two weeks. Other reasons cited for the increase in youth unemployment across the country include: seasonal increases in the number of young people NEET, growth of highly skilled occupations, increased competition for low wage service employment, increase for a more qualified workforce and a shift in focus to support lone parents and those on incapacity benefit has impacted upon young people's ability to find employment. (Source: Short-term crisis-long-term problem? Addressing the youth employment challenge, The Work Foundation, 2012)
- 6.36 As part of the Labour Market Inequalities Research, consultation with providers delivering employability support to young people in Central Bedfordshire highlighted a number of barriers they face:
- The fact that Connexions no longer exists and it has not been replaced by anything very effective.
 - Geography – there is no Jobcentre in Dunstable.
 - The lack of focus on those with neither the highest need for support nor supportive backgrounds who “will get there whatever”.
 - Lack of motivation and lack of input to broaden people's understanding of their options.
 - Lack of understanding even by professionals about different types of qualifications that are equivalent to one another, e.g. level 2 qualifications and GCSE maths and English.
 - Restrictions within colleges on when people can start courses during the year.

Chart 13: Youth unemployment as a percentage of all aged 16-24



Source: Annual Population Survey December 2012, ONS via Nomis

Worklessness

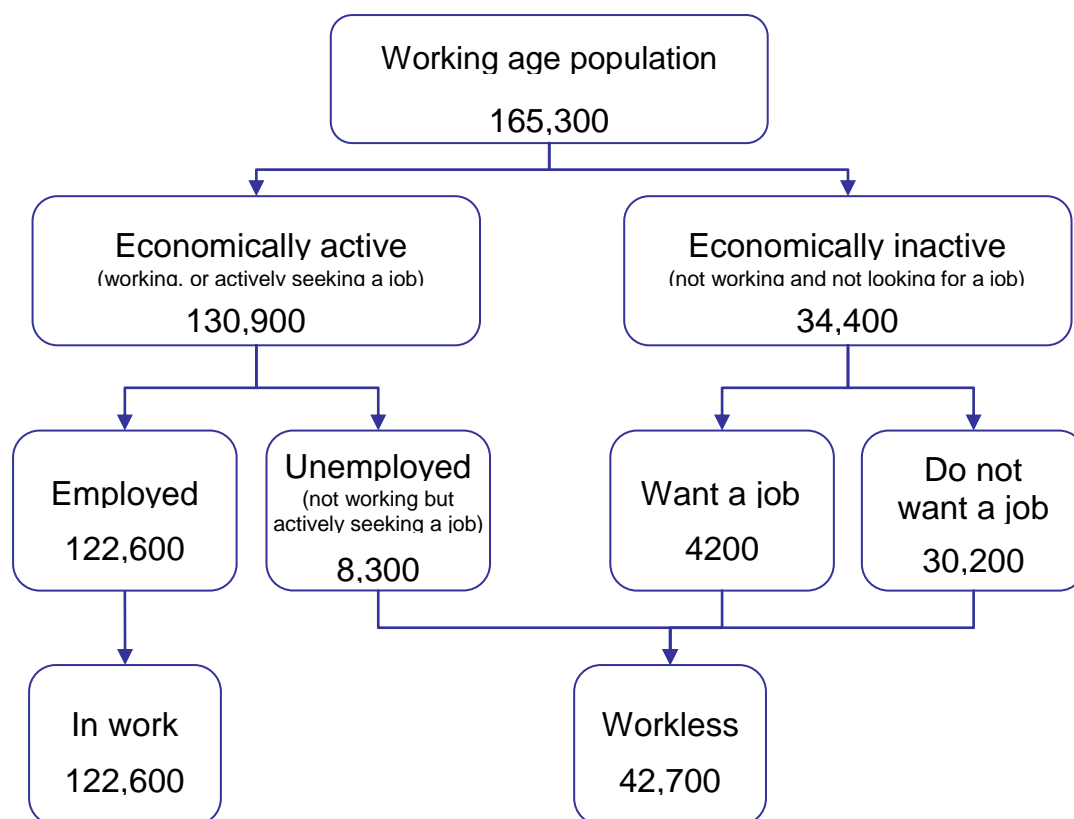
6.37 Worklessness is used to describe people of working age who are not in work and includes:

- 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.

6.38 Since December 2011, worklessness levels (people who are not employed and are either looking for work or do not want a job) have increased by 5,000 people to 42,700 in December 2012. At the same time, the number of people who are economically inactive and do not want a job rose by 5,700 people to 30,200. Nationally and in SEMLEP and East of England, the number of workless people has fallen.

6.39 The number of those who are economically inactive and looking for work has fallen by 2,000 people since December 2011.

6.40 Central Bedfordshire's worklessness rate, while increasing to 25.8%, remains below England (29.1%) however is now slightly above the East of England (25.5%) and SEMLEP (25.2%). Key reasons for working-age people to be inactive include looking after family or home, retirement, being a student or being long-term sick or disabled.



Source: Annual Population Survey, December 2012, ONS via Nomis.

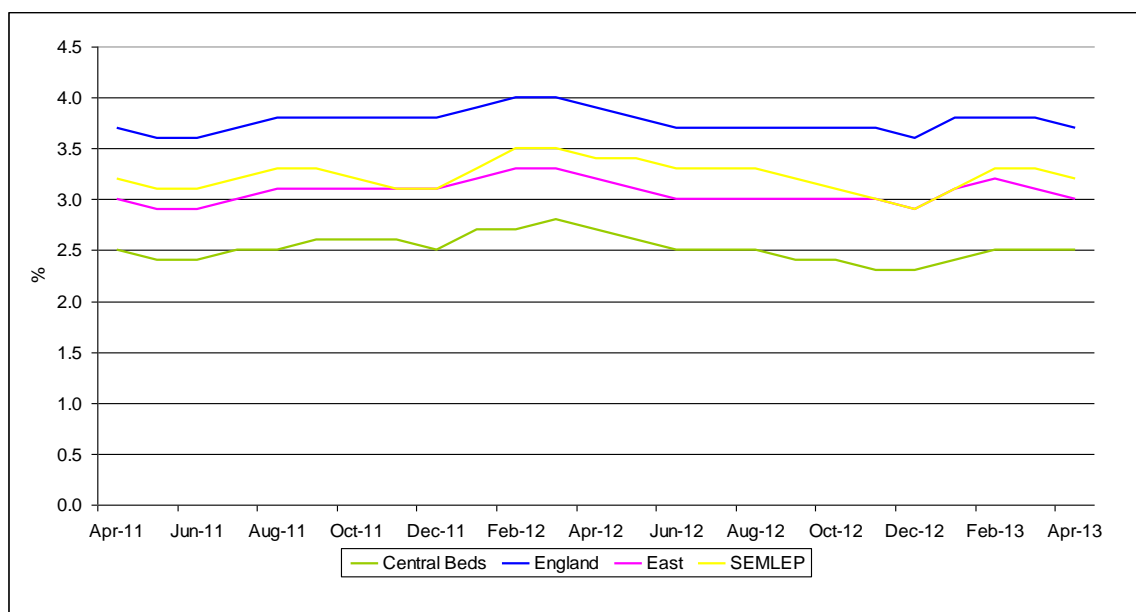
Welfare Reform

- 6.41 As part of the government's reforms to the welfare system, Universal Credit introduced in April 2013 will gradually replace a number of benefits including income based Job Seeker's Allowance and Employment and Support Allowance. This will affect future calculation and reporting of out of work claimants because under Universal Credits individuals will have to meet certain requirements that reflect the work-related activity they can be reasonably expected to undertake based on their capabilities and circumstances.
- 6.42 In terms of the way current claimant count is reached, someone is included in the Claimant Count dependent on whether they are subject to a full set of labour market requirements i.e. they are actively seeking work and available to start work. Under Universal Credit the level of labour market requirements that an individual will be required to meet in order to receive their full benefits will be dependent on their individual capabilities and circumstances.
- 6.43 An early impact analysis of the welfare reforms highlights that the estimated impact of the welfare reforms across Great Britain as a whole will reduce spending by almost £19bn a year. This represents around a loss of £470 a year for every adult of working age in the country. For Central Bedfordshire, it estimates this loss to be £340 per working age person (£56 million in total). (Source: Centre for Regional Economic and Social Research, Sheffield Hallam University, Hitting the poorest places hardest: the local and regional impact of welfare reform, April 2013)

Job Seeker's Allowance

- 6.44 For Job Seeker's Allowance (JSA), there were 4,065 (2.5%) claimants in April 2013. This is 340 people less than April 2012. The rate remains below comparator areas – England (3.7%), SEMLEP (3.2%) and East of England (3.0%).
- 6.45 One of the possible reasons for the claimant count continuing to fall in most quarters maybe due to more claimants being moved to employment support programmes by Job Centre Plus. This includes claimants being moved onto the Work Programme or being supported via the Flexible Support Fund to secure employment and the New Enterprise Allowance which supports people looking to move into self employment which has been very popular.
- 6.46 Central Bedfordshire works closely with both these programmes and also supports our job seekers through the newly introduced Work Clubs operating from three of our Library bases and at Kingsland Skills Centre in Houghton Regis and Stratton Upper School in Biggleswade. Between April 2012 to April 2013, 1,610 people have been supported via our Work Clubs.

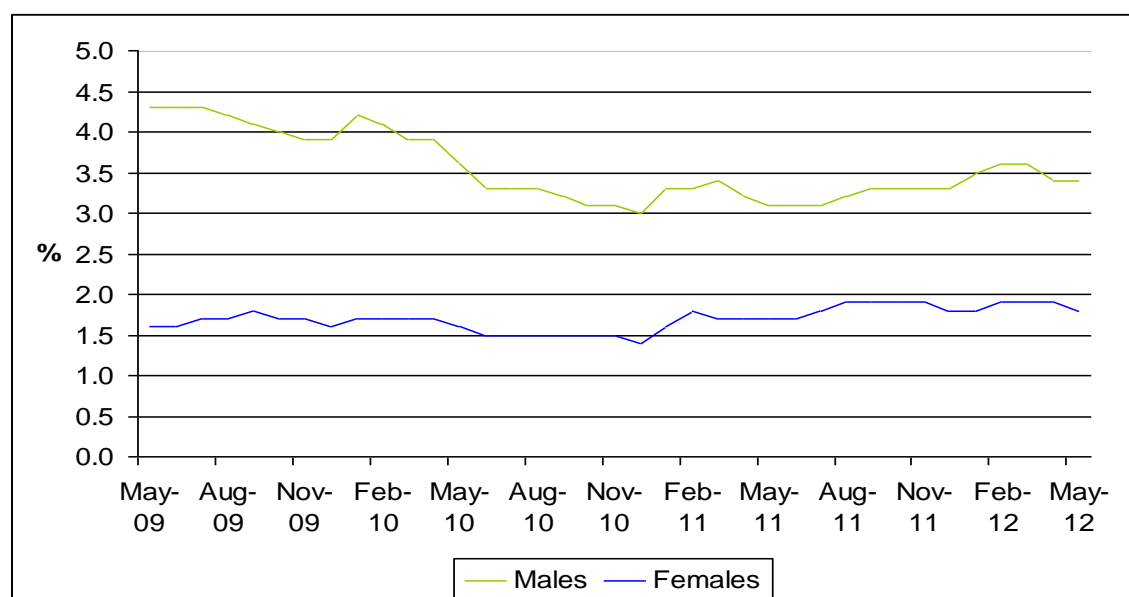
Chart 14: JSA claimant count as a % of resident workforce



Source: Office for National Statistics via Nomis, April 2013

6.47 A breakdown of JSA claimant count by gender consistently shows a higher proportion of male claimants than females over time. In April 2013, the male claimant count rate was 3.1% compared to 1.8% of females. Prior to the recession both male and female JSA claimant count rates were similar however the gap has widened since January 2009. The fall in the number of male JSA claimants is greater (-300) than female JSA claimants (-40) between April 2012 and April 2013 however this has not been accompanied by a fall in male unemployment rate which has in fact increased. This would suggest that there are more males economically inactive and not looking for work.

