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# Central Bedfordshire Local Economic Assessment 2014

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# Executive Summary



## Executive Summary

- 1.1 Central Bedfordshire Council has ambitious plans for 31,000 new homes and 27,000 new jobs in the area by 2031. To achieve this level of jobs growth requires targeted support to existing businesses, concerted inward investment efforts to attract new businesses into the area, and help for local people to access the job opportunities.
- 1.2 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 characterized 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, continually 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.
- 1.3 The Local Economic Assessment has a clear purpose, which is to provide a robust evidence base which supports the Council and its partners to identify where action is required 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.
- 1.4 This Local Economic Assessment has been undertaken in macro economic conditions that have seen the UK economy come through recession and return to a position of strength, with continued GDP growth and forecasts that it will be the best performing of the world's largest economies in 2014.
- 1.5 Concern remains, however, around national wage levels, which have increased by just 0.6% in the year to June 2014 – the slowest increase since records began in 2001. This is the likely reason for the Bank of England maintaining a record low interest rate of 0.5%, although low national unemployment into 2014 may see this rise in future.

## Central Bedfordshire's Economy

- 1.6 The state of the economy in Central Bedfordshire in 2014 is overall very positive, and has seen much improvement in the past year. The employment rate stands at 77.4% and is higher than all comparator areas and in line with Central Bedfordshire Council's corporate target of remaining more than 5 percentage points above the national rate. Although employment levels are yet to return to their pre-recession peak, the growth rate of 3.9% in the past year is extremely encouraging. Unemployment rates have returned to pre-recession levels, with a fall of 42.5% in a year, bringing them down to 3.7% - almost half the national rate. This has been accompanied by a reduction in the rate of benefit claimants, with a fall of almost half in the number of people claiming Jobseeker's Allowance.
- 1.7 Central Bedfordshire has a population of 260,000, which has increased at a faster rate than nationally at 11.3% since last census. Growth is expected to continue, with a forecast increase of 12.4% or 31,700 people by 2021. Population growth will be highest in the 65+ age group, with 35% growth to 2021, bringing with it additional skills and jobs needs arising from a growing ageing population. The number of people remaining in work over the age of 65 has increased by 37% in a year to 5,900 people.
- 1.8 Jobs growth in the area is keeping pace with population growth. Job numbers have increased by 1,800 in the last year and have increased at a rate above the Development Strategy target of 1,350. Central Bedfordshire's jobs growth is significantly higher than comparator areas. The most frequently advertised job vacancies in Central Bedfordshire consist of a combination of both highly skilled and unskilled work. Programmers and software development professionals rank as highly as care workers and home carers in terms of number of jobs. This highlights the diversity of the local economy, which adds to its resilience to economic shocks. The majority of people in employment are employed in managerial or skilled professions (58.8%). This is higher than all comparator areas and this is continuing to increase.
- 1.9 Business performance in Central Bedfordshire has also improved and gives an encouraging picture of the strong local economy. With 11,570 active enterprises, Central Bedfordshire has the largest number of businesses of all local authorities in the SEMLEP area. Businesses are performing well – almost twice as many businesses report improved performance in 2014, compared to 2013. When looking to the future, businesses are even more optimistic, with 65% anticipating an improvement in performance in the next year.
- 1.10 Strong business performance is reflected in the high survival rates locally – higher than comparator areas with 98.1% of businesses surviving at least one year. Local businesses turnover more than £13bn

each year, with steady turnover growth since 2008. Central Bedfordshire is the only local authority in the South East Midlands Local Enterprise Partnership (SEMLEP) to have seen continued growth in this time.

- 1.11 Businesses in Central Bedfordshire generate over £81m in the form of National Non Domestic Rates (NNDR), a sign of a strong local property market. This has increased in the last year, owing to the opening of large developments like Center Parcs, a new windfarm and other commercial developments.
- 1.12 A number of world leading companies contribute to the strong economy of Central Bedfordshire, with strengths in Agri-food, High performance technologies, R&D, Transport and Logistics and the Visitor Economy. Taking on board these strengths, Central Bedfordshire Council has adopted a sector-based approach to working with businesses to support job creation and grow the economy further in these locally significant sectors.
- 1.13 Income levels for Central Bedfordshire residents are high, and have increased again this year to an average of £575 per week. At all percentiles, the rate is higher than in England overall. The earnings of people who work in Central Bedfordshire, but may be resident elsewhere, are lower at £493 per week, reflecting the fact that higher paying jobs outside of the area remains an issue. Where the resident rate has grown by 2.3% since 2012, the worker rate has seen growth of 9.8%, significantly above both the rate of inflation and the national rate of growth.
- 1.14 Central Bedfordshire benefits from excellent connectivity. The physical location, with easy access to road, rail and air transport links is repeatedly voted the best thing about the area by businesses and is a draw for new businesses to invest in the area. The area occupies a strategic location in the South East Midlands, with excellent transport links to London and surrounding centres. The M1 and A1, A5, A6 and A421 all run through Central Bedfordshire creating strategic corridors. This is due to improve further, with Council investment in a new A5-M1 road link and the Woodside Link, connecting Houghton Regis and the industrial estates in Dunstable to the new junction 11a of the M1. The opening of the Dunstable Guided Busway – the second longest urban busway in the world – in 2013 has further enhanced connections with Luton and London Luton Airport. Plans for a new East-West railway are also underway, with the Western section due to be in place by 2017.
- 1.15 In terms of digital connectivity, great progress has been made on superfast broadband delivery in Central Bedfordshire with over 2,000 premises enabled to date and £4.1m of national funding for the Central Bedfordshire area.

- 1.16 The improving economy has been accompanied by a substantial rise in house prices in the area – an 8.2% rise in the year to July 2014, with the average house price 3.9% higher than England overall.
- 1.17 With regard to the skills of the local labour force, the number of people receiving job related training has increased by around half in the past year and over half of local businesses are now providing training to their staff. This shows improving business confidence as more businesses are keen to invest in their employees.
- 1.18 The overall picture of the Central Bedfordshire economy in 2014 is undoubtedly more positive than it has been for a number of years and prospects for the future are that it will continue to grow and thrive. In spite of this, the 2014 Local Economic Assessment does highlight some issues of concern and suggested areas of focus for future intervention and support.
- 1.19 The combined evidence throughout this Local EA highlights that, although business numbers are slowly increasing, the varying datasets available, and the different timescales they represent, present a mixed picture on entrepreneurialism levels. According to the ONS Business Activity Size and Location 2013, the total business stock has grown by just 25 businesses (0.2%) in the past year. This is a slower growth rate than in previous years, and is below all comparator areas. The ONS Business Demography data, however, shows that there were 55 new business ‘births’ in 2012, which is slightly lower than in 2011, but the rate of growth is above comparator areas. Business births are used as a measure of entrepreneurialism and on this measure, Central Bedfordshire had 54.9 new businesses per 10,000 residents in 2012. Although having increased from 2011, this is lower than national and SEMLEP levels and is well below the pre-recession position of 61.1% in 2008. Finally, further data, obtained from Banksearch and based on the number of new business bank accounts opened in the area, shows a 7% fall in start ups in 2013. Related to these points, the number of self-employed people in Central Bedfordshire has remained static in the past year. This paints a picture that entrepreneurialism is not as strong in Central Bedfordshire as it perhaps could be, especially as entrepreneurialism is a contributing factor to the UK Competitiveness Index, and could be an explanation for Central Bedfordshire’s fall in rank in 2013 from 139<sup>th</sup> to 200<sup>th</sup> place.
- 1.20 Of further concern is the fall in job density to 0.62, meaning there are around three jobs for every two working age residents. This pushes people out of the authority to find work, therefore out-commuting remains an issue for Central Bedfordshire with half of all residents travelling out of the area to work, often to high value jobs in London, Hertfordshire, Luton and Milton Keynes.

- 1.21 The high levels of out-commuting are a contributory factor to the apparently low levels of Gross Value Added (GVA) in Central Bedfordshire. On the face of it, Central Bedfordshire appears to have a low GVA economy, operating at 76% of the UK average. Further investigation, however, has found that this is a factor in all areas with high levels of out-commuting where the numerator is a work-based concept, yet the denominator is the residence-based population of the area. GVA per capita is therefore not recommended as the best measure of productivity in such areas by ONS. Looking at GVA per hour worked and per job filled, Central Bedfordshire performs at levels much closer to the national level (92% and 89% respectively).
- 1.22 Providing suitable employment land and premises for existing businesses to grow and new businesses to locate in Central Bedfordshire and create jobs is a priority for the Council, however in the last year, the loss of employment land to other uses has outweighed the gains. Some of the main losses have been in office space in areas like the Dukeminster Estate in Dunstable, however some of this land has been replaced with residential and extra care, which will provide additional employment opportunities. Central Bedfordshire Council has worked closely with partners to improve provision of premises that meet business needs, and this is evident in the opening of the Incuba Centre in Dunstable to provide office space for small and start up businesses. Nevertheless, the loss of land may need to be considered in relation to longer term jobs growth.
- 1.23 Another significant issue raised in this LEA is around the skills levels of local people, and the levels of skills within the local workforce. Achievement at all levels has fallen over the past year, except for NVQ level 2 which remained static, and in most cases is below all comparator areas. Central Bedfordshire now has a higher rate of people of working age with no qualifications (10%) than nationally and regionally.
- 1.24 Approaching two-fifths of respondents to the 2014 Business Survey (37%) cited some skills missing amongst their current workforce. Compared to 2013, this represents an increase of 19% (18% reported skill gaps in 2013). This compares to a similar proportion across the SEMLEP area as a whole, but is of concern. Advanced IT skills and sales and marketing skills are the most frequently mentioned skills gaps.
- 1.25 Although unemployment levels are low and falling, it is notable that the number of people claiming Jobseeker's Allowance for long periods of time is not falling in the same way. 14.4% of claimants have been claiming for over two years. Young people remain the largest group within the claimant cohort, 20.3% of all claimants. Employment opportunities are improving and there is a notable demand for staff in the care sector, however, concerns have been raised around the ability of Central Bedfordshire's jobseekers to access the many vacancies in the care sector because of transport and accessibility issues, particularly in rural areas.