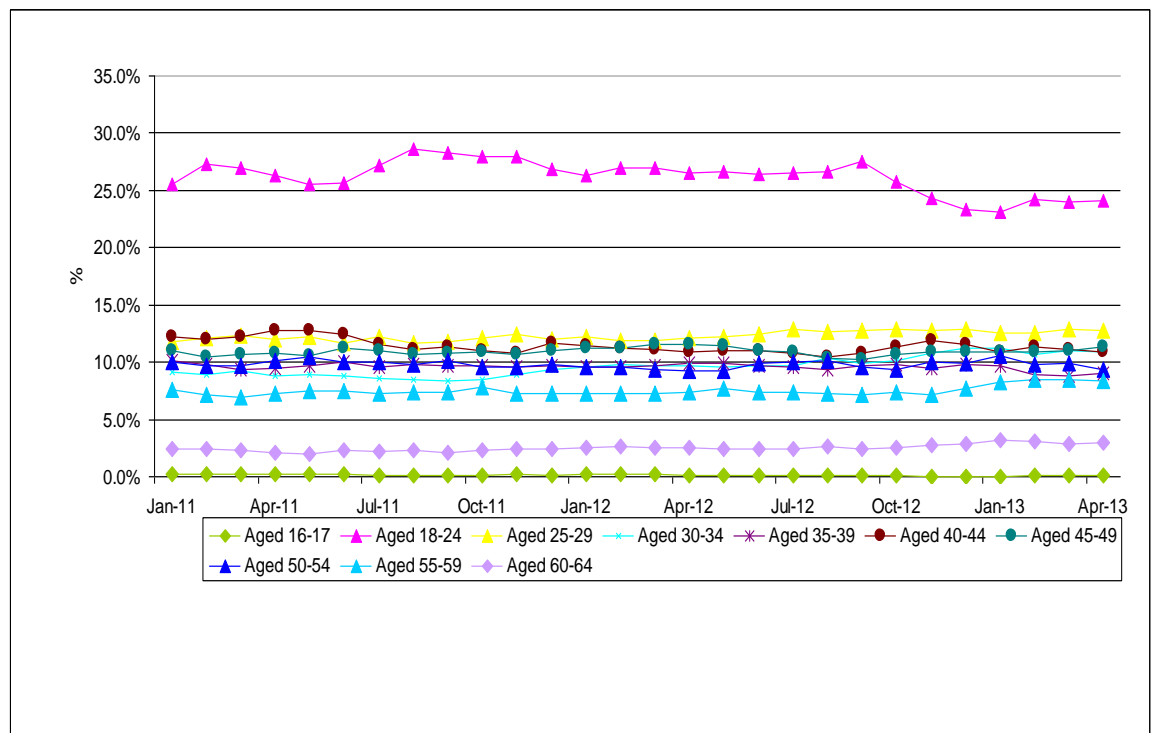
Chart 15: JSA claimant count by gender as a percentage of working age population



Source: Office for National Statistics via Nomis, April 2013

6.48 People aged 18-24 years old consistently remain the largest proportion of all JSA claimants in Central Bedfordshire. In April 2013, this accounted for 24.1% of all JSA claimants.

Chart 16: Proportion of JSA claimants by age



Source: Office for National Statistics via Nomis, April 2013

6.49 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 above the average rate.

Table 2: JSA Claimant Count by ward

Ward	%
Tithe Farm	5.9
Dunstable Manshead	5.8
Parkside	4.5
Houghton Hall	4.5
Dunstable Northfields	3.6
Dunstable Central	3.9
Leighton Buzzard North	3.4
Central Bedfordshire	2.5

Source: Office for National Statistics via Nomis, April 2013 (based on CAS 2009 wards)

6.50 JSA claimant count can also be looked at according to the ethnicity of the claimant. In April 2013, the majority of claimants (87.1%) in Central Bedfordshire were white of which most were White British origin. 5.7% of Central Bedfordshire's claimants are from ethnic minority groups, compared to 18.5% in England and 9.8% in the East of England. Further breakdown of these figures can be seen below. Data is not available for South East Midlands.

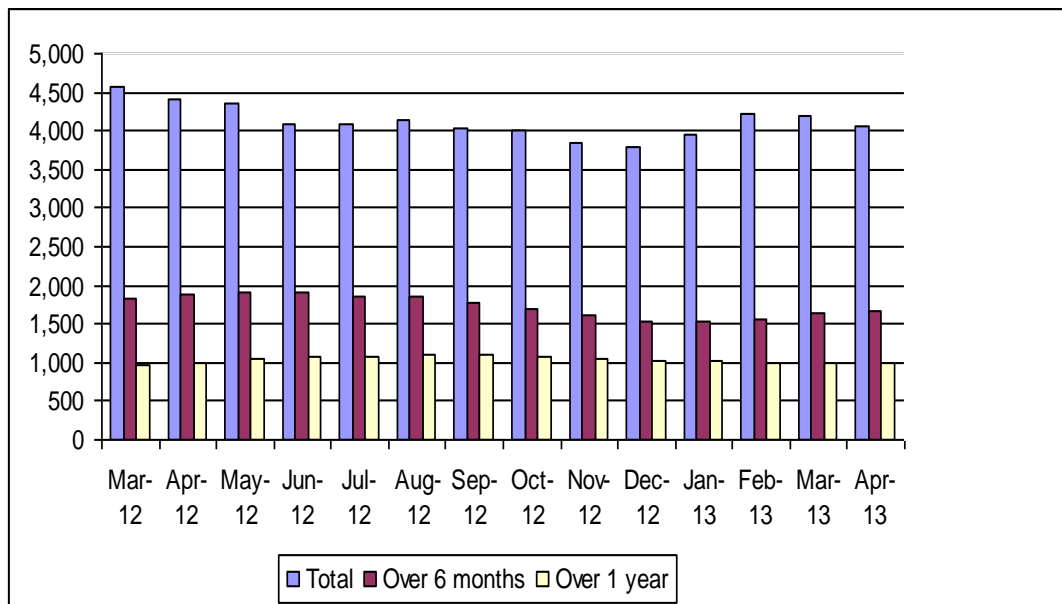
Table 3: JSA claimant count by ethnicity as % of all claimants

Ethnicity	Central Bedfordshire	England	East of England
White	87.1%	75.6%	84.3%
Mixed	1.2%	2.2%	1.8%
Asian or Asian British	1.5%	6.2%	3.4%
Black or Black British	2.6%	7.6%	3.5%
Chinese or Other Ethnic Group	0.4%	2.5%	1.2%
Prefer not to say	6.2%	4.4%	4.8%
Unknown	1.1%	1.4%	1.0%

Source: Annual Population Survey, ONS via Nomis, April 2013

6.51 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 increased during most of 2012 from 40.0% in March to 44.8% of all JSA claimants in August but has fallen since then and remains at a similar level to March 2012 at 40.8% of all claimants, or 1,660 people, in April 2013 as can be seen in Chart 17 below. Those claiming for over 12 months also increased for most of 2012 to 27% of all JSA claimants in December 2012 but had fallen to 24.4% in April 2013. Overall this has increased by 3.2% between March 2012 and April 2013.

Chart 17: Number of all claimants claiming JSA and for longer than 6 or 12 months



Source: JSA Claimant Count age and duration, ONS via Nomis, April 2013

Job Vacancies

6.52 Universal Jobmatch was launched in November 2012. The system allows employers to upload vacancies and to seek potential applicants. The service also allows Jobseekers to upload as many as 5 CVs and to search for vacancies. The system operates a matching service that can link CVs to job vacancies using metadata (key words). The system supersedes the Jobcentre Plus Employer Direct service but also, since the launch of Universal Jobmatch, Jobcentre Plus is no longer able to provide Job Analysis Reports (JARs) which show the top sought occupations and the top job vacancies. Extracting similar meaningful data from Universal Jobmatch around sought occupations and vacancies is problematic due to the way that the system functions, particularly because the system is accessible to anybody who needs to use it, there is no way to differentiate between registered unemployed Jobseekers and employed Jobseekers. Locally, Jobcentre Plus is still exploring whether there are ways to circumvent these issues.

Local considerations

6.53 Information from Jobcentre Plus advisors highlights a number of issues and barriers unemployed people face accessing the labour market. These are summarised below:

6.54 Jobcentre Plus Biggleswade branch

- Local businesses, particularly in the Retail and Automotive sector, are beginning to take up the Government's offer of a Wage Incentive which is part of the Youth Contract.
- There remains a steady and consistent take up of Work Experience, part of the Government's Get Britain Working strategy offered by Jobcentre Plus, particularly in the local Retail and Automotive sectors some of which have resulted in sustainable job outcomes.
- There is still a trend for potential Apprentices seeking work in trades such as plumbing and electrical as these are seen as positive opportunities in finding work.
- A lack of suitable and regular public transport within more rural Central Bedfordshire communities can present a barrier to securing employment and accessing child care.
- Transport issues also present a barrier into the Health and Social Care sector, particularly into Domiciliary Care where pay terms can also be a factor. There appears to be a disparity between the number of vacancies and the number of Jobseekers seeking to work in that sector.
- There has been a reduction in 18-24 year olds claiming Jobseekers Allowance by approximately 30% when compared to the same period in 2012.
- There has been an increase in the number of 'professional' people in the area with an increased number seeking support from Jobcentre Plus since the start of the current recession.
- IT skills are an issue among some young people.

6.65 Jobcentre Plus Dunstable branch

- Main industrial estates in Dunstable and Houghton Regis have a number of empty properties showing the underlying continuing removal of jobs from the town.
- A number of clients are semi or unskilled however training provision available does not exist to bridge the gap to provide the skills for available vacancies.
- There is a mismatch between available vacancies and jobs sought, such as residential care positions vacancies exist in numbers but there are not large numbers of people seeking these occupations.
- In the retail and other customer focussed job roles many are part-time requiring those seeking work to re think their employment search.
- There is a continuing need for provision of before and after school clubs.
- Some customers are unwilling to travel to nearby towns for employment.
- Infrequent public transport in rural areas makes it difficult for those travelling outside Dunstable and Houghton Regis to jobs with early starts.

6.66 Jobcentre Plus Leighton Buzzard branch

- People seeking employment in semi or unskilled occupations are less likely to consider travelling too far outside of Leighton Buzzard with public transport issues cited as a contributory factor.
- No significant growth in employment opportunities in the last 12 months especially for unskilled, semi skilled and people with retail experience.
- There is a mismatch between vacancies and jobs sought.
- Many of the commuter occupations are 'professional' and 'executive' and have been adversely affected by the current financial downturn.
- Need to increase level of programme provision in the town to improve job hunting skills with particular reference to the digital agenda.
- More training provision to give people the skills for the available jobs.
- Trend towards more of the available jobs being part-time.

6.67 Most of these issues cited by Job Centre Plus are similar to what was reported in LEA 2012. However there are a number of other issues not previously reported which include the increase in the number of part-time vacancies in some sectors, mismatch between job vacancies and vacancies sought in the domiciliary care sector and some young people lacking necessary IT skills to search and apply for jobs.

Work Programme

- 6.68 The Work Programme is a national programme to support people to get back into the labour market. The programme launched by government in June 2011 is delivered by back to work service providers who are paid based on the results they achieve. It provides personalised employment support for claimants who need more support to find and stay in employment. This replaced the Flexible New Deal. The government has also introduced a number of Pre-Work Programme measures to provide more choice and flexibility for choices offered to Job Centre Plus clients although some of it is mandatory.
- 6.69 There have been 2,666 people referred to the Work Programme in Central Bedfordshire (Department for Work and Pensions, Work Programme: Local Authority cumulative figures Attachments: Local Authority by Payment Group by Age, March 2013). In regards to age, 25.9% of the total number of clients was aged 18-24 year olds.
- 6.70 An evaluation of the Work Programme suggests that the scale of the economic conditions had been underestimated by providers. This had a knock on effect on capacity and resources as many received a larger than anticipated volume of referrals in the first 6 months of the Programme. Some providers reported that this had an impact on the quality of employment support provision. Findings also highlighted that due to the large volume of referrals and constraints on financial resources to deal with this, it limited some providers' abilities to use innovative or higher cost 'added value' support to clients (Source: Department for Work and Pensions, Work Programme Evaluation, Procurement, supply chains and implementation of the commissioning model, 2013).

Occupation

- 6.71 Within Central Bedfordshire the majority of people are employed in managerial, professional or skilled occupations. This is higher than national and regional levels.
- 6.72 In December 2012, 56.3% of people were employed in these categories, representing a high level of skills and productivity. This is above regional (55.9%), SEMLEP (53.5%) and national levels (54.6%) and is evidence of Central Bedfordshire's strong workforce. However it should be noted that the percentage of working age population in these categories has fallen since it was last reported in the LEA 2012 by 2.9% or 8,100 people.

Table 4: Occupational structure (%)

Industry	Central Beds	England	SEMLEP	East
Managers and senior officials	12.6	10.3	10.0	11.0
Professional occupations	16.0	19.5	18.4	19.2
Associate prof & tech occupations	14.6	14.4	14.3	14.8
Administrative and secretarial occupations	12.5	10.9	11.8	11.4
Skilled trades occupations	13.2	10.3	10.7	10.9
Personal service occupations	7.2	8.9	9.0	8.8
Sales and customer service occupations	6.7	8.0	7.7	7.8
Process, plant and machine operatives	6.9	6.2	6.9	6.0
Elementary occupations	9.4	10.8	10.8	9.5

Source: ONS Annual Population Survey, December 2012

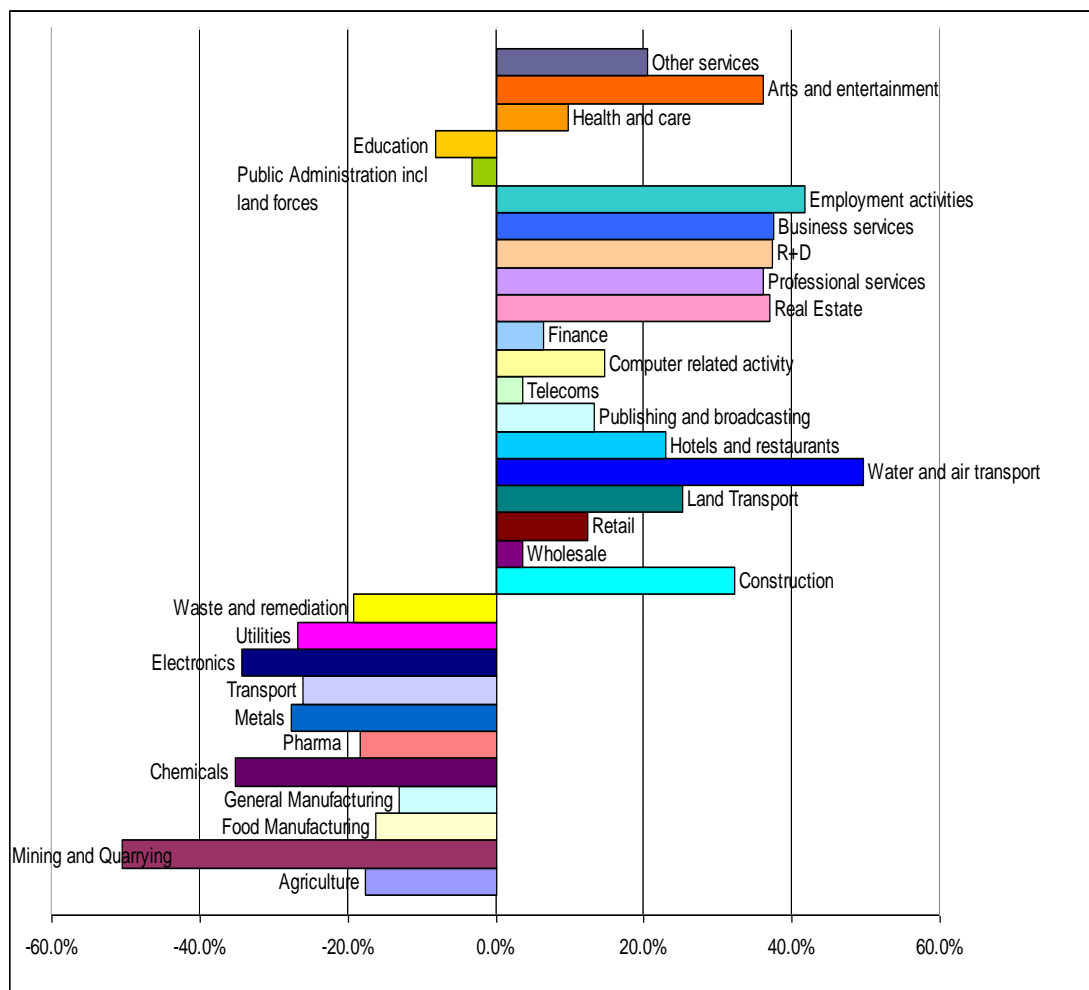
6.73 The Labour Market Inequalities Research provides further examination by socio economic classification by gender. It shows that 16.9% of males in Central Bedfordshire are in higher managerial, administrative and professional occupations compared to 7.9% of women, whereas 22.7% of women and 6.9% of men are in intermediate occupations¹⁴.

6.74 Men are twice more likely to be in higher managerial posts than women, while women are twice as likely to be in intermediate occupations. Men are more likely to work for small employers and be account workers –and women semi-routine occupations. It is important to recognise the different types of work which men and women tend to do, to ensure that work support and activities to up skill jobseekers is directed appropriately. It is also important to recognise the different types of work available in the area when targeting job seeking activities, especially for those further away from the labour market.

¹⁴ Intermediate occupations are defined as clerical, sales, service and intermediate technical occupations that do not involve general planning or supervisory powers.

- 6.75 There is a greater prevalence of senior managerial occupations amongst both men and women in the Central Bedfordshire than in England as a whole. Other patterns of note: Central Bedfordshire has comparatively smaller proportion of process plant and machinery operatives than nationally. However, there is a greater involvement by both men and women in skilled trade occupations. Women in Central Bedfordshire are more likely to be in administrative and secretarial occupations than those in the rest of England.
- 6.76 The East of England Forecasting Model (EEFM) 2013 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 forecast reflecting macroeconomic conditions and applying these to local sectors and employment. The model provides an effective tool for the Council to measure and plan for future jobs growth and to help inform its policies and initiatives to meet future demand in particular sectors.
- 6.77 According to the Model, the industries which will see the most growth in jobs between 2013 and 2031 are Water and air transport (49.7% growth) Employment Activities (41.7% growth) Business Services (37.6% growth), Research and Development (37.4% growth) and Real Estate (37% growth), Arts and Entertainment (36.1% growth) and Professional Services (36% growth). It should be noted however that the Water and air transport sector employs a relatively small workforce compared to the other sectors predicted to see the biggest growth. The industries expected to see the largest percentage fall in job numbers are still Mining and Quarrying and Chemicals, although it should be noted that these industry sectors employ a relatively small amount of people in Central Bedfordshire.
- 6.78 In terms of numbers, the EEFM forecasts that the industries with the highest job numbers in 2031 will be:
- Retail- 12,300
 - Professional Services – 11,900
 - Construction- 11,300
 - Education- 9,000

Chart 18: Forecasted percentage jobs growth to 2031



Source: East of England Forecasting Model 2013

Job density

6.79 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 2011 the job density in Central Bedfordshire was 0.65, meaning there are 0.65 jobs for every working age resident. This means less than 1 job per working age resident. This has risen from a low of 0.60 in 2009, but still 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. It has remained the same in both 2010 and 2011.

Table 5: Job Density, 2002-2011

Area	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Central Bedfordshire	0.63	0.63	0.64	0.65	0.64	0.64	0.65	0.60	0.65	0.65
South East Midlands	0.79	0.81	0.83	0.83	0.8	0.82	0.81	0.79	0.79	0.80
England	0.8	0.8	0.8	0.81	0.8	0.8	0.79	0.78	0.78	0.78
East	0.78	0.78	0.77	0.78	0.78	0.78	0.77	0.76	0.75	0.76

Source: Office for National Statistics, Job Density 2002-2011, via Nomis

6.80 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.

6.81 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.

6.82 There was little change in the method of travel to work for Central Bedfordshire residents between the 2001 Census and the 2011 Census. Most people travelled by car or van (either as a driver or a passenger), although the rate decreased very slightly between the two years. The proportion of residents working from home increased between 2001 and 2011, as did the proportion who travel to work by train. There were slight decreases in the proportions of people who travelled on foot, by bus or coach, and by bicycle.

Method of travel to work

Chart 19: Census 2011

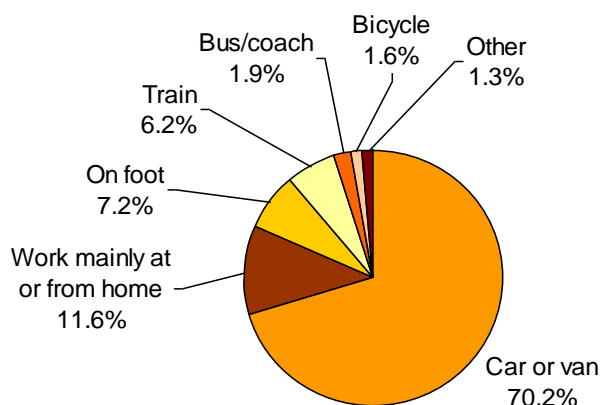
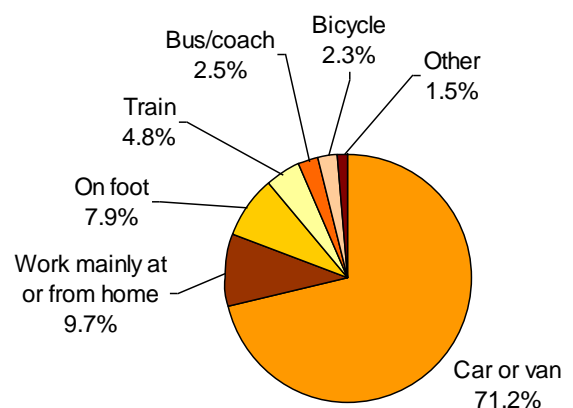


Chart 20: Census 2001



Notes: (i) this shows the method of travel used for the longest part, by distance, of the usual journey to work. (ii) it shows only those residents who were in employment in the week before the Census.

Sources: 2011: Office for National Statistics, 2011 Census, Table CT0015EW, Method of travel to work (alternative); 2001: Office for National Statistics, 2001 Census, Table UV39, Method of travel to work – resident population.

Out of work benefit claimants

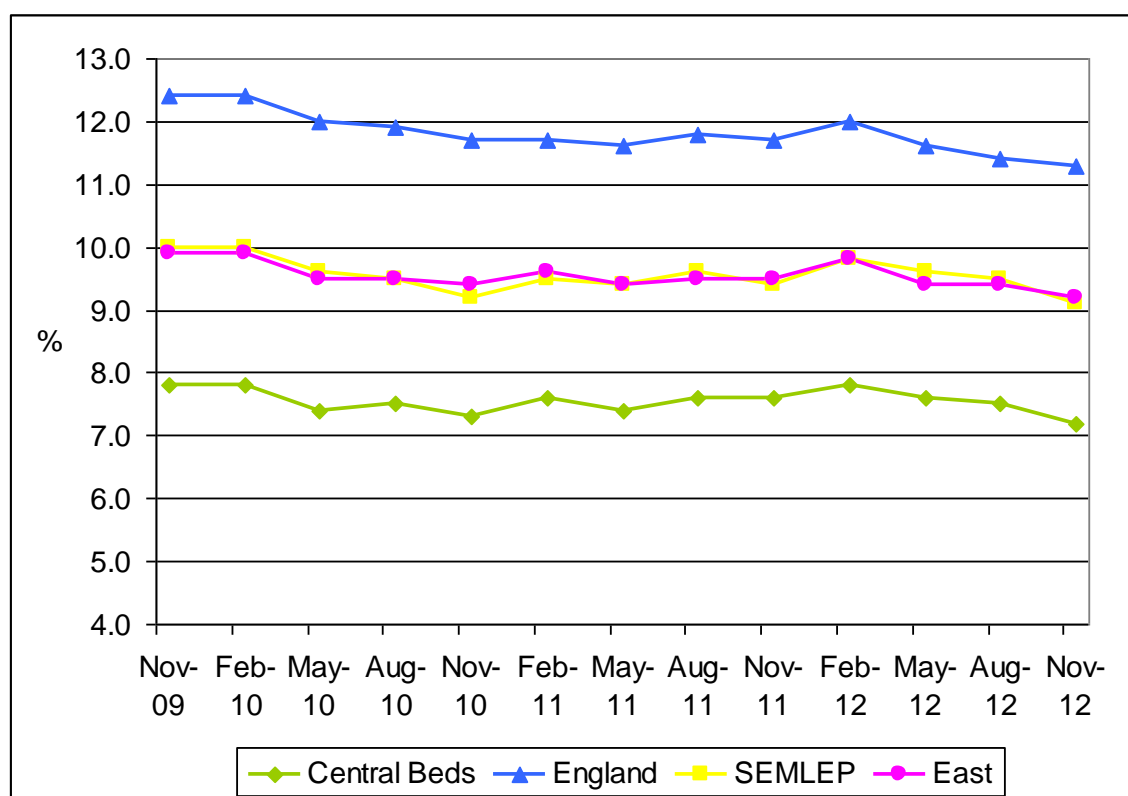
6.83 There are a significant number of people in Central Bedfordshire who are economically inactive as a result of a work-limiting illness. In November 2012, 6,080 people of working age (16-64 years old) were claiming Incapacity Benefit (IB), Severe Disablement Allowance (SDA) or Employment and Support Allowance (ESA), equating to 3.7% of the area's working age population. 39.8% of all those claiming benefits were claiming Employment Support Allowance (ESA) and Incapacity Benefit (IB).

6.84 This level has not moved much since 2012 LEA which highlights that the number of people claiming IB/SDA/ESA still remains an issue in Central Bedfordshire.

6.85 The majority of IB/SDA/ESA claimants are long term claimants, with 57.4% having claimed five years and over and 73.2% 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 1,920 or 31.6% of all claims. (Source: DWP Benefits Claimants, via Nomis, November 2012)

6.86 In terms of all out of work benefits, in November 2012 there were 11,860 people claiming out of work benefits in Central Bedfordshire. This equates to 7.2% of the working age population and higher than before the recession. However, the level of out of work benefits has continued to fall throughout 2012. Between November 2011 and November 2012, the number of people of working age claiming out of work benefits fell by 680 people. However, Central Bedfordshire compares well to the national picture of 11.3% claiming out of work benefits, and also to SEMLEP (9.1%) and the East of England (9.2%).