- 1.26 Over two-fifths of businesses who have had vacancies in the last year have had difficulty filling these vacancies. This equates to 21% of all Central Bedfordshire businesses. The most frequently cited reason for difficulties in recruiting to the role is lack of the right skills among applicants.
- 1.27 Once further area of concern is that town centres have a slightly higher vacancy rate than in previous years (9.6%). This is below the national rate of 13.3% and the Council's Regeneration and Business team has a series of strategies in place to monitor and address this, including town centre masterplans. There also remains a high leakage of retail and leisure spend to areas outside of Central Bedfordshire, with eight times as much money leaving Central Bedfordshire (£387m) as coming in, but this has not increased since 2012 and is not surprising given there are no regional level retail centres in the area and high levels of competition in neighbouring areas, Milton Keynes in particular.

## **Conclusions**

- 1.28 The overriding finding of this Local Economic Assessment is that Central Bedfordshire remains a strong performing economy with expectations that it will continue to grow in future years. Job numbers are increasing, employment levels are rising and unemployment levels are falling. Local businesses are surviving, staying in the area and performing well. Local people are being paid well and enjoy living and working in a well connected area with access to an attractive natural environment. There are, however, issues around the number of start up businesses and the skills levels of local people. Future interventions should therefore be focused on encouraging entrepreneurialism and putting in place the necessary support and infrastructure to help people start their own businesses. Also, helping local people to improve their skills to meet the needs of local businesses and enabling them to access a range of local job opportunities, would be further advantageous to the growth of the Central Bedfordshire economy.

## SWOT analysis

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

### Strengths

- Jobs growth was significantly above England and SEMLEP and on course to meet our Development Strategy target.
- Good north-south road and rail connectivity along strategic corridors including the M1 and A1, and the East Coast, West Coast and Midland Mainlines.
- Attractive natural environment, valued by businesses and generating significant opportunity for the key Visitor Economy sector.
- High employment rate, with an above average level of people working in highly skilled managerial and professional occupations.
- Businesses have high survival rates, high and growing turnover.
- Performance is improving and businesses are optimistic about the future.

### Weaknesses

- There are fewer new businesses than in previous years and entrepreneurial levels have not returned to their pre-recession position.
- An earnings gap remains between the earnings of local residents and those of local workers, although the gap is getting smaller.
- The area remains a low GVA economy, but this can largely be explained by high levels of out-commuting. Length of distances travelled to work and to access local services results in low levels of active travel (walking and cycling).
- Job density has fallen and remains low at roughly two jobs for every three people of working age.
- Central Bedfordshire businesses are more likely to rate regulation and red tape as a constraint to their performance than nationally.
- There remains a significant amount of retail spend leakage from local towns.
- Some rural communities aren't as well connected and are reliant upon subsidised bus services.
- Central Bedfordshire continues to have small ongoing pockets of relative deprivation.

## Opportunities

- Potential to work with four key sectors to create additional jobs and help promote business and jobs growth. The sectors are Agri-food, High Performance Technologies, R&D, Transport and Logistics, and the Visitor Economy.
- Major investment in infrastructure, including superfast broadband, further increasing Central Bedfordshire's ability to attract new business investment.
- Road capacity improvements with the new M1 Junction 11a, A5-M1 Link, Woodside Link and A421 dualling in the pipeline.
- East –West Rail Central section between Oxford and Bedford to be complete by 2017.
- 65% of businesses expect performance to improve in the next year.
- Major employment site development will provide space for businesses to grow.
- Fast growing population, supported by plans for major new housing development.
- Concerted efforts to attract new inward investment and greater promotion of the area to attract businesses and visitors.
- Designation of EU Assisted Area status will provide opportunities for growth in some of Central Bedfordshire's most deprived areas.

## Threats

- Ongoing need to deliver necessary infrastructure and support planned growth.
- Loss of commercial floorspace to other uses, particularly non-employment generating uses.
- Meeting the skills and jobs needs arising from a growing ageing population.
- Skills levels are falling and some local businesses increasingly struggle to recruit people with the right skills into their workforce.
- Reliance on the car raises questions as to the sustainability of growth within the authority.

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# Introduction



## Introduction

- 2.1 Central Bedfordshire Council's Medium Term Plan 2012-2016 includes the key priority of enhancing the local community through job creation, managing growth, enabling businesses to grow and communities to prosper. As the local economy continues to see recovery from the recent recession, and with the pressures that recession placed on public spending, it is important to have in place a robust Local Economic Assessment (LEA) that ensures all interventions are evidence based and respond to failures within the local economy.
- 2.2 The 2014 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.
- 2.3 Central Bedfordshire Council's Regeneration and Business Team consulted colleagues and partners to shape the development of the LEA, and the resulting content reflects the wider economic evidence needs of Central Bedfordshire.
- 2.4 In addition to the LEA, a series of Quarterly Economic Monitoring Reports have been produced to provide regular updates on the national and Central Bedfordshire Economy. The LEA and quarterly economic monitoring reports, available at <http://www.centralbedfordshire.gov.uk/economy>. Together, these reports provide the necessary information to support economic policy and activity development and enable Central Bedfordshire to achieve its economic potential.

## Comparator Areas

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

## Data Collection

- 2.6 Data for the LEA is gathered from a range of sources, mainly the Office for National Statistics and Central Government Departments. This is supplemented by qualitative data from partners across Central Bedfordshire providing evidence of real experiences of the economy. A detailed business survey of over 250 local businesses was also undertaken to inform the LEA.
- 2.7 Close working with colleagues across Central Bedfordshire Council and with key public, private and third sector 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.

2.8 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**

2.9 The research for this LEA took place in positive wider economic conditions. The national economy is predicted to be the best-performing of the world's largest economies in 2014, with growth of 2.9% according to the International Monetary Fund.

2.10 Gross Domestic Product (GDP) increased by 0.8% in the second quarter of 2014. The largest contribution came from services; these industries increased by 1.0%. In Q2 2014, output from services was 3.0% above its previous peak in Q1 2008, prior to the economic downturn.

2.11 There was also an upward contribution (0.05 percentage points) from production; these industries rose by 0.3%, with energy supply increasing by 4.4%, manufacturing increasing by 0.2%, and mining & quarrying increasing by 0.5%.

2.12 The Bank of England continued to hold UK interest rates at a record low of 0.5% throughout 2014. Given the improving economic climate and falling unemployment, debate over the timing of a rate rise has intensified, with Bank governor Mark Carney hinting recently that it could come by the end of the year.

2.13 It is likely the rate is being held down because wage growth has been surprisingly weak. Data from the Office for National Statistics (ONS) showed average national wages excluding bonuses grew by just 0.6% in the year to June. This is the slowest pace of growth since records began in 2001.

2.14 The annual rate of UK inflation rate fell more than expected in July as the cost of clothing, footwear, food and non-alcoholic drinks eased. Consumer Price Index (CPI) inflation fell to 1.6% from 1.9% a month earlier. CPI, however, remains well above average wages

2.15 Business confidence remained at a record high in Q2 2014, standing at +37.3. Confidence is stabilising at a high level after rising for six consecutive quarters, highlighting the extent to which business conditions have strengthened over the past two years.

# Demography



## Demography

### Key Issues

- Population of Central Bedfordshire is 260,000.
- Increased at a faster rate than nationally at 11.3% since the 2001 Census and growth expected to continue, with a 12.4% increase forecast, or increase of 31,700 people, between 2011 and 2021.
- Population growth will be highest in the 65+ age group – 35% growth to 2021, bringing with it challenges around meeting the skills and jobs needs of an ageing population.
- 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 in 2012 was 260,000. This is an increase of approximately 26,300 (11.3%) since the 2001 Census. This is a rate of growth greater than regional (9.6%) and national (8.9%) levels

**Table 1: Population of Central Bedfordshire, estimates by age and gender, 2012**

Age	Male	Female	All
0-15	25,800	24,800	50,600
16-64	83,100	83,700	166,900
65+	19,700	22,700	42,500
Total	128,700	131,300	260,000

*Source: Office for National Statistics, 2012 Mid Year Estimate. Figures are rounded to the nearest hundred, so may not exactly sum to total*

3.2 Central Bedfordshire is classified as predominantly rural area with just over half of the population living in rural areas. However, the population is similar in size to large cities such as Kingston upon Hull, Plymouth, Derby and Southampton, and larger than neighbouring local authorities Bedford, Milton Keynes and Luton.

3.3 Central Bedfordshire has a very similar percentage of working age people within its population (64.2%) compared to England as a whole (64.1%), although this is higher than the figure for the East of England (62.8%).

3.4 Central Bedfordshire is the 15<sup>th</sup> largest unitary council in England by population size and 11<sup>th</sup> largest unitary council by area. The largest settlements in Central Bedfordshire are highlighted below:

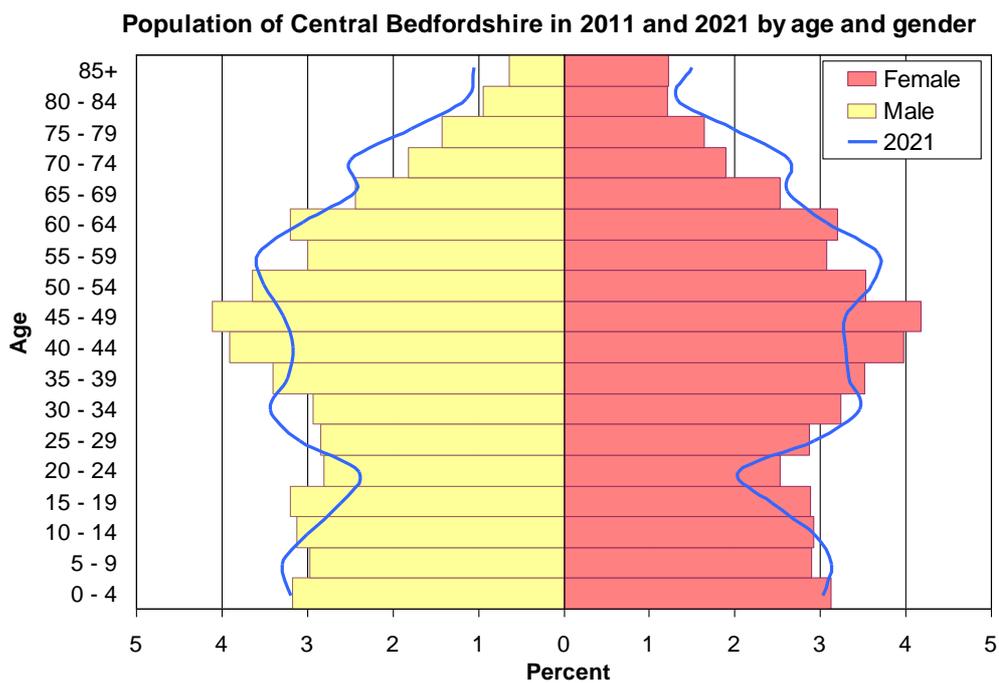
**Table 2: Largest settlements, Central Bedfordshire**

Town	Population Estimate 2012
Leighton Linlade	38,440
Dunstable	36,940
Houghton Regis	17,650
Biggleswade	17,170
Flitwick	13,070
Sandy	11,950

Source: Office for National Statistics, ward population estimates 2012. Note that estimates for Flitwick and Sandy are derived from larger ward areas.