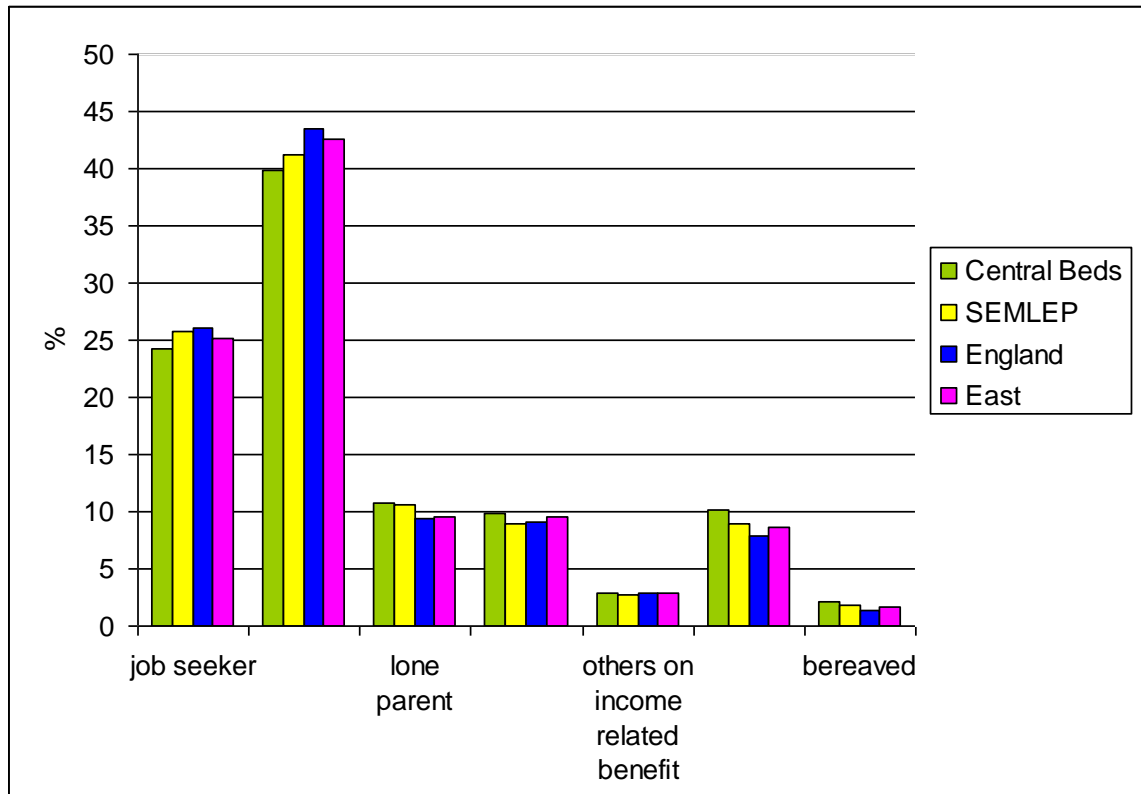
Chart 21: Out of work benefit claimants



Source: Department for Work and Pensions, via Nomis, November 2012

6.87 With regard to all benefits claimed in Central Bedfordshire, there were 15,260 people claiming a benefit from the Department of Work and Pensions in November 2012. This includes all people in and out of work who are receiving a benefit of any kind and equates to 9.2% of total working age population. This is a lot lower than the national rate of 13.8% and also below SEMLEP (11.3 %) and the East of England (11.5%). 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.

Chart 22: Types and proportion of all benefits claimed (%)



Source: Department for Work and Pensions, via Nomis, November 2012

6.88 With regard to the split between male and female benefit claimants, there is a slightly higher proportion of women claiming benefits, 8,140 or 9.8%, than men, 7,120 or 8.6%, in Central Bedfordshire. In regards to a breakdown by age and gender, more females are claiming benefits than males across most age groups except for those aged 60-64. There are differences by gender in terms of type of benefit claimed. More females in November 2012 were claiming lone parents, carer and disabled related benefits than males.

6.89 The number of people of working age claiming out of work benefits fluctuated slightly between November 2011 and November 2012 however has been declining since February 2012. Employment Support Allowance (ESA- which can be claimed if in work in some cases) and incapacity benefit continues to be the most common out of work benefit claimed. The biggest decrease in those claiming out of work benefits has been seen in those aged under 25 years old by 230 people.

Table 6: Number of people claiming out of work benefits by age

	Nov 11	Feb 12	May 12	Aug 12	Nov 12	% of all benefits	Change November 11 to November 12	% Change November 11 to November 12
Under 25	2,120	2,220	2,120	2,090	1,890	16%	-230	-11%
25-34	2,500	2,590	2,510	2,530	2,450	21%	-50	-2%
35-44	2,470	2,540	2,470	2,460	2,320	20%	-150	-6%
45-54	2,870	2,960	2,900	2,860	2,770	23%	-100	-3%
55-59	1,370	1,390	1,360	1,340	1,310	11%	-60	-4%
60-64	1,200	1,200	1,170	1,150	1,120	9%	-80	-7%

Source: DWP Out of Work Benefit claimants via Nomis, April 2013

Indices of Deprivation

(Source: Department for Communities and Local Government, Indices of Multiple Deprivation, 2010)

6.90 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.

6.91 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. However, deprivation is more usefully measured for small areas known as Lower Super Output Areas (LSOAs). Central Bedfordshire is divided into 154 LSOAs, each containing an average of 1,500 people (based on 2001 figures)¹⁵. This helps to identify small areas of need that are 'hidden' when looking at data at the broader local authority level. Nine LSOAs in Central Bedfordshire are in the 30% most deprived in England, with three of them in the most deprived 10-20% of areas in England. The map below shows the most deprived areas in Central Bedfordshire (darker colours are most deprived), while the table lists each of the nine most deprived LSOAs, identified by the ward it is in, and a unique 3 digit code.

¹⁵ LSOA boundaries were revised at the 2011 Census. Most areas remain the same, but there were a small number of changes, and there are now a total of 157 LSOAs in Central Bedfordshire. Deprivation data is not yet available for these new boundaries, so the 2010 boundaries are still used here.

Map of deprivation in Central Bedfordshire

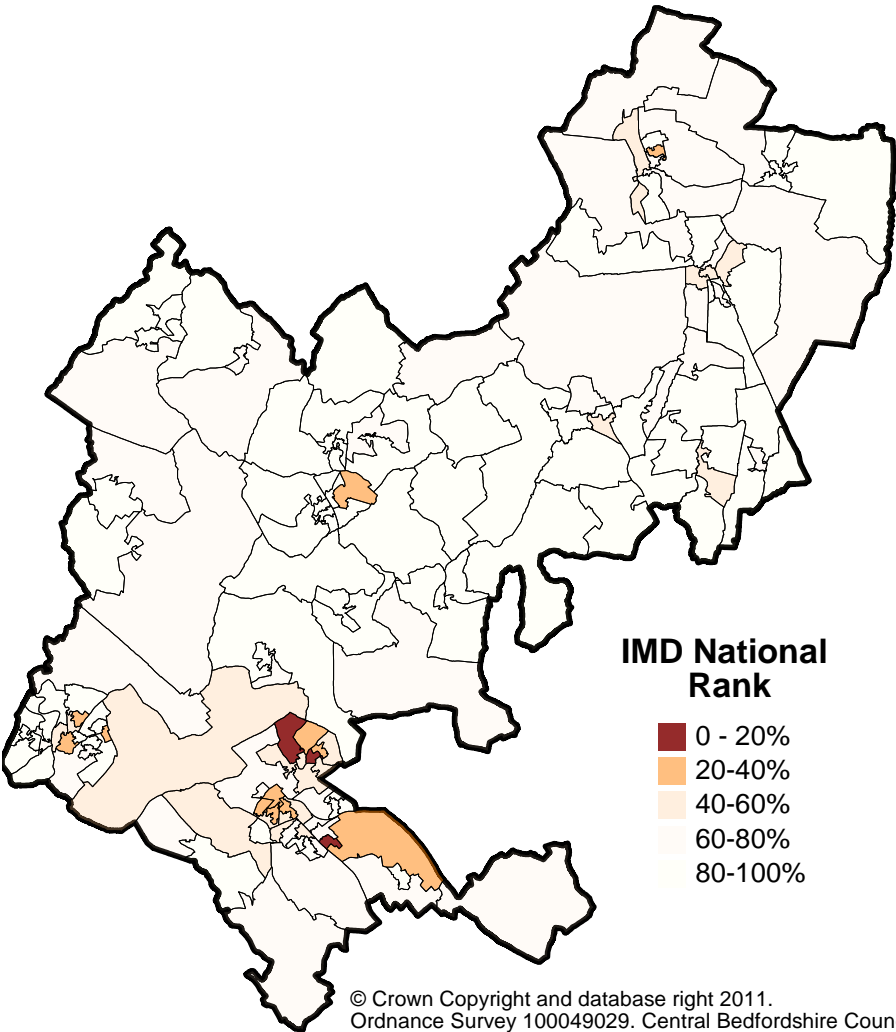


Table 7: Central Bedfordshire LSOAs in the most deprived 30% in England

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.

6.92 Alongside this analysis of the 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 with relatively high numbers of areas in the Barriers to housing and services, Crime, and Education skills and training domains. The Barriers to housing and services domain highlights issues with access to local services and house prices, and most of the 21 areas noted here are in rural areas. In contrast, most of the areas noted under Crime, and Education skills and training are in more urban areas.

Table 8: 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: Department for Communities and Local Government, Indices of Multiple Deprivation 2010

Income

- 6.93 The gross average weekly income of Central Bedfordshire residents in 2012 was £560, a 3.8% increase on the 2011 figure (£539). This was greater than England (1.6% increase) and the East of England (1.1%) The total average earnings are above all comparator areas: England is £513 and the East of England is £532.
- 6.94 The earnings for people working in Central Bedfordshire, but who may be resident elsewhere, are significantly lower (£458 per week), reflecting the fact higher paying jobs outside of the area is still an issue. The gap between those who work in Central Bedfordshire but live elsewhere and those who live in Central Bedfordshire but work elsewhere has grown and now stands at £102.
- 6.95 Although the median earnings maybe above national and regional levels, there are however differences between parts of the North and South of the area. Whilst historically the gross average weekly income in parts of the South has been lower, this improved between 2011 and 2012 by £42 per week or 8.6% increase. This compares to the North which saw levels only increase by £5 or 0.8% increase from the previous year.
- 6.96 The difference between the top and bottom percentile according to the gross average weekly income of Central Bedfordshire residents in 2012 was £818.70. The gap has increased by £57.80 since 2011 whereas the gap has decreased at a national level by £7.80 to £737.10 in 2012.

Table 9: Gross weekly earnings of Central Bedfordshire residents, 2012, full-time workers only (includes overtime), £GBP

Percentile	Male	Female	All
10 percentile	335.5	263.1	296.9
20 percentile	397.2	303.6	358.4
25 percentile	428.7	328.7	386.7
30 percentile	463.0	351.8	418.1
40 percentile	548.8	410.9	477.0
60 percentile	743.8	527.7	657.7
70 percentile	851.4	606.6	751.6
75 percentile	907.7	657.0	807.2
80 percentile	976.6	690.3	888.8
90 percentile	Not available	Not available	1,115.6

Source: Annual survey of hours and earnings 2012, 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

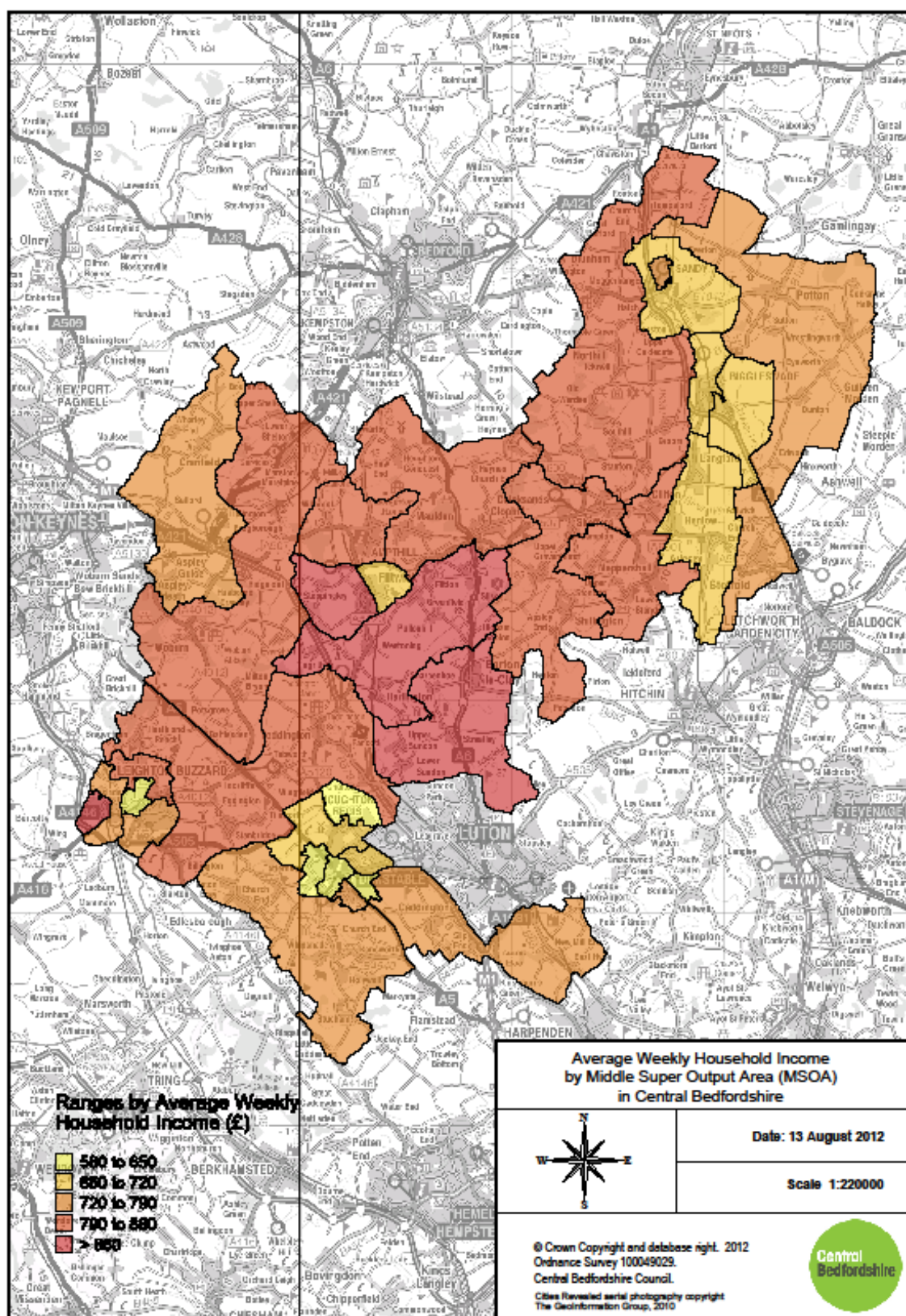
6.97 It is also possible to measure the gross weekly income of households in smaller areas in Central Bedfordshire (Middle Super Output Areas – MSOAs) which can be seen on the map below and which further highlights the disparities, particularly in the South of Central Bedfordshire. The areas with the 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 Linlade: £610

6.98 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 Linlade: £910
- MB 016, covering Steppingley 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)



6.99 The Income domain of the Indices of Multiple Deprivation shows the proportion of people experiencing income deprivation in an area (Lower Super Output Area, LSOA – ‘Income deprivation’ includes both families that are out-of-work, and families that are in work but who have low earnings).