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

**Figure 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.

3.6 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, 2011-2021<sup>1</sup>**

	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%
<b>Total population</b>	<b>255,600</b>	<b>287,300</b>	<b>12.4%</b>

3.7 The biggest proportionate increase in population is in the number of people aged 65 and over, which 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, both in terms of the raised retirement age and people working longer, but also the economic opportunities, particularly in the care sector.

## Ethnicity

3.8 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.

**Table 4: Central Bedfordshire population by ethnic group 2011**

Ethnic group	Total	
	000s	%
White	238,700	93.8%
Mixed	4,800	1.9%
Asian or Asian British	6,400	2.5%
Black or Black British	3,600	1.4%
Other ethnic group	900	0.3%
<b>Total</b>	<b>254,400</b>	

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

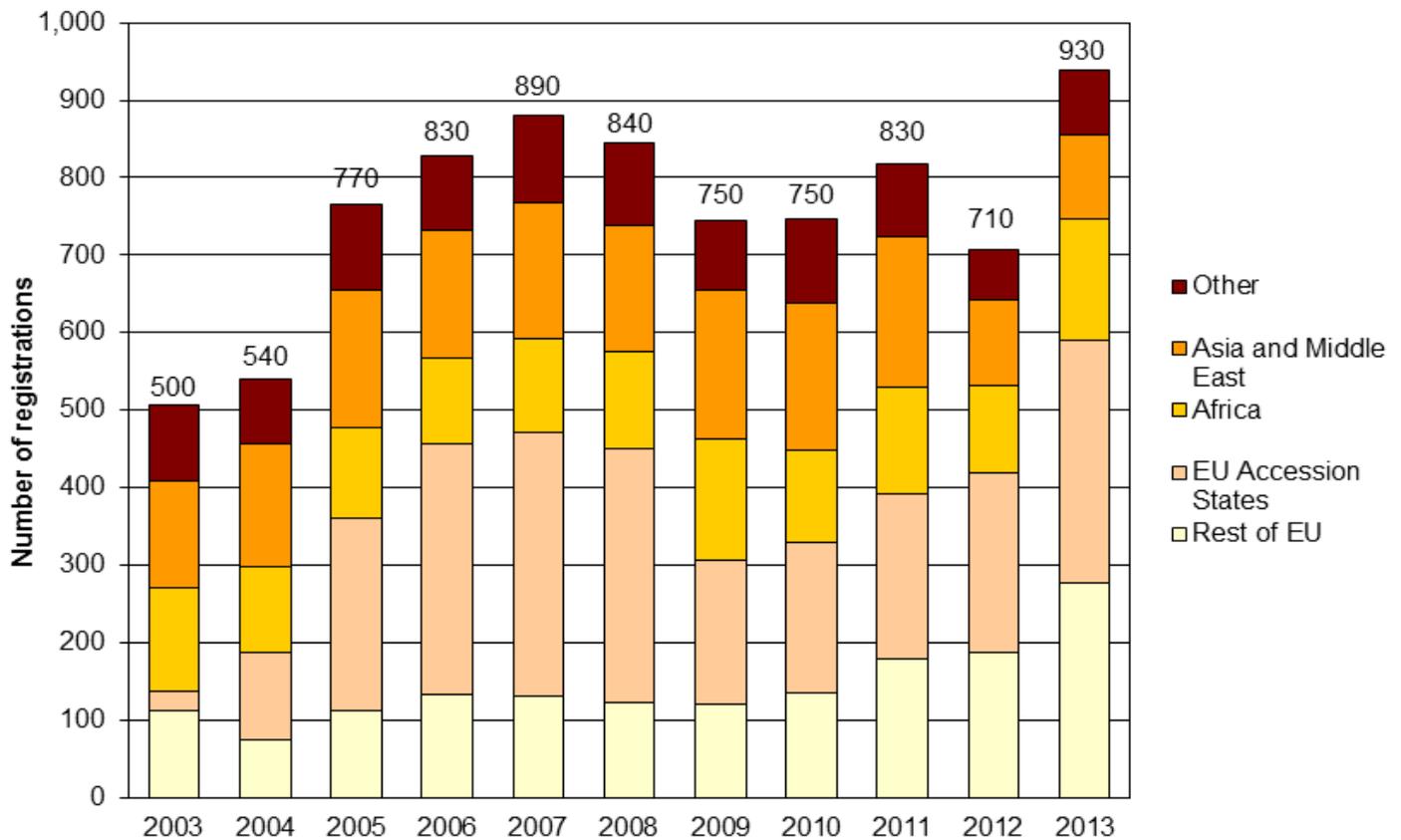
<sup>1</sup> Figures are rounded to the nearest hundred, so may not sum exactly to total  
Sources: Office for National Statistics, Mid Year Population Estimates 2011 and Central Bedfordshire Council, Popgroup population forecasting model, 2011. Note: These forecasts were produced in May 2013 using the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

- 3.9 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 Ickniel (19.1%) and Cranfield and Marston Moretaine (18.7%).
- 3.10 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**

- 3.11 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.
- 3.12 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, before gradually decreasing and then reaching a new high in 2013. (Source: Department for Work and Pensions, NINo Registrations to Adult Overseas Nationals entering the UK, 2013).

**Figure 2: NINo registrations to adult overseas nationals Central Bedfordshire 2002-2013**

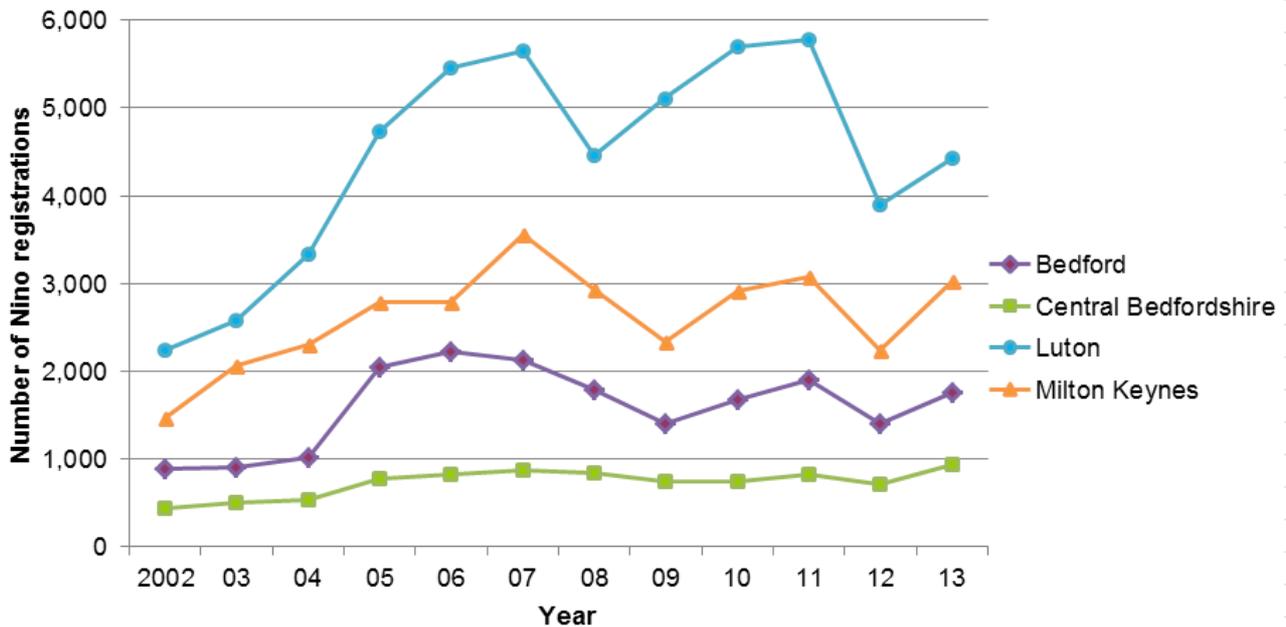


Source: Department for Work and Pensions, NINo Registrations to Adult Overseas Nationals entering the UK, 2013.

3.13 There was a large increase in the number of new migrant workers in Central Bedfordshire between 2012 and 2013. Most of this increase came from new EU workers, who accounted for over 60% of all NINo registrations in 2013. Applications for other regions of the world have remained fairly steady throughout the ten year period.

3.14 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. After a large decrease between 2011 and 2012, each area has experienced an increase in 2013.

**Figure 3: NiNo registrations 2002-2013, Central Bedfordshire and neighbouring authorities**

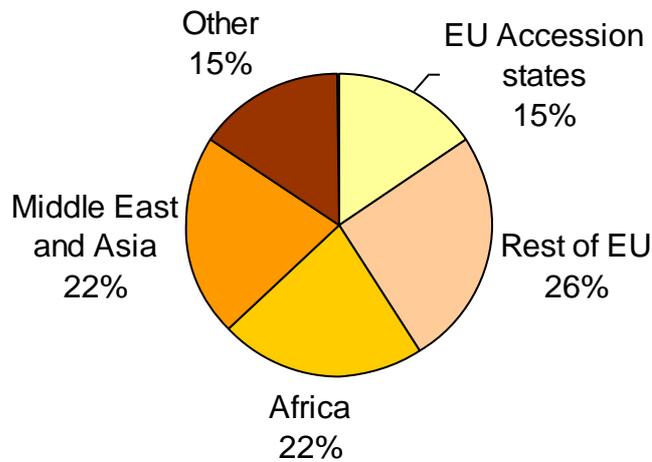


Source: Department for Work and Pensions, *NiNo Registrations to Adult Overseas Nationals entering the UK, 2013*.

3.15 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).

3.16 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.

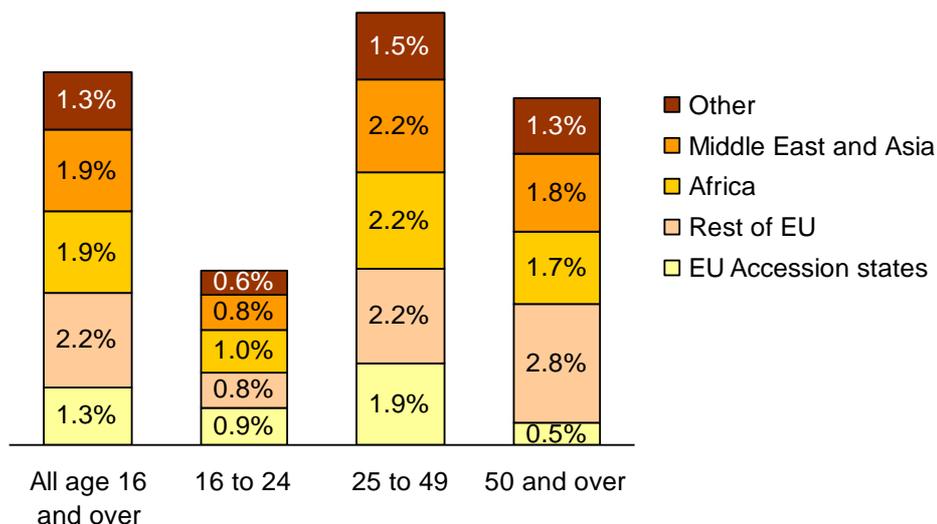
**Figure 4: Economic activity by country of birth**



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

3.17 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 people aged 50 and over were more likely to be from the older EU states, rather than the newer Accession States.

**Figure 5: 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.



Central  
Bedfordshire

**great**  
prospects

**Place**

## Place

### Key Issues

- Good north-south road and rail connectivity along strategic corridors including the M1 and A1, and the East Coast, West Coast and Midland Mainlines. Businesses repeatedly vote transport links as the best thing about the area as a place to do business.
- Major investment in infrastructure, including superfast broadband, improved road capacity with the new M1 Junction 11a, A5-M1 Link, Woodside Link and a421 dualling in the pipeline. Also, the East-West Rail central section is due to be complete by 2017.
- Local businesses also recognise the value of Central Bedfordshire's attractive natural environment and it is a key reason why they choose to do business in the area. The establishment of Local Nature Partnerships presents an opportunity to work with partners to further realise the economic potential of the natural environment.
- Most of Central Bedfordshire's residents take advantage of the road network to get to work, with 69% travelling by car. As part of the travel to work survey element of the 2011 census, there was a notable increase in the number of people working mainly from home with no need to commute. Some isolated rural communities remain dependent on subsidised bus services.
- In the 2012/13 period there was a total development of new commercial floorspace of 28,994 square metres (sqm). However, over the same period, there were 46,744 sqm of commercial floorspace was lost, leaving a net loss of commercial floorspace of 17,750 sqm.
- There was a 43% growth in commercial deals done between 2012 and 2013, with the majority in the A1 retail sector and almost half of the total in Dunstable.
- The area's town centres, have a slightly higher vacancy rate than in previous years (9.6%), but this is below the national rate of 13.3% and the Council's Regeneration and Business team has a series of strategies in place to monitor and address this, including town centre masterplans.
- Businesses in Central Bedfordshire generate over £81m in the form of National Non Domestic Rates (NNDR), which is a sign of a strong local property market. This has increased in the last year, owing to the opening of large developments like Center Parcs, a new windfarm and other commercial developments.
- There remains a high leakage of retail and leisure spend to areas outside of Central Bedfordshire, with eight times as much money leaving Central Bedfordshire (£387m) as coming in but this has not increased since 2012 and is not surprising given the proximity to major retail centres.
- The improving economy has been accompanied by a substantial rise in house prices in the area – an 8.2% rise in the year to July 2014, with the average house price 3.9% higher than England overall. More new houses are being built in Central Bedfordshire each year to cope with rising demand – 1,264 in 2013/14 – but completions need to rise to meet Development Strategy targets.

4.1 This chapter monitors the physical place element of the economy in Central Bedfordshire, to provide an evidence base for ongoing policy making and to monitor the effectiveness of current and past activity.

4.2 The indicators examined in this chapter are:

- Connectivity
- Digital infrastructure
- Natural environment
- Change in commercial floorspace
- Commercial property market
- Rental levels
- National Non Domestic Rates
- Non domestic property vacancy rates
- Town centre vacancy rates
- Retail
- House prices
- Carbon emissions

## **Connectivity**

4.3 Central Bedfordshire Council occupies a strategic location in the South East Midlands 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 providing strategic links to further afield. Approved plans for new road links, such as the A5-M1 link road and the Woodside Link, will further enhance the area's connectivity.

4.4 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 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.

4.5 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.

4.6 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 public transport travel time to the nearest employment site by public transport.

- 4.7 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 give greater priority to pedestrians and cyclists on local roads and such measures particularly help to cater for local residents without access to a car.
- 4.8 In the 2014 Central Bedfordshire Business Survey, respondents were asked to rate aspects of the area as good/poor. Airport access was rated as the second best aspect of the area, with 64% rating it as good. The third highest rating was for the area's road network (58%)<sup>2</sup> and the same percentage rated the rail network as good, although this has fallen from 69% in 2013. There was a rise in the number of people rating the area's public transport as good – 42%, compared to 34% in 2013.
- 4.9 When asked unprompted to list the top three things about Central Bedfordshire as a place to do business, transport links was the top answer given.
- 4.10 In terms of travelling to work, the 2014 Central Bedfordshire Householder Travel Survey found that a quarter of working residents travel 20 miles or more to work and that the majority of residents travel to work by car, although those that live within 2 miles of their place of work tend to walk to work and many of those that travel 20 miles or more to work will use a train
- 4.11 69% of working residents drive to work and 2% travel by car/van as a passenger. 11% walk, 10% travel by train and 4% by bus. The number of people driving a car or van to work has decreased, while the number of people travelling by train has risen slightly. The continued reliance on the car, and pressure on the local road network, could lead to questions about the sustainability of growth in the area.
- 4.12 18% of those that travel to work use more than one form of transport. This normally involved driving to the station, or, in lesser numbers, walking, cycling or getting a bus to the station.
- 4.13 In terms of a national comparison, these rates are in line with the national averages. For example, 69% of respondents nationally use a car or taxi to travel to work (this figure is 71% locally). Nationally, 10% walk to work and 8% use a bus or train respectively (Department for Transport (July 2011), National Travel Survey 2010).

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<sup>2</sup> A comparison cannot be made with previous data as in previous year's the survey asked businesses to rate the strategic road network and the local road network separately. In 2014 they were asked to rate the road network as one entity.

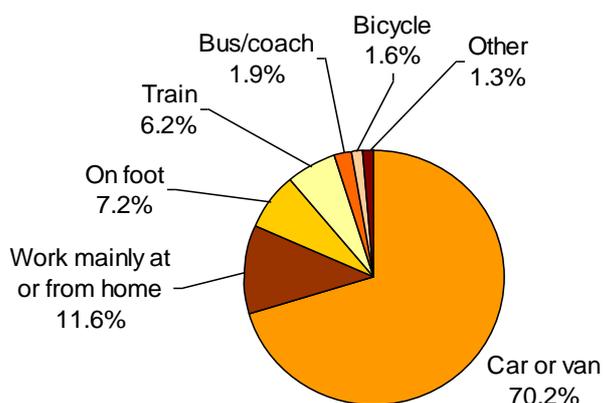
**Table 5: Mode of transport used to travel to work**

Mode of Transport	2014	2012	2010
By car/van as driver	69%	71%	75%
Walking	11%	11%	11%
Train	10%	6%	6%
Bus	4%	6%	2%
By car/van as passenger	2%	5%	2%
Bicycle	2%	1%	3%
Motorbike	2%	N/A	N/A
Guided busway	1%	N/A	N/A

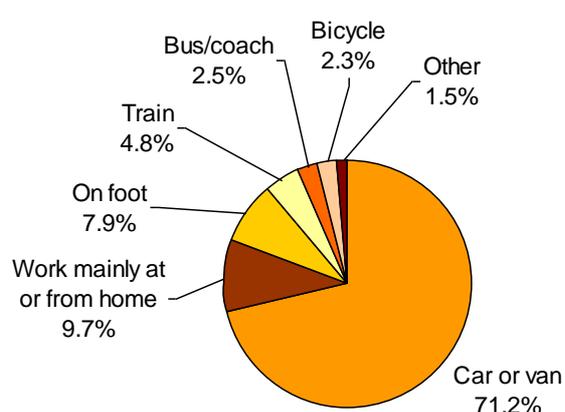
Source: Central Bedfordshire Householder Travel Survey 2014

4.14 As reported in the 2013 Local Economic Assessment, there was also 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

**Figure 6: Method of travel to work Census 2011**



**Figure 7: Method of travel to work 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.

## Digital Infrastructure

- 4.15 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.
- 4.16 The Council entered into collaboration with the Councils of Bedford Borough and Milton Keynes and formed a Joint Broadband Partnership (under the project title Central Superfast) to deliver the Joint Local Broadband Plan, which set out plans to deliver access to superfast broadband (defined as being at least 24 Megabits per second – Mbit/s) to 90% of all premises with the aim of ensuring that all premises in Central Bedfordshire have access to infrastructure able to provide at least 2 Mbit/s.
- 4.17 Following a successful application to Broadband Delivery UK (BDUK) for match funding and use of the competitive national procurement framework and state aid approval, BT were selected as a partner to deliver the necessary infrastructure. The Council has invested £1million in the project, and secured external public funding of £1.4 million. The contract was awarded in August 2013, with the first telecommunication cabinet going live in Stanford in June 2014. In Central Bedfordshire this project is delivering superfast services to almost 15,500 premises, with deployment due to be complete in Q1 2016. To date, over 2,000 premises have been enabled. Full details can be found at [www.centralbedfordshire.gov.uk/broadband](http://www.centralbedfordshire.gov.uk/broadband).
- 4.18 In the June 2013 Spending Round, the Government announced a further £250m of funding to increase the availability of superfast broadband to 95% of premises in the UK by 2017. BDUK have developed the Superfast Extension Programme (SEP) to deliver this. Central Bedfordshire was indicatively allocated £1.74 Million as part of this. The total allocation to the Central Superfast Area and Luton was £3.18 million.
- 4.19 Further funding has also been approved since the initial allocation, taking the total project funding to £7.6 million with £4.1 million going into the Central Bedfordshire area.
- 4.20 Participation in the SEP is likely to result in accelerated delivery and support at least an additional 7,100 premises to receive superfast broadband services, and it is anticipated that this will reach in excess of the 95% target.
- 4.21 Data from the Ofcom 2013 UK Fixed Broadband report, highlights that Central Bedfordshire has an average broadband speed of 19.4 Mbit/s and that take up of broadband services is 81.7%. This is greater than the national level of 71.8% with the average speed also being higher than the national 16.3 Mbit/s. The average speeds in Central Bedfordshire and nationally have both increased since 2012, though this average does mask

areas of low broadband speed, below 2mbps, and demonstrates the need for continued activity to improve digital connectivity in the area.