6.100 Although Central Bedfordshire generally has low levels of income deprivation, there are pockets of higher income 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, along with the proportion of households in each area that are income deprived.

Table 10: Income domain: Central Bedfordshire LSOAs in the most deprived 30% in England

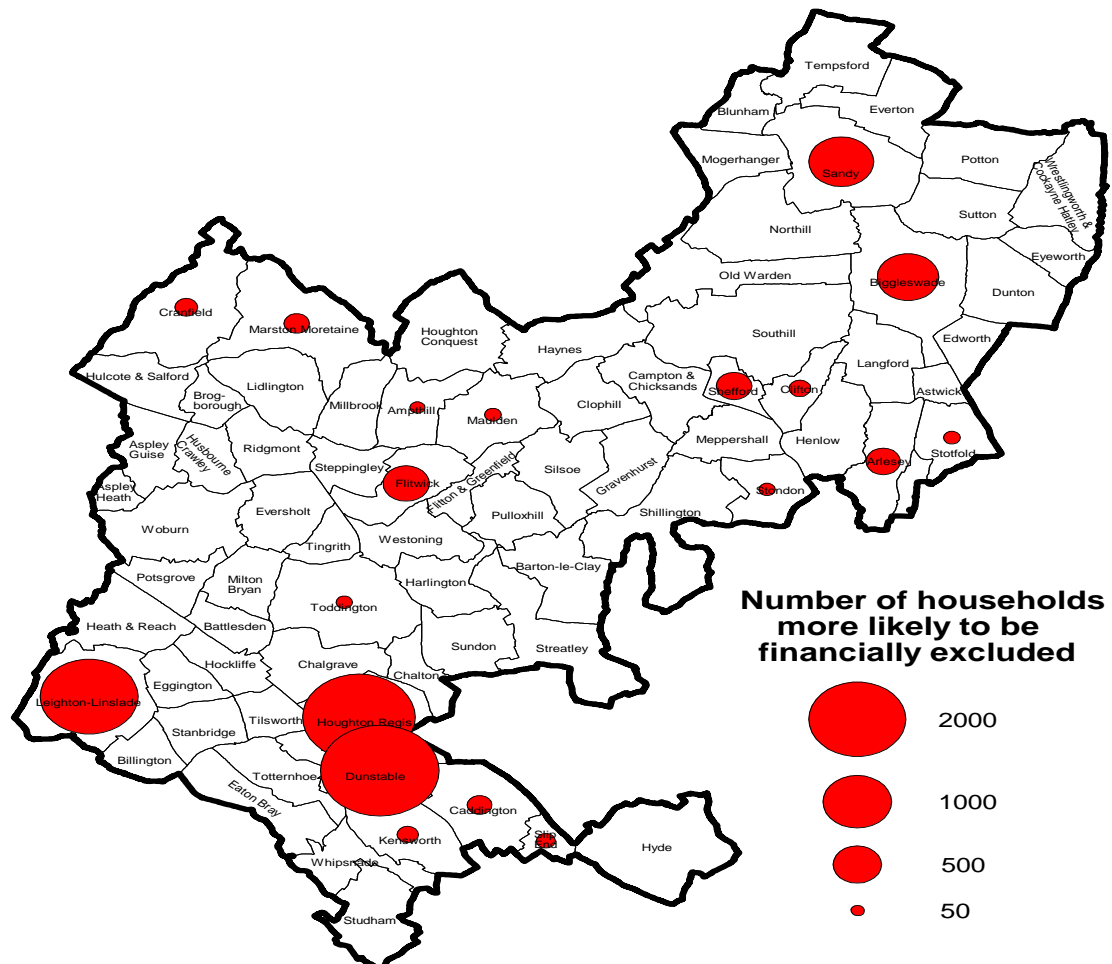
10-20% in England	20-30% in England
Dunstable Manshead 594	Tithe Farm 619
Tithe Farm / Houghton Hall 618	Flitwick 400
Sandy 433	Leighton Buzzard North 605
Parkside 601	Houghton Hall 580
Leighton Buzzard North 609	Dunstable Central / Dunstable Northfields 568
Dunstable Northfields 596	
Parkside 602	

Source: Indices of Multiple Deprivation 2010

6.101 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. Households that are financially excluded are typically characterised by some or all of the following:

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

The Mosaic dataset can be used to highlight households that are typically experiencing financial exclusion. The map below shows this data by parish, indicating that the largest numbers of households likely to be financially excluded can be found in Dunstable, Houghton Regis and Leighton Linslade.



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Source: Experian, Mosaic data, October 2012

6.102 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.

Poverty

6.103 In 2010, 2.8 million children lived in relative poverty (a reduction of 100,000 over the previous 10 years) of which 1.6 million are in absolute poverty and 2.2 million live in families which suffer low income and material deprivation. According to latest data from HMRC in 2010, 12.8% of children in Central Bedfordshire live in poverty. However there are certain areas that have higher levels of child poverty. These are:

- Houghton Regis 27.0%
- Northfields 23.8%
- Dunstable Downs 20.9%
- Plantation 18.5%
- Sandy 17.6%

6.104 27% of children in Central Bedfordshire live in workless or low income households, rising to between 45% and 50% in parts of Houghton Regis and Dunstable and among the lowest in England (135th out of 152). However, this does mask higher levels of poverty in smaller areas. At ward level¹⁶, more than a quarter of children (27%) in Houghton Regis (2009 ward) were living in poverty, while at small area level (Lower Super Output Areas), the worst affected were:

- Dunstable Manshead 594 43.2%
- Tithe Farm / Houghton Hall 618 39.4%
- Leighton Buzzard North 609 37.3%
- Leighton Buzzard North 605 34.7%
- Parkside 601 34.2%

(Source: HMRC, Child poverty statistics, snapshot as at 31 August 2010, published in April 2012).

¹⁶ Note: this data shows the number of children in families where the reported family income is less than 60 per cent of median income. These families would either be in receipt of out-of-work (means-tested) benefits, or in receipt of tax credits.

6.105 Another measure of child poverty, the Income Deprivation Affecting Children Index (IDACI), shows the proportion of children aged 0-15 living in households that receive work-related benefits, or where income is below 60% of the national median. There were eight small areas where more than a third of children are living in income deprived households – most of these were also areas highlighted by the HMRC data:

• Dunstable Manshead	46%
• Houghton Hall	41%
• Houghton Hall / Tithe Farm	41%
• Parkside	37%
• Leighton Buzzard North	36%
• Leighton Buzzard North	36%
• Sandy	34%
• Leighton Buzzard North / Linslade	34%

(Source: Department for Communities and Local Government, Indices of Deprivation – Income Deprivation Affecting Children Index, 2010)

6.106 The Joseph Rowntree Foundation has carried out substantial research into Child Poverty on a long-term basis and 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.

6.107 Following the Child Poverty Act 2010 coming into force, a full Poverty Needs Assessment was produced in line with its legal requirements which include a wide range of data informing issues around Poverty. Further information can be found on our website:

<http://www.centralbedfordshire.gov.uk/council-and-democracy/strategies-and-policies/default.aspx>

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

- 69% of families in workless households
- 53% of Pakistani/Bangladeshi origin households
- 35% of lone parent households
- 31% of children where at least one member of the household is disabled
- 35% of families with 3 or more children
- 26% of households with one or more disabled adult

(Source: DWP, Households Below Average Income 2010/11 (based on those living 60% below median household income after housing costs))

- 6.109 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 of England and within the worst 20% in England.
- 6.110 According to a major food bank provider the Trussell Trust, the number of households using food banks has more than trebled citing rise in cost of living, static incomes, the cap on benefits and the continuing economic downturn as the reasons behind this surge in demand. (Source: Trussell Trust, 2013)
- 6.111 Poverty does not just affect children. The levels of older people living in poverty can be measured using the Income Deprivation Affecting Older People Index (IDAOPI), part of the 2010 Indices of Deprivation. This index shows the proportion of people aged 60 and over living in households that receive pension credits.
- 6.112 Table 11 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%.
- 6.113 Poverty can also be measured in terms of those living in fuel poverty. A household is said to be in fuel poverty if it needs to spend more than 10% of its income on fuel to maintain a satisfactory heating regime¹⁷. According to the Department for Energy and Climate Change in 2010, 12,900 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.
- 6.114 Fuel poverty tends to be more of an issue in rural areas, and those areas with high levels of private rented accommodation. In Central Bedfordshire, four small areas (LSOAs, above) are in the worst 30% in England for fuel poverty. Most of these cover more than one parish. The four areas are: part of Cranfield (including the university); Battlesden, Eversholt, Milton Bryan, Potsgrove, Ridgmont and Woburn; Southill and Old Warden; and Studham and Whipsnade. In total there are 22 LSOAs in Central Bedfordshire which are in the 50% most deprived in England for fuel poverty. (Source: Department of Energy and Climate Change, Fuel poverty statistics 2010)
- 6.115 In addition, households with the lowest SAP ratings (measure of energy efficiency) are often rural, and more likely to be privately rented. A large proportion of the least energy efficient households is either single people households or contains someone aged 60 or over. In 2011, four in ten of all SAP G (least energy efficient) rated households contained couples or single people aged 60 or over, compared to 31 per cent for all property types. (Source: Department of Energy and Climate Change, Annual Report on Fuel Poverty Statistics, 2013)

¹⁷ A 'satisfactory regime' is usually considered to be 21 degrees for the main living area, and 18 degrees for other occupied rooms.

Table 11: 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: Department for Communities and Local Government, Indices of Deprivation – Income Deprivation Affecting Older People Index, 2010)

Skills

Skills

Key Issues

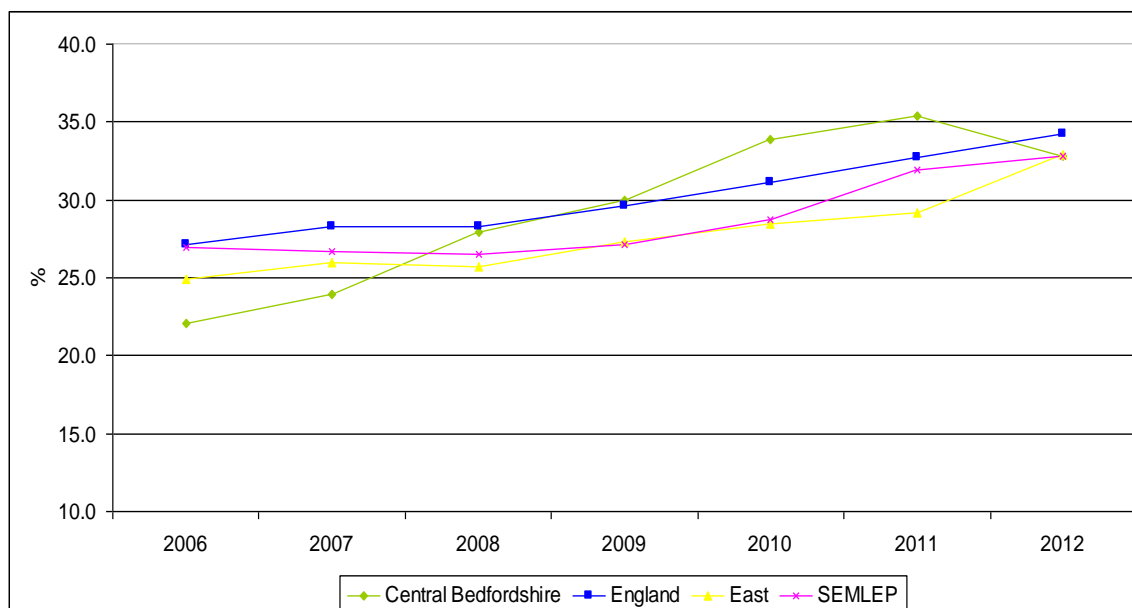
- Achievement at most levels has fallen over the past year except for NVQ level 3 and in some cases is below national and regional levels and now has a higher rate of people of working age with no qualifications (9.6%) than nationally and regionally.
- GCSE attainment has improved in 2012 compared to 2011 by 3% to 79.8% of pupils gaining 5 A*-C grades. This was also accompanied by an improvement in attainment in some of the most deprived wards in Central Bedfordshire.
- Skills shortages remain an issue for just under half of businesses with most commonly cited being job specific skills (cited by 15% of businesses), customer service skills (12%), and communication skills (12%).
- Whilst skills gaps were less of an issue for businesses, the most commonly cited skills gaps were job specific skills, advanced I.T skills, sales and marketing, managerial and planning and organisational skills.
- Job related training decreased during the first half of 2012 however started to improve towards the end of the year as more people accessed training in the work place. However the overall rate is less than it was in December 2011 and remains below national and regional levels at 7.1% in December 2012.
- In contrast the number of businesses who have responded to the Business Survey which has seen more (58%) providing on the job training in the last 12 months.
- Apprenticeship numbers (starts) have increased by 20.3% which is significantly less than the previous year that witnessed a 58.3% increase. However number of apprenticeships remains relatively low despite growing at a faster rate than nationally and regionally.
- 44% of businesses who do not have/would not considering having an apprentice cite no current business need as the main reason.
- Larger businesses are more likely to take on an apprentice and more small businesses (1-9 employees) are more likely not to take on an apprentice citing no current business need as the main reason.
- With the exception of Hair and 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 still remain below comparator areas however has seen a slight increase.
- Around half of the total required employment will ask for HND level and above qualifications by 2020.
- The largest occupation employment by 2020 will be for higher skilled occupations: managers and senior officials, professional occupations, and associate professional and technical occupations.