4.22 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 2013), Central Bedfordshire has 99.8% 2G geographical coverage; however this does not mean that all operators will provide a signal to all areas, with only 93% of premises covered by all operators. When considering 3G coverage 99.7% of the area can receive some form of 3G mobile service. However only 62.3% of areas have coverage from all operators.

## **Natural Environment**

4.23 The 2014 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 businesses ranking the attractive surroundings as good (the same as in 2013) highlights the continued importance that businesses place on the natural environment of Central Bedfordshire.

4.24 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 (SEMLEP) area, there are four Local Nature Partnerships working together on cross boundary projects that benefit the natural environment locally. The Bedfordshire Local Nature Partnership has jointly produced 'It's the economy, naturally', a document highlighting the importance of the natural environment in supporting SEMLEP's economic objectives. This can be found online at <http://www.semlep.com/green-economy>. One of the aims of the Local Nature Partnership is promoting the natural environment as a critical factor in underpinning the local economy.

4.25 The Local Nature Partnership and its members are involved in promoting and delivering a range of environmentally-led regeneration projects, including the Forest of Marston Vale, the proposed Bedford to Milton Keynes Waterway Park, and rural economic development programmes, such as the Greensand Ridge Rural Development Programme.

4.26 Conversely, environmental risks can have a negative effect on businesses. 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. (Office of the Deputy Prime Minister, 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

4.27 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](http://www.centralbedfordshire.gov.uk/Images/Central%20Beds%20Climate%20Change%20Risk%20Assessment%20Apr%2012_tcm6-31868.pdf)

## **Commercial Floorspace**

4.28 In the 2012/13 period there was a total development of new commercial floorspace (defined as planning use class A1-5 retail, B1 office, B2 industrial, B8 office and D2 leisure) of 28,994 square metres (sqm). However, over the same period, there were 46,744 sqm of losses of commercial floorspace. This leaves a net loss of commercial floorspace of 17,750 sqm. This is in contrast to 2011/12, when the net completions was 6,953 sqm.

4.29 The majority of new floorspace in Central Bedfordshire in 2012/13 was in the A1 Retail sector. Most gains can be attributed to the new Morrison's supermarket premises in Houghton Regis. In addition to this an extension to the ASDA Dunstable store was completed.

4.30 The biggest losses were in the B1a Office sector, with net losses of 13,893 sqm. There were 12 sites completed with losses of B1a office space, 2 of which were to other commercial uses and 7 were lost to residential conversions. Primary losses of office space included:

- **2,800** sqm at The Limes, Ampthill to residential
- **9,890** sqm as part of demolitions at the former Dukeminster site in Dunstable
- **688** sqm of B1a floorspace was lost at Ridgeway Court, Grovebury Road, Leighton Buzzard due to a change of use to a doctors surgery.

It should be noted that the Dukeminster site now houses residential and extra care and has created additional employment opportunities.

**Table 6: Change in commercial floorspace 2012/13**

Use Class	Gains (Sq m)	On Brownfield (Sq m)	Losses (Sq m)	Losses to residential (Sq M)	Net (Sq m)
A1	11,436.00	11,406.00	1,316.50	150.80	10,119.50
A2	517.70	517.70	81.00	0.00	436.70
A3	128.00	128.00	80.36	0.00	47.64
A4	0.00	0.00	349.00	115.00	-349.00
A5	251.36	251.36	0.00	0.00	251.36
A+	0.00	0.00	0.00	0.00	0.00
B1a	506.00	506.00	14,399.40	13,298.00	-13,893.40
B1b	0.00	0.00	0.00	0.00	0.00
B1c	1,055.00	100.00	4,877.00	640.00	3,822.00
B2	690.00	690.00	8,381.00	0.00	7,691.00
B8	4,708.00	4,308.00	16,172.00	5,280.00	-11,464.00
B+	6,502.00	5,124.00	1,081.00	0.00	5,421.00
D2	3,200.00	3,200.00	7.00	0.00	3,193.00

4.31 New developments, such as the Incuba Centre in Dunstable, a prestigious development by Central Bedfordshire Council and Central Bedfordshire College, will also provide additional commercial space to address the needs of small and start up businesses. The Incuba Centre is a green innovation business centre for start-up businesses - particularly those which contribute directly to the green economy. It provides office space, business support, meeting rooms and a conference / demonstration area to support growing businesses. The Incuba is developed by Central Bedfordshire College in partnership with Central Bedfordshire Council and the European Regional Development Fund. To support the Dunstable Town Centre development strategy, The Incuba forms a pivotal development at the gateway into Dunstable.

## **Commercial Property Market**

4.32 Data from the EGI property database highlights that in 2013 there were 119 commercial property deals done in Central Bedfordshire. This compares to 83 in 2012, and is an increase of 43%. The majority of deals took place in Dunstable, followed by Blunham and Sandy, and Leighton Buzzard.

**Table 7: Commercial property deals location**

Location	% of Commercial Property Deals
Dunstable	45%
Leighton Buzzard	14%
Blunham & Sandy	14%
Biggleswade	9%
Aspley Guise & Ridgemont	5%
Flitwick	3%
Flitton & Pulloxhill	3%
Arlesey & Stotfold	3%
Shefford	2%

Source: EGI database

4.33 Of the deals completed for premises in Central Bedfordshire, 32% were industrial and distribution, 22% were for offices and 24% 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.

## Rental levels

4.34 The highest achievable office rental values in the area are around £16/sqft (£172/sqm). Rental levels remain similar to 2013, but are 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 rental rate for industrial property is lower than office – between £5 and £7 per sqft, but there is less variation across the area. The table below indicates differing levels of expected rental costs throughout Central Bedfordshire, obtained from Commercial Property Developers.

**Table 8: Central Bedfordshire rental Rates by Town 2014**

Location	Office £ per sqft)	Industrial £p per sqft)
Amphill	£14	£7
Flitwick	£13	£6-7
Cranfield Tech Park	£16	-
Biggleswade	£10	£5-6
Sandy	£9	£5.50
Leighton Buzzard	£7.50	£5-6
Dunstable	£6-£13.75	£5.50 - £7

## National Non Domestic Rates

4.35 National Non Domestic Rates (NNDR) on business premises is another indicator of local commercial activity. In 2013/14, Central Bedfordshire's NNDR was £76,528,085. In 2014/15, as of August 2014, the income is forecast to be £81,211,843. This has increased owing to the opening of Center Parcs Woburn Forest, a large new windfarm and wider commercial developments. This demonstrates the continuing strength of the commercial property market in the area.

## Non Domestic Property Vacancy Rates

4.36 Data on the level of vacancies for non domestic properties (July 2014) indicates a vacancy rate for Central Bedfordshire of 10.6%. This is a 0.8% point reduction from the level reported in the 2013 Local Economic Assessment.

## Town Centre Vacancy Rates

4.37 Monitoring the level of high street vacancies in 'A' class premises in Central Bedfordshire's town centres shows an overall vacancy rate within town centres of 9.6% in August 2014. This has increased from 8.6% in August 2013 due to increases in Dunstable and Biggleswade. Dunstable remains the town with the most vacancies, 56 or 21.1% of all premises, followed by Biggleswade, with 14 or 9.7%. Stotfold and Shefford have no vacancies. Central Bedfordshire's vacancy rate is lower than the national rate of 13.3% in August 2014 (Source: The Local Data Company).

**Table 9: Town centre vacancies % in Central Bedfordshire, August 2013 – August 2014**

Town	Aug 13	Nov 13	Feb 14	May 14	Aug 14
Ampthill	4.4	4.4	3.3	2.2	2.2
Arlesey	6.7	13.3	6.7	13.3	6.7
Biggleswade	6.9	7.6	6.9	6.3	9.7
Dunstable	18.4	18.0	21.1	20.3	21.1
Flitwick	2.6	5.1	2.6	2.6	5.1
Houghton Regis	0	0	0	0	3.6
Leighton Buzzard	4.4	3.4	3.4	3.4	3.4
Sandy	3.0	7.6	4.5	6.1	6.1
Shefford	5.0	5.0	2.5	2.5	0.0
Stotfold	0	0	5.6	0	0
Total	8.6	8.8	9.1	8.8	9.6

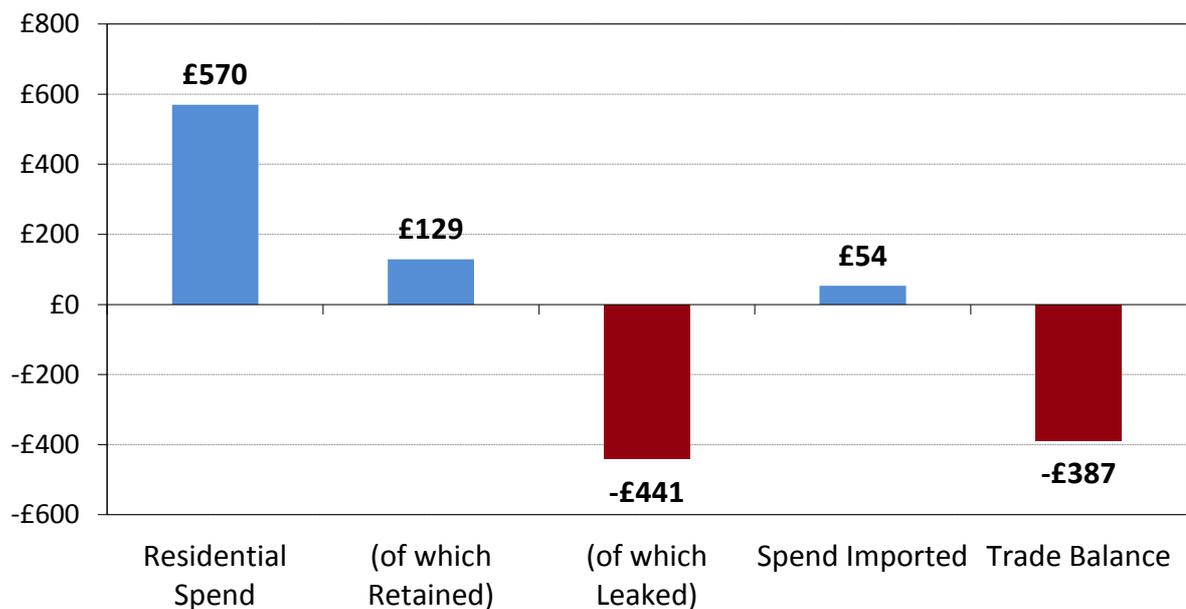
## Retail

4.38 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.

4.39 When considering retail spend, £128m 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 remained the same since 2012. £53m is spent within Central Bedfordshire on comparison goods by residents from outside the region. This has fallen from £82m in 2012.

4.40 The balance of trade in Central Bedfordshire on comparison goods spend is -£387m, with eight times as much money leaving Central Bedfordshire, than coming into the area.

**Figure 8: Retail trade balance (£m per annum)**



Source: CACI Balance of Trade Report, Central Bedfordshire, 2014

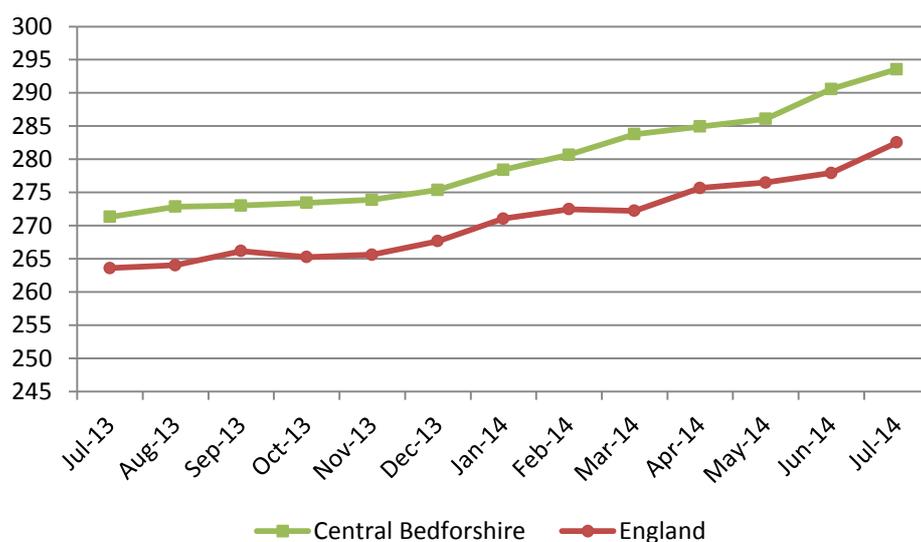
4.41 Central Bedfordshire loses £441m a year to centres outside of the region. This indicates that there are many strong centres just outside Central Bedfordshire, which are attracting residents of the region. Milton Keynes pulls in the highest amount of spend from Central Bedfordshire residents (£161m), totalling 28% of the area's total spend. There are also significant losses to centres in Luton, Bedford and Central London.

- 4.42 Centres within Central Bedfordshire attract only £54m from residents outside the region. Dunstable and Dunstable - Luton Road make up the vast majority of this, with 43.8% of Dunstable - Luton Road's spend coming from outside the region.
- 4.43 Central Bedfordshire is characterised by a range of market towns. The largest is Dunstable which takes £57m per year in terms of Comparison spend, of which 61.5% comes from within the area. Dunstable is a Large Local Centre, and is ranked 456th in the UK based on weighted comparison spend. A weighted spend figure is the shopper spend rather than just residential spend, which provides a more realistic picture of UK centre spend and is calibrated with credit card transactions. The retail offer is very low end, with retailers split roughly evenly between mass and value. Only 6.2% of Central Bedfordshire's total spend goes to Dunstable, whilst 38.5% of Dunstable's total spend comes from outside of Central Bedfordshire. Dunstable's market share is 4.7% of its own catchments, and loses 5.8% to other centres within Central Bedfordshire. 89.5% of the market share is lost to centres outside the area.
- 4.44 Leighton Buzzard is the second strongest retail centre in Central Bedfordshire at attracting local expenditure, with £26.9m (or 77.6%) of its expenditure coming from the Central Bedfordshire area. In terms of retail attractiveness Leighton Buzzard has a similar score to that of Dunstable, but the greater population numbers in and around Dunstable explain why Leighton Buzzard falls much lower in the UK ranking, at 728th.
- 4.45 Biggleswade Retail Park and Dunstable - Luton Road are both Medium Bulky Goods Retail Parks. They each have relatively large catchments (serving 300k and 500k people respectively). They have the third and fourth highest spend of centres within Central Bedfordshire. They each attract just over £30m of expenditure per annum, although Dunstable - Luton Road obtains a much higher proportion of its expenditure from outside the area (43.8%) than Biggleswade Retail Park (20.0%).
- 4.46 Biggleswade town centre, classified as a Local Centre, is the 5th strongest retail centre in the area in terms of the local expenditure it attracts (£17.0m or 3% of the total available local expenditure).

## **House Prices**

- 4.47 The average house price in Central Bedfordshire in July 2014 was £282,530. (Source HM Land Registry). This has increased by £22,250 or 8.2% since July 2013. The average house price in Central Bedfordshire is 3.9% higher than the average for England overall and has increased by a higher rate over the past year (England rate 6.2%).

**Figure 9: Change in house price (£000s)**



Source: HM Land Registry

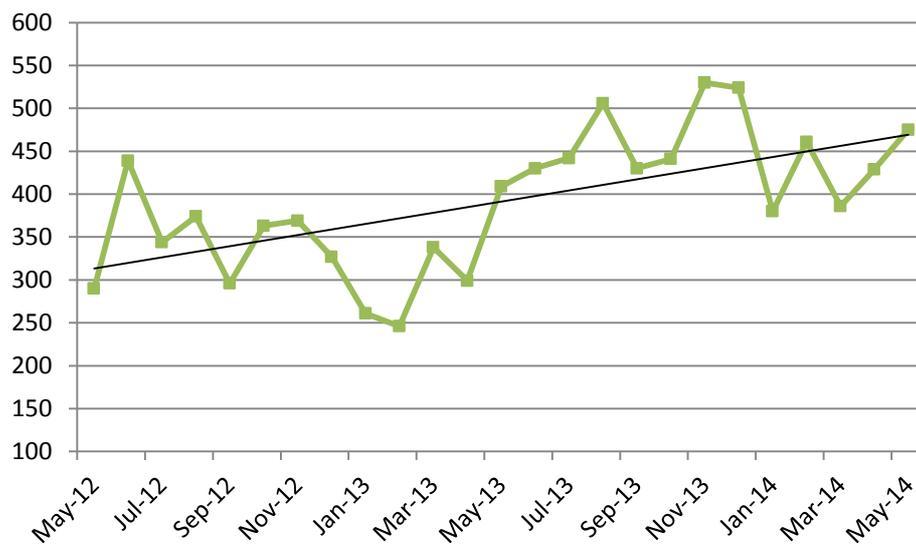
**Table 10: Average price of property type in Central Bedfordshire.**

House type	Price £ July 2013	Price £ July 2014
Detached	306,532	331,671
Semi Detached	175,456	189,845
Terraced	139,312	150,737
Flat/ Maisonette	92,189	99,749

Source: HM Land Registry

4.48 When considering the volume of house sales in Central Bedfordshire, there has been considerable variation in month by month figures with the most recent data (May 2014) showing 475 sales in that month. Although there is month on month fluctuation, the overall picture over the last two years has been an increase in the number of sales each month.

**Figure 10: Volume of house sales**



Source: HM Land Registry

4.49 With regard to the number of new houses built in Central Bedfordshire, in 2013/14 there were 1,264 completions. This is 298 more than the previous year when 966 dwellings were completed. The annualised target for the plan period is currently 1,550 new dwellings per year.

4.50 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

4.51 Reducing carbon emissions is an important challenge, but it also presents an economic opportunity in terms of commercial opportunities in new technologies and business processes. Central Bedfordshire's Carbon emissions have been falling from 2005 to 2012, aside from 2010 which saw a slight increase in emissions. The largest contributor to total CO<sub>2</sub> emissions was Road Transport which accounts for 42% of all emissions. The largest fall in emissions came from the domestic sector, with a 12% fall in 2012.

**Table 11: Central Bedfordshire's CO<sub>2</sub> emissions 2005-2012**

Year	Industry & Commercial (kt of CO <sub>2</sub> )	Domestic (kt of CO <sub>2</sub> )	Road Transport (kt of CO <sub>2</sub> )	Total (kt of CO <sub>2</sub> )	Per capita emissions (tonnes)	Change in emissions from 2005 baseline
2005	498.3	608.3	808.6	1,927.2	8.0	
2006	498.6	615.5	772.8	1,898.1	7.8	-29.1
2007	492.6	604.5	773.4	1,880.9	7.6	-46.3
2008	489.9	591.7	736.4	1,827.1	7.3	-100.1
2009	428.6	541.5	722.6	1,701.4	6.8	-225.8
2010	459.3	582.9	721.6	1,771.9	7.0	-155.3
2011	410.2	513.0	707.9	1,639.6	6.4	-287.6
2012	439.2	575.0	730.4	1,754.2	6.7	-173.0