- 7.1 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 NVQ level 2, 3 and 4 qualifications
 - % of people who have received job related training in the last four weeks
- 7.2 As 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

- 7.3 The 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. Overall there has been a decrease in attainment at most NVQ Levels 1-4 except for NVQ Level 3 whereas achievement at NVQ Levels 1-4 has increased both nationally and regionally. Furthermore in 2012 there were more people with no qualifications for the first time since 2006.
- 7.4 In 2012, the percentage of people of working age with NVQ Level 3 and above increased from 53.5% in December 2011 to 54.7% in December 2012.
- 7.5 Central Bedfordshire is below national and East of England levels at NVQ Level 4 and below national levels at NVQ Level 3.
- 7.6 In Central Bedfordshire, 32.8% of the working age population were qualified to NVQ Level 4 (degree equivalent) or above in 2012, compared to 35.4% in 2011. This is lower than England (34.2%) and East of England (32.9%) however the same as South East Midlands Local Enterprise Partnership (SEMLEP) area.

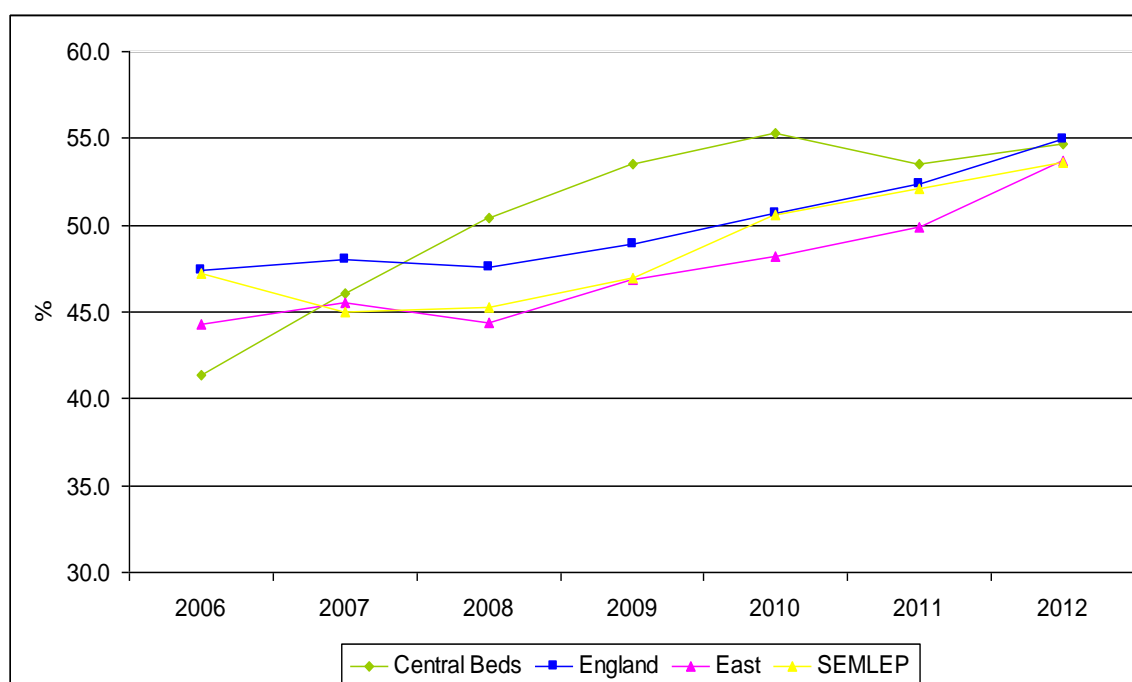
Chart 1: % of working age population with Level 4 qualifications



Source: Annual Population Survey, December 2012, ONS via Nomis

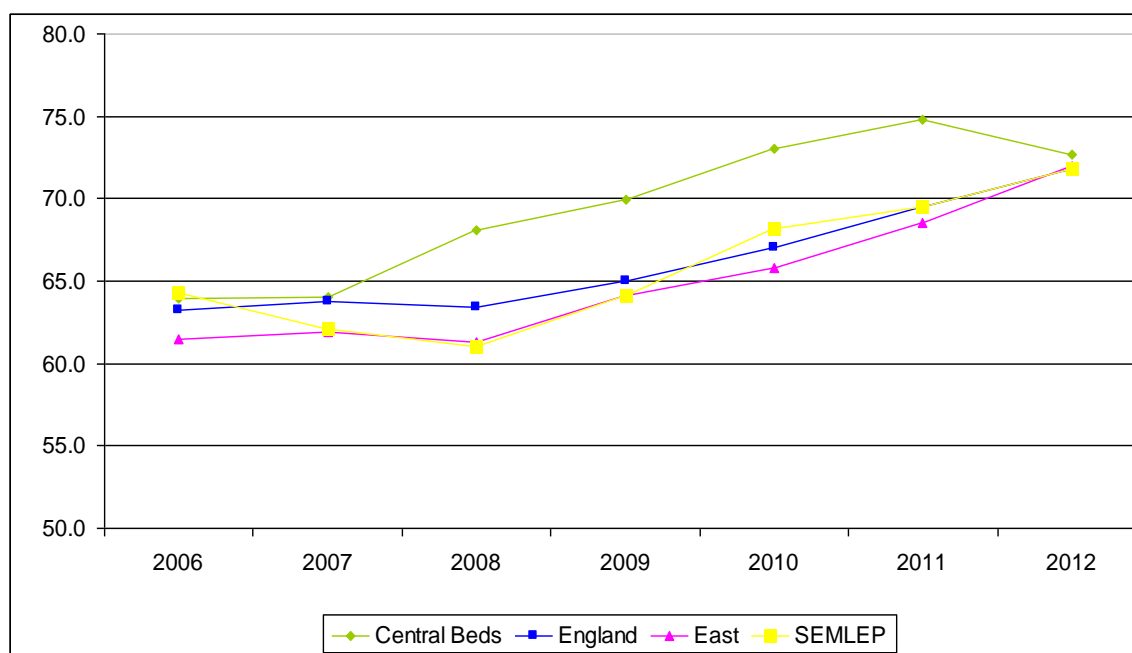
7.7 At NVQ Level 2, Central Bedfordshire remains above national, regional and SEMLEP levels at 72.7% however is slightly below national level for NVQ Level 3 at 54.7% compared to 54.9% in England.

Chart 2: % of working age people with Level 3 qualification



Source: Annual Population Survey, December 2012, ONS via Nomis

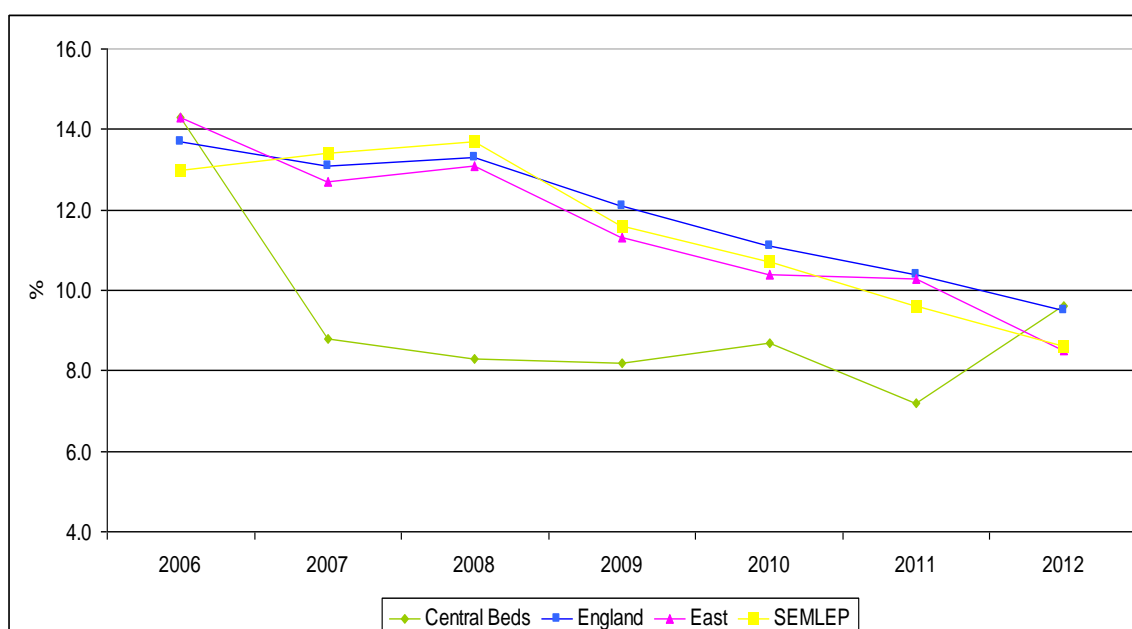
Chart 3: % of working age people with Level 2 qualification



Source: Annual Population Survey, December 2012, ONS via Nomis

7.8 Over the past year the number of people with no qualifications has increased and the percentage rate is now higher than national and regional levels for the first time since 2006. In 2012, 9.6% of people of working age had no qualifications.¹⁸ This compares to 9.5% for England, 8.5% for East of England and 8.6% for SEMLEP area.

Chart 4: % of working age people with no qualifications



Source: Annual Population Survey, December 2012, ONS via Nomis

¹⁸ This indicator has a confidence interval of 2.6 +/- and therefore the actual figure maybe 2.6% higher or lower than reported.

Skills gaps and shortages

- 7.9 In addition to overall skills levels, data is available on the nature of skills the business community requires. The Central Bedfordshire Business Survey 2013 highlighted that 44% of businesses report skills shortages, a decrease of 5% from 2012.
- 7.10 The most commonly cited skills shortages were in job specific skills (cited by 15% of businesses), customer service skills (12%), and communication skills (12%).
- 7.11 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. Although there are some differences in skills shortages by sector, these are not notable and all sectors reported a notable proportion of skills shortages. The sectors which were more likely to report skills shortages were agriculture, transport and storage, accommodation and food services and finance and insurance.
- 7.12 Around a fifth of businesses (18%) in 2013 reported having skills gaps amongst their existing workforce, compared to 29% in 2012, 24% in 2011 and 32% in 2010. Small to medium sized businesses were more likely to report skills gaps with 44% of businesses with 10-24 employees and 33% of businesses with 25-49 employees reporting skills gaps compared to 14% of businesses with 1-9 employees and 20% of businesses with 50+ employees.
- 7.13 The most commonly cited skills gaps were job specific skills (cited by 7% of businesses) and advanced I.T skills (7%), followed by sales and marketing, managerial and planning and organisational skills (all 6%).
- 7.14 Feedback from TCHC, a local provider delivering employability support in Central Bedfordshire highlighted that in some instances, further education courses are not delivering the training employers need for the jobs they need to recruit to. TCHC also recommended a need for better understanding of local labour market intelligence and skills gaps by further education providers.