Source: Department for Energy and Climate Change, 2014

# Business



## Business

### Key Issues

- Job numbers have increased by 1,800 in the last year, at a rate above the Development Strategy target of 1,350. Central Bedfordshire's jobs growth in 2012 is significantly higher than comparator areas. The sectors which have seen the largest increase in jobs are manufacturing and construction. Those which saw the biggest decrease were education and retail.
- With 11,570 active enterprises, Central Bedfordshire has the largest number of businesses of all local authorities in the SEMLEP area. The majority of Central Bedfordshire's businesses are SMEs (99.7%) and more than half are family run.
- Businesses have high survival rates – 98.1% of businesses survive for one year – and the rates remain higher than comparator areas. Businesses have seen steady turnover growth since 2008. Central Bedfordshire is the only SEMLEP authority to see growth each year. In 2013, turnover increased by 5.2% to over £13bn. The sectors with the highest turnover are construction, production and wholesale.
- Businesses are performing well – almost twice as many businesses report improved performance in 2014, compared to 2013. When looking to the future, businesses are even more optimistic, with 65% anticipating an improvement in performance in the next year.
- Although business numbers are slowly increasing, the varying datasets available present a mixed picture on entrepreneurialism levels. According to the ONS Business Activity Size and Location 2013, the total business stock has grown by just 25 businesses (0.2%) in the past year. This is a slower growth rate than in previous years, and is below all comparator areas. The ONS Business Demography data, however, shows that there were 55 new business 'births' in 2012, which is slightly lower than in 2011, but the rate of growth is above comparator areas. Business births are used as a measure of entrepreneurialism and on this measure Central Bedfordshire had 54.9 new businesses per 10,000 residents in 2012. Although having increased from 2011, this is lower than national and SEMLEP levels and is well below the pre-recession position of 61.1% in 2008. Finally, further data, obtained from Banksearch and based on the number of new business bank accounts opened in the area, shows a 7% fall in start ups in 2013.
- Related to these points, the number of self-employed people in Central Bedfordshire has remained static in the past year. This paints a picture that entrepreneurialism is not as strong in Central Bedfordshire as it perhaps could be, especially as entrepreneurialism is a contributing factor to the UK Competitiveness Index, and could be an explanation for Central Bedfordshire's fall in rank in 2013 from 139<sup>th</sup> to 200<sup>th</sup> place.

## Key Issues

- On the face of it, Central Bedfordshire appears to have a low GVA economy, operating at 76% of the UK average, further investigation has found that this is a factor in all areas with high levels of out-commuting and GVA per capita is therefore not recommended as the best measure of productivity in such areas by ONS. Looking at GVA per hour worked and per job filled, Central Bedfordshire performs at levels much closer to the national level (92% and 89% respectively).
- A Central Bedfordshire Council approach to working with key sectors will see an increased focus on the following sectors to enable business growth in future:
  - Agri-food
  - High Performance Technologies, R&D
  - Transport and Logistics
  - Visitor Economy
- There has been a slight an increase in the proportion of people employed in the public sector to 20.1%, with a third of all females in employment working in the public sector.
- According to local businesses, the biggest constraint on business performance in Central Bedfordshire is the general economic climate, which is the same as for businesses nationally. Businesses in Central Bedfordshire, however, are much more likely to cite regulation and red-tape as a constraint than businesses at the national level.

5.1 This chapter monitors the business element of the economy in Central Bedfordshire, to provide an evidence base for ongoing policy making and to monitor the effectiveness of current and past activity.

5.2 The indicators examined in this chapter are:

- Number of businesses
- Business size
- Business ownership and leadership
- Business turnover
- Business sectors and job growth
- Sector specialism
- Location quotients
- Public sector employment
- Business performance
- Productivity
- New businesses
- Business support
- Business survival rates
- Self employment
- Economic resilience
- Social enterprise
- Innovation
- Rural businesses

## **Number of Businesses**

5.3 In 2013 there were 11,570 active enterprises<sup>3</sup> in Central Bedfordshire. This level has increased by just 25 businesses (0.2%) since 2012 (source: ONS UK Business Activity, Size and Location 2013)<sup>4</sup>. This is a slower growth rate than the 2.2% growth seen between 2011 and 2012.

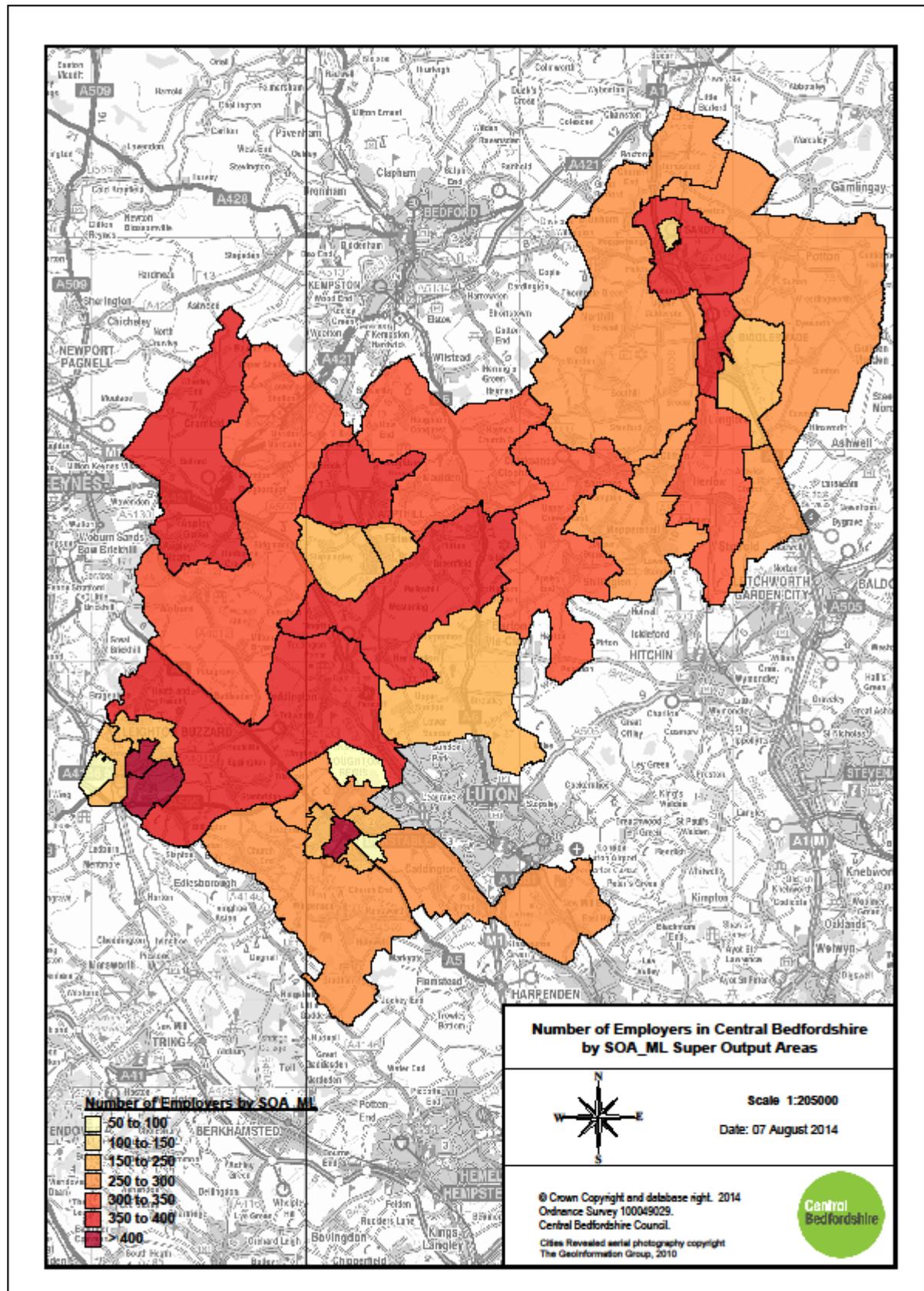
5.4 All comparator areas also witnessed a slower rate of growth in 2013 than in 2012, but the growth was higher than in Central Bedfordshire. The number of active enterprises in England increased by 0.7%, by 1.1% in SEMLEP and by 0.4% in the East of England.

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<sup>3</sup> 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.

- 5.5 In the SEMLEP area, Central Bedfordshire has the most active enterprises of all local authorities, however it has witnessed one of the slowest growth rates in 2013. Milton Keynes saw the most growth at 3.4%, followed by Kettering at 1.7% and Luton at 1.6%. In contrast, Cherwell saw a 2.2% fall in the number of active enterprises.
- 5.6 Both North and South of Central Bedfordshire saw an increase in the number of businesses between 2012 and 2013. The north witnessed a marginally greater increase of 0.3% (20) compared to the South which increased by 0.1% (5).
- 5.7 Industries in Central Bedfordshire with the greatest number of 'local units' in 2013 (similar to workplaces) are Professional, Scientific & Technical (1,825), Construction (1,765) and Information & Communication (910).
- 5.8 In terms of business location, the map overleaf shows the number of businesses in local areas across Central Bedfordshire. The largest concentrations of businesses can be found in Dunstable and Leighton Linslade, with fewer in the more rural parts of the area.

Figure 11: Map of number of Employers in Central Bedfordshire by SOA\_ML Super Output Areas (Source IDBR, 2013)



## Business Size

5.9 Statistically, 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. Small and medium sized enterprises (SMEs) are often used to classify businesses eligible for support and attention and, given their prevalence, are of great importance to the local economy. These are classed as all businesses with up to 250 employees.

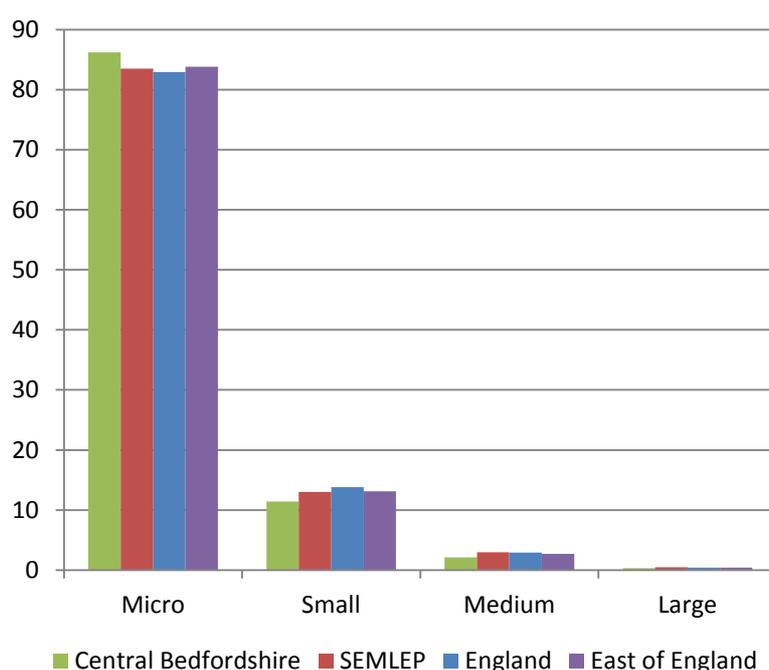
**Table 12: Number of businesses in each size band in Central Bedfordshire**

Number of employees	Number of businesses	% of all businesses
0-4	8,570	74.1
5-9	1,405	12.1
10-19	830	7.2
20- 49	490	4.2
50-99	165	1.4
100-249	80	0.7
250 -499	25	0.2
500-999	0	0
1000+	5	0.04
Total	11,570	

Source: Office for National Statistics, UK Business Activity, Size and Location 2013

5.10 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 with between 500 and 999 employees in Central Bedfordshire. Using data from the Inter Departmental Business Register 2013 (IDBR), further analysis shows that there are likely to be 5 businesses within Central Bedfordshire employing between 500 and 999 people. This remains unchanged from the previous year. A list of some of the biggest employers in Central Bedfordshire can be found on page 49.