Work related training

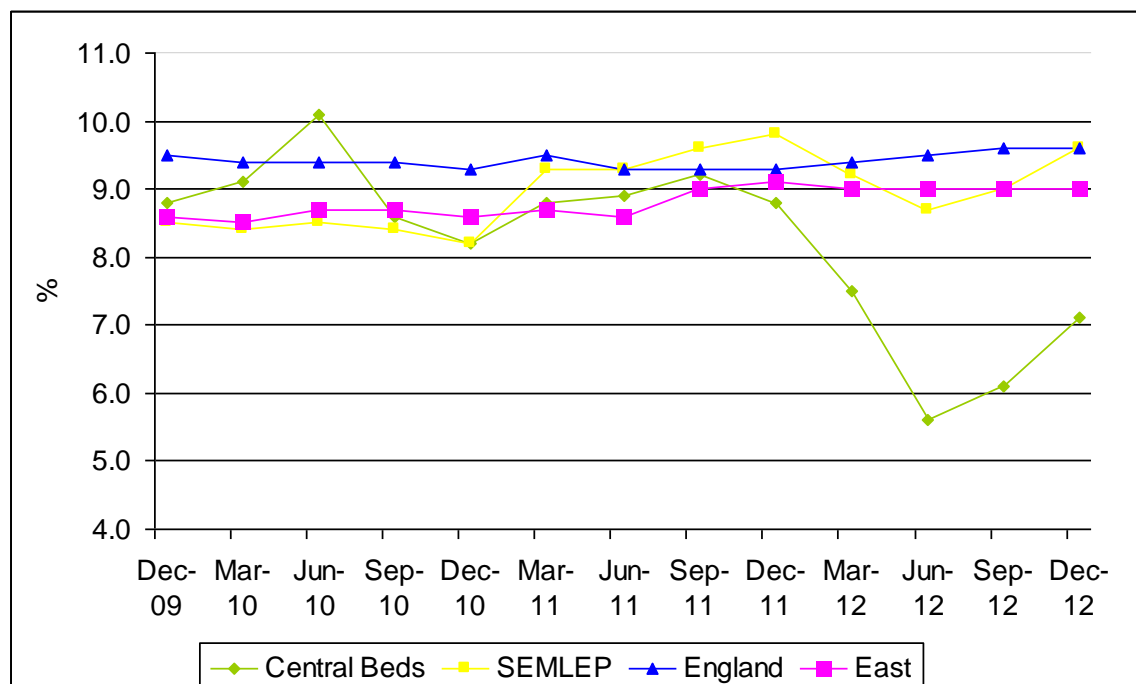
- 7.15 In the 2013 Central Bedfordshire Business Survey, respondents were asked if their business over the past 12 months has funded or arranged any off-the-job training or development for employees at that site. Off-the-job training was defined as training away from the individual's immediate work position, whether on their premises or elsewhere. 39% of businesses provided off-the-job training and development in the last 12 months in 2013, compared to 42% in 2012, 31% in 2011 and 37% in 2010 (Off-the-job training is defined as training away from the individual's immediate work position, whether on the premises or elsewhere).

- 7.16 58% of businesses provided on-the-job training in the last 12 months in 2013, compared to 52% in 2012, 31% in 2011 and 40% in 2010 (On-the-job training is defined as activities that would be recognised as training by the staff, and not the sort of learning by experience which could take place all the time). Larger businesses were more likely than smaller businesses to provide training, with 90% of businesses with 50+ employees providing off-the-job training and 100% providing on-the-job training compared to 31% of businesses with 1-9 employees providing off-the-job training and 53% providing on-the-job training.
- 7.17 In terms of a national comparison, the UK Employer Skills Survey (December 2011) reported that 59% of businesses had provided their staff with some training in the past 12 months (13% off-the-job, 17% on-the-job and 29% featuring both).
- 7.18 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).
- 7.19 Of those businesses that did not provide training, 86% said they did not provide off-the-job training and 84% 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 7% about not providing off-the-job training and 5% for not providing on-the-job training). For both off and on-site training the main “other” reasons specified were having a lack of time.
- 7.20 Feedback from University of Bedfordshire highlighted that some employers were unwilling to commit to funding an individual’s learning and development off site if they did not see any business benefit. In addition, employers have raised the issue of courses being too long and impacting on the business.
- 7.21 Businesses were asked whether a workforce development plan was in place within their company. Overall, 27% of businesses have a workforce development plan (compared to 29% in 2012). 100% of businesses with 50+ employees have a workforce development plan compared to 20% of businesses with 1-9 employees.
- 7.22 Those businesses that have a workforce development plan are more likely to have conducted training with their staff. For example, 72% of businesses that have a workforce development plan provided off-site training, compared to 28% of those that do not have a workforce development plan. Similarly, 83% of businesses that have a workforce development plan provided on-site training, compared to 48% of businesses that do not have a plan.
- 7.23 In terms of a national comparison, the UK Employer Skills Survey (UKESS) (December 2011) reported that 38% of businesses of all sizes had a workforce development plan in place.

7.24 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.

7.25 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 recorded via this method. In December 2012, 7.1% of working age people report having job related training in the past four weeks, a fall from a high of 9.2% in September 2011. The figure is below East of England (9%), national (9.6%) and SEMLEP (9.6%) levels.

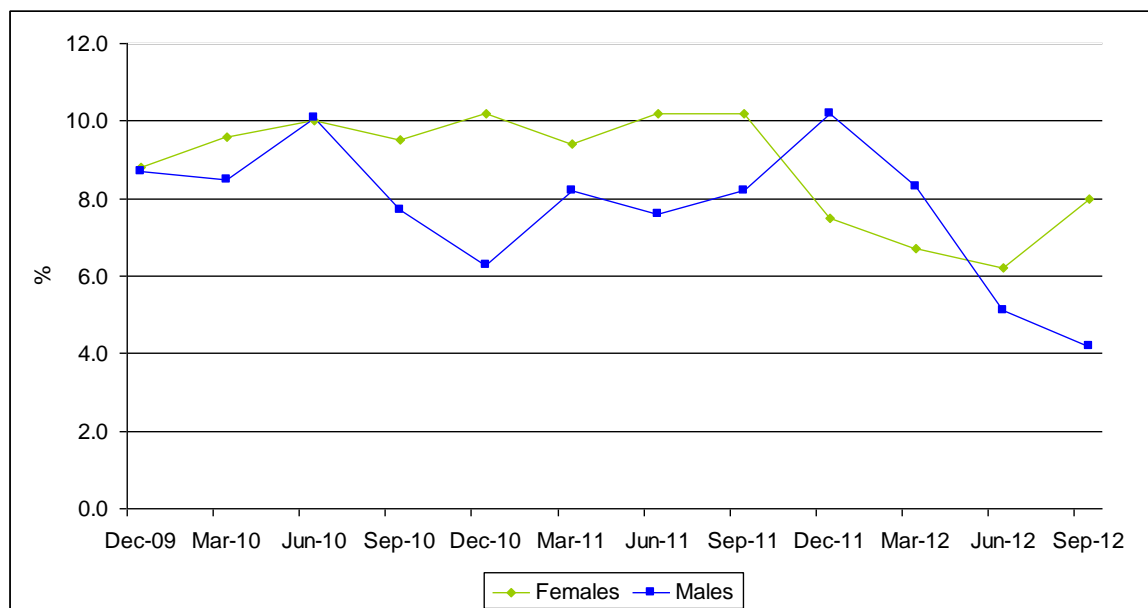
Chart 5: % of working age people who have received job related training in the past 4 weeks



Source: Annual Population Survey, December 2012, ONS via Nomis

7.26 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 2012, 8.0% of females said they had received training in the past 4 weeks, compared to 4.2% of males¹⁹. This represents a 49% drop in males receiving job related training since September 2011. There has been a decrease of 21% in the female rate since September 2011 however the rate remains higher than pre-recession levels. The trend of more females receiving training than males is evident at national, SEMLEP and East of England levels; however the gap between the male and female rate is still greater in Central Bedfordshire.

Chart 6: Males and females receiving job related training in the past 4 weeks in Central Bedfordshire

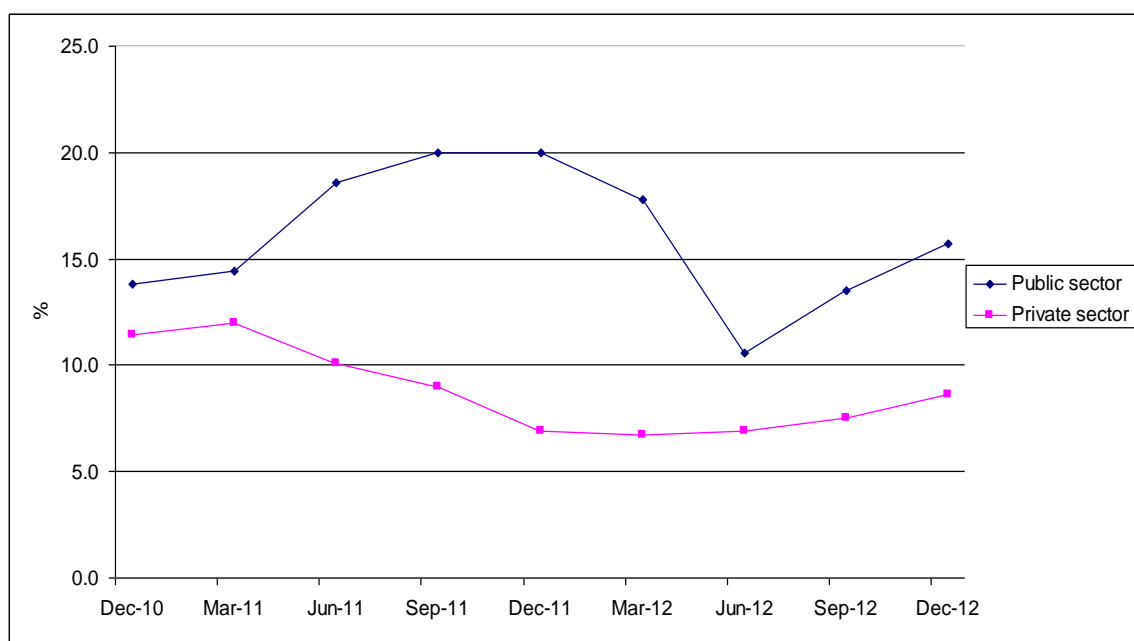


Source: Annual Population Survey September 2012, ONS via Nomis

7.27 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 are more likely to have received training in the past 4 weeks (15.7%) than those in the private sector (8.6%) and the gap is increasing. It should also be noted that the percentage of people in the public sector receiving training has continued to fall since December 2011 from a high of 20%. This may be due to public austerity measures that have led to training budgets being cut in the public sector.

¹⁹ Please note due to the estimate and confidence interval for males receiving job related training in past four weeks to December 2012 was too small and unreliable, figures for September 2012 are being used instead.

Chart 7: % of people in the public and private sector receiving job related training in the last 4 weeks



Source: Annual Population Survey December 2012, ONS via Nomis

GCSEs

7.28 GCSE results in Central Bedfordshire in 2012 increased by 3% to 79.8% of pupils gaining 5 A*-C grades at any subject, up from 76.8% the previous year. Although this is slightly below the national (81.8%) and regional levels (80.6%), the improvement in Central Bedfordshire was better than in England (2.2 percentage points) and the East of England (2.6 percentage points). However we are no longer in the top 40% of local authorities in the country for attainment at GCSE.

7.29 The number of children eligible for free school meals²⁰ 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 2012 was 49.5%. This falls to just 27.5% when looking at those achieving 5 A*-C including English and Maths. The East of England has higher achievement rates than Central Bedfordshire, with 61.4% of pupils receiving free school meals gaining 5 A*-C grades, and 31.8% gaining 5 A*-C including English and Maths. This rate is below national levels of 69.1% and 36.4% respectively. (Source: Department for Education Statistical First Release, 2012)

²⁰ 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.

7.30 Within Central Bedfordshire, variation can be seen in GCSE results depending on the area where the pupil lives. Generally, more affluent areas have higher achievement levels. In 2012, 72% of pupils in Barton-le-Clay and Ampthill wards achieved 5 A*-C grades including English and Maths, compared to 49% in Tithe and 34% in Dunstable Northfields.

Skills deprivation

7.31 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.

7.32 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.

7.33 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.

7.34 With the exception of Dunstable Northfields, 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.

Table 1: 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

7.35 Raising qualification levels is critical to individual employment prospects because there is a strong correlation between the qualification attained and the employment rate.

7.36 University Technical College (UTC) Central Bedfordshire opened in September 2012 and is a college for students aged 14 to 18 specialising in technical studies and is sponsored by a university. It offers full-time courses which combine practical and academic studies. Employers are involved from the start in shaping the curriculum.

NEET

- 7.37 In March 2013, 5.0% of young people in the academic year 12-14 were not in education, employment or training (NEET). This has risen from 4.2% since March 2012. The biggest increase was seen in the Year 14 group with 5.8% of this cohort being NEET in March 2013 compared to 4.2% in March 2012. This can be attributed to declines seen in the proportion of Year 14's going onto Higher Education or employment.
- 7.38 Central Bedfordshire performs well against the national and regional averages and consistently maintains NEET levels below both averages. In March 2013, Central Bedfordshire's NEET level was just above the mean average for statistical neighbours at 4.5%. Central Bedfordshire's NEET count has remained lower than geographical neighbours Bedford Borough (7.7%) and Luton (6.3%) –although slightly lower than Milton Keynes (4.8%).
- 7.39 The NEET group in Central Bedfordshire has, over the past 3 years, seen a consistent gender ratio with a near 50:50 breakdown of males and females. In March 2013, this leaned slightly more towards males with 54% of the total NEET group of this gender.
- 7.40 The ethnic breakdown of the NEET group is: White British (77%), White Irish (0.3%), White Gypsy/Roma (1.4%), Any Other White Background (7.1%), White & Black Caribbean (1.7%), and White & Asian (0.3%), Any Other Mixed Background (0.8%), Indian (0.3%), Any Other Asian Background (0.3%), African (0.6%), Any Other Ethnic Background (0.3%), Refused (0.3%), and No Information (9.6%).
- 7.41 5.1% of the NEET group have a recorded learning difficulty or disability or difficulty.
- 7.42 The measurement of NEET changed in April 2013, 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.
- 7.43 The Youth Contract was introduced by the Government at the end of 2012. This programme is aimed at providing additional support to NEET young people aged 16/17 years with low attainment with regard to re-engaging them into sustained education or training. The Government recently extended the criteria to include young people with 1 GCSE A*-C, any young person in care or leaving care regardless of their level of qualifications, and those leaving custody.
- 7.44 The Government has launched its 'Traineeships' initiative. This is a new programme for young people who want to work, but who need extra help to gain an apprenticeship or job. Traineeships will give these young people the opportunity to develop the skills and workplace experience that employers require.
- 7.45 Traineeships have been introduced for 16 to 19 year-olds, and the Government will look to extend the programme up to age 24 in due course. Traineeships will fit within broader study programmes for 16 to 19 year-olds.

- 7.46 Traineeships will offer young people the opportunity to undertake a substantial work placement and work skills training, alongside support to improve their English and maths. Depending on the young person's needs, a range of other support and flexible training may be offered to help them develop their skills and progress quickly onto an apprenticeship or secure other employment. Currently traineeships can only be offered by providers who are Ofsted inspected grade 2 and above.
- 7.47 Feedback from Bedfordshire Voluntary Organisations for Children, Young People and Families highlighted that young people they work with are often not receiving impartial Information, Advice and Guidance about course options and are being advised to take up courses that offer no potential career at the end of it e.g. hairdressing.

Raising Participation Age

- 7.48 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 (young people in employment must receive training to NVQ Level 2) and those in training.
- 7.49 Raising the participation age (RPA) does not mean young people must stay in school; they will be able to choose one of the following options post-16:
- full-time education, such as school, college or home education
 - an apprenticeship or,
 - part-time education or training if they are employed, self-employed or volunteering full-time (which is defined as 20 hours or more a week).

Apprenticeships

- 7.50 Data from The Data Service (February 2013) shows that there were 1,960 starts at all age levels in Central Bedfordshire in 2011/12 academic year. This is an increase of 330 people, or an increase of 20.3% from the previous academic year. Since 2009/10 there has been a 90.3% increase in apprenticeship take up in Central Bedfordshire.
- 7.51 The annual increase seen in 2011/12 for Central Bedfordshire in relation to the take up of apprenticeships is positive and higher than the increase seen nationally, regionally and compared to neighbouring authorities. However the increase was significantly less than the increase between 2009/10 and 2010/11. The slowing down of growth by 2011/12 could also be explained in part by government priority for greater funds to be targeted at 16-24 year olds instead of those aged 25 years old and above in order to combat high youth unemployment.

Table 2: % increase in apprenticeship starts since previous academic year

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Central Bedfordshire	-2.2	12.6	4.1	1.0	58.3	20.3
Bedford	-7.3	10.5	26.2	-3.8	66.7	12.9
Luton	6.4	26.0	11.1	-5.7	116.7	14.7
East of England	5.4	25.2	0.7	12.1	67.6	15.2
England	5.3	21.8	7.0	16.8	63.6	13.9

Source: The Data Service, February 2013

7.52 Nationally, the highest take up of apprenticeships in 2011/12 can be seen in the following sectors:

- Business Administration and Law
- Health, Public Services, and Social Care
- Retail and Commercial Enterprise
- Engineering and Manufacturing Technologies
- Construction, Planning, and the Built Environment

7.53 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 2011/12 are:

- Business Administration and Law
- Engineering and Manufacturing Technologies
- Retail and Commercial Enterprise
- Information and Communication Technology
- Leisure, Travel and Tourism

7.54 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.

7.55 There is considerable demand for hairdressing courses and providers continue to increase the number of places on offer, however, national data illustrates that there 91,000 young people a year on these courses yet only 17,000 vacancies.

- 7.56 In 2012, the National Apprenticeship Service (NAS) produced The Apprenticeship Quality Statement which sets out the standards NAS expects for the delivery of a high quality Apprenticeship. Since the Quality Statement was published, all but four of the 87 cases under review nationally for short duration Apprenticeships have been resolved and the Skills Funding Agency (the Agency) has ceased to contract with three providers/employers. Three other providers and one employer remain under close review by NAS and the Agency. Although anecdotal evidence around the country suggests that the drive to root out short duration Apprenticeships is resulting in a fall in 16-18 starts, it is unclear yet whether or not this has led to a decline in Central Bedfordshire because at the time of writing, data is only available for the first half of the 2012/13 academic year. Each year NAS runs the National Apprenticeship Week campaign to raise awareness about apprenticeships to employers, providers and young people. Further details can be found here:
<http://www.apprenticeships.org.uk/Awards/Apprenticeship-Week-2013.aspx>
- 7.57 Feedback from University Technical College (UTC) Central Bedfordshire highlighted that employers are still not clear on the process involved in taking on an apprentice and the benefits for their business. Better guidance for employers on apprenticeships and marketing towards parents was recommended in order to improve take up of apprentices.
- 7.58 In the 2013 Central Bedfordshire Business Survey, businesses were asked about apprentices. 7% of businesses in the 2013 survey currently have an apprentice and 35% would consider having an apprentice, this compares to 8% and 42% respectively in 2012 and 3% and 32% respectively in 2011.
- 7.59 Larger businesses are more likely to have or consider having an apprentice, with 40% of businesses with 50+ employees not having or considering having an apprentice compared to 63% of businesses with 1-9 employees.
- 7.60 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 to ease the work load of the business (cited by 12% of respondents). 62% of businesses have or would consider having an apprentice to train the individual to the specific needs of the business and 59% to give the individual a chance.

Table 3: 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	59%	78%	55%
Can train the individual to our specific needs	62%	61%	62%
Ease workload on other workers	12%	11%	12%
Cheap labour/Value for money	12%	0%	14%
Cannot recruit people with the right skills	11%	6%	12%
Positive experience of apprenticeships	9%	11%	8%
Government funding available	8%	17%	8%
It is part of our corporate social responsibility	7%	39%	1%
Represents an investment in the business	5%	6%	5%
Ageing workforce	3%	11%	1%

Source: Central Bedfordshire Business Survey 2013

7.61 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. 44% of businesses do not have or would not consider having an apprentice because they have no current business need.

7.62 19% cited that their business is too small to accommodate an apprentice and only 1% cited that their business had a bad experience of apprenticeships. In terms of a sector analysis, three sectors stand out – 50% of construction businesses said they do not have/would not consider having an apprentice, of which 62% of them cited no current business need. 48% of retail and motor trade businesses said they do not have/would not consider having an apprentice, of which 57% of them cited no current business need.

7.63 87% of accommodation and food businesses said they do not have/would not consider having an apprentice, of which 38% of them cited no current business need. On further analysis most of these businesses are small businesses suggesting that there may be scope to target small businesses in these sectors to persuade them of the business value of apprenticeships and to further promote the take-up of apprenticeships.

- 7.64 In terms of wider links with local schools, the Business Survey found that 28% of businesses currently have links with local schools, which is similar to last year (30% in 2012). Larger businesses are more likely to have links with local schools with 40% of businesses with 50+ employees having links, compared to 25% of businesses with 1-9 employees. Of those businesses that had links with schools, the majority (61%) had pupils on work experience. In addition, some businesses (21%) said they do paid work for local schools, 17% said local schools visit their premises and 15% said they conduct talks in local schools.
- 7.65 Feedback from Central Bedfordshire College emphasised a need for employers to engage more with schools and further education providers around investment priorities and curriculum planning.

Future skills demand

- 7.66 In 2012, the Council commissioned a study developed from the Working Futures project (series four; WF4), which is a UK level projection of the labour market that was jointly developed by Cambridge Economics (CE) and the Warwick Institute for Employment Research (IER). The WF4 projections are integrated with the East of England Forecast Model (EEFM), which is an independent analysis of sectoral employment projections developed by Oxford Economics.
- 7.67 Key findings from the study highlighted the following:
- Central Bedfordshire's local economy is expected to hire and replace 75% of the workforce in business and other services, mainly driven by the Professional Services and Business Services sectors. This is relatively higher compared to the UK average, which mainly reflects the much higher "expansion demand"²¹ of 33.5% in this sector for Central Bedfordshire compared to 13.4% for the same sector in the UK.
 - From 2010 to 2020, 48.9% of the change in total required employment will originate from no qualifications to A Levels, while 32% from HND to degree level, and 19% from other higher degree to post doctorate. Thus, around half of the total required employment will ask for HND level and above.
 - After 2010, construction is expected to remain higher compared to the UK, while manufacturing in Central Bedfordshire will decrease in share compared to the UK.
 - The largest occupation employment by 2020 will be for managers and senior officials, professional occupations, and associate professional and technical occupations.

²¹ 'Expansion demand' is a measure of the projected change in the level of employment in a sector, occupation or qualification. It can be positive or negative.

Appendix 1 - List of stakeholders

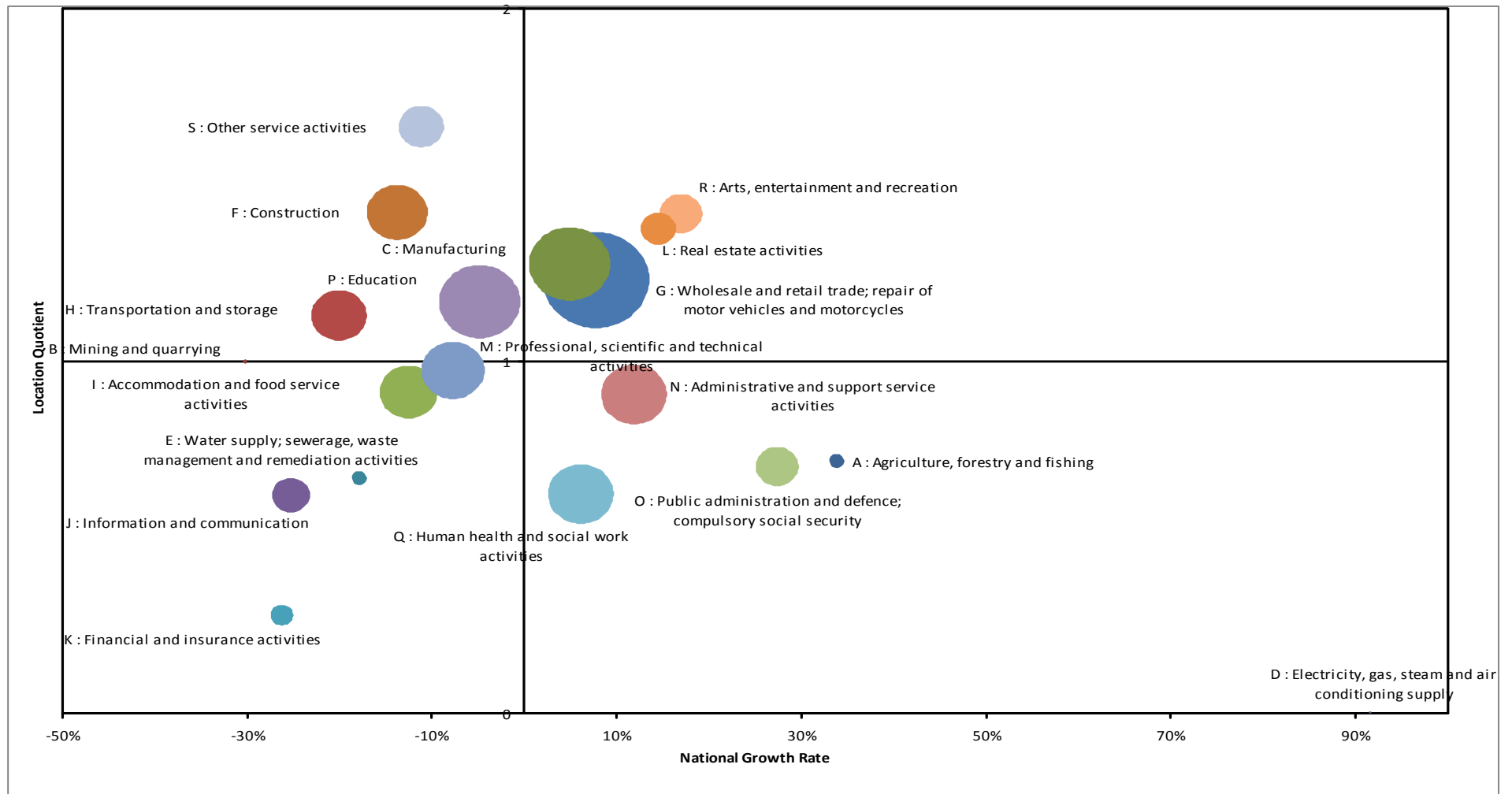
1. Local Economic Assessment Project Board (internal):

- Customer and Community Insight
- Children Services
- Adult Services
- Corporate Policy Advisor (Equality and Diversity)
- Economic Growth, Regeneration and Skills Team
- Planning
- Housing Strategy
- Environmental Policy
- Children Families and Learning
- Transport Strategy

2. External partners

- Chamber of Commerce
- Federation of Small Businesses
- Wenta
- Bedfordshire Rural Communities Charity
- University of Bedfordshire
- University Technical College
- Central Bedfordshire College
- University of Cranfield
- Voluntary and Community Action Bedfordshire
- Bedfordshire Business Women's Association
- Job Centre Plus
- National Apprenticeship Service
- Skills Funding Agency
- Central Bedfordshire Pathways to Enterprise stakeholder group
- Business in the Community
- TCHC

Appendix 2- Sector Strength Analysis



Central
Bedfordshire

great
prospects

Central Bedfordshire in contact

Find out more

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