**Figure 12: Percentage of businesses in each size group**



Source: Office for National Statistics, UK Business Activity, Size and Location 2013

5.11 86.2% of businesses in Central Bedfordshire were micro, more than regional (83.8%), SEMLEP (83.5%) and national (82.9%) levels. Small businesses account for a further 11.4% of local businesses, indicating that 97.6% of businesses in Central Bedfordshire employ fewer than 50 people. This total is unchanged from 2012, with slightly more small businesses and slightly fewer micro businesses, and compares to 96.7% nationally, 96.5% in SEMLEP and 96.9% regionally.

5.12 In terms of SMEs, 99.7% of Central Bedfordshire businesses are SMEs. Comparator areas all have similar levels: England 99.6%, East of England 99.6%, SEMLEP 99.5%.

## **Business ownership and leadership**

5.13 The 2014 Business Survey found that more than half of businesses in Central Bedfordshire (65%) are family businesses, where they are majority owned by members of the same family. This is significantly greater than across SEMLEP (56%).

5.14 Family-owned businesses form a significantly higher proportion of all businesses in rural areas than in urban areas (72%, compared with 59%).

5.15 The 2012 Small Business Survey stated the proportion of all SME employers that were family-owned businesses to be 62%. Although this is similar to Central Bedfordshire as a whole, it did not include businesses with no employees, nor those with 250 or more employees organisation-wide.

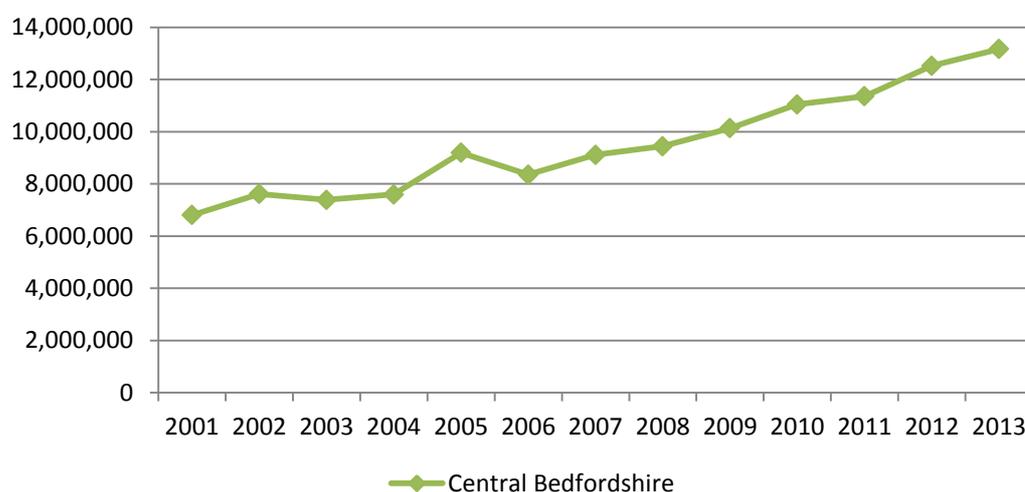
5.16 More than one in seven businesses (15%) in Central Bedfordshire is women-led (more than 50% owned or managed by women). This compares to 17% of all businesses across SEMLEP. To compare to the national picture, the Federation of Small Businesses 2012 Small Business Survey reported that 19% of SME employers across the UK were women-led.

5.17 In Central Bedfordshire, 6% of businesses are Minority Ethnic Group (MEG) led; defined as at least 50% owned or managed by individuals from an ethnic minority group. MEG-led businesses are significantly more prevalent within the wholesale & retail trade (15%) than any other sector. The 2012 Small Business Survey reported that 7% of SME employers across the UK were MEG-led.

## Business Turnover

5.18 Business turnover in Central Bedfordshire increased once again in 2013, showing that many local businesses have successfully managed to avoid the impact of the recession seen elsewhere in the country. In 2013, businesses in Central Bedfordshire collectively turned over £13,168,149,000. This is a 5.2% increase on 2012 and although the rate of increase has slowed, this shows the continuing strength and diversity of the local economy. Turnover in England also increased between 2012 and 2013, by 6.4%, showing national recovery from the downturn following falls in the previous two years. In the East of England, turnover rose by 4.1%. (Source: Inter Departmental Business Register (IDBR) 2013)

**Figure 13: Business Turnover in Central Bedfordshire (£000s)**



Source: Office for National Statistics, IDBR 2013

5.19 The three sectors with the highest turnover in 2013 were construction, production, and wholesale, the same sectors as in 2012. In spite of its high turnover level, the construction sector saw a decrease of 3.1% from 2012, whilst turnover in production increased by just 0.4%. This compares to increases of 8.7% and 29.6% respectively in 2012.

5.20 The sectors that saw the highest growth in turnover were motor trades (19.9%), professional scientific and technical (17.9%) and property (14.8%). Again, this contrasts with 2012, when the professional, scientific and technical sector's turnover fell by 14.0%. The sectors which saw the biggest falls in turnover in 2013 were arts, entertainment, recreation and other services (a 16.3% fall, compared to a 44.1% rise in 2012), and health (a 16.3% fall, compared to a 20.5% increase in 2012.)

5.21 Data on turnover in accommodation and food services and public administration and defence sectors in 2012 and 2013, and transport and storage sectors in 2012 has not been made available as it is deemed disclosive.

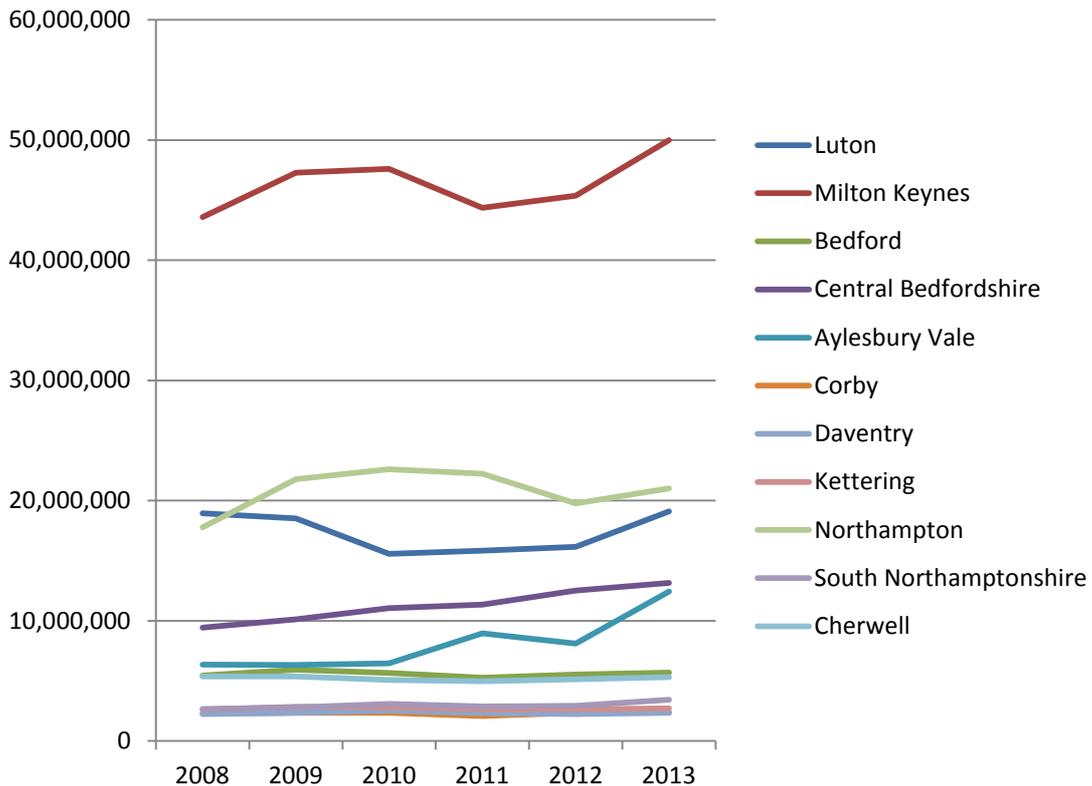
**Table 13: Turnover change in Central Bedfordshire 2012-2013**

Sector	2012 turnover £000s	2013 turnover £000s	% change
Motor trades	501,817	601,552	19.9
Professional, scientific & technical	374,929	441,931	17.9
Property	298,340	342,483	14.8
Retail	335,555	376,817	12.3
Business administration & support services	421,934	458,609	8.7
Wholesale	1,116,031	1,163,761	4.3
Education	393,574	407,078	3.4
Production	2,601,479	2,610,968	0.4
Finance & insurance	28,922	28,932	0.0
Information & communication	242,683	241,814	-0.4
Agriculture, forestry & fishing	152,921	149,142	-2.5
Construction	2,912,915	2,821,600	-3.1
Health	196,553	164,519	-16.3
Arts, entertainment, recreation & other services	395,984	330,480	-16.5
Transport & Storage (inc. postal)	NA	237,237	
Accommodation & food services	NA	NA	
Public administration & defence	NA	NA	
<b>Total</b>	<b>12,521,467</b>	<b>13,168,149</b>	<b>5.2</b>

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

5.22 Within SEMLEP, Central Bedfordshire has the fourth highest level of turnover of the 11 authorities. It is interesting to note that while many authorities see year on year fluctuations in turnover levels, Central Bedfordshire is the only SEMLEP authority to have seen steady growth each year since 2008.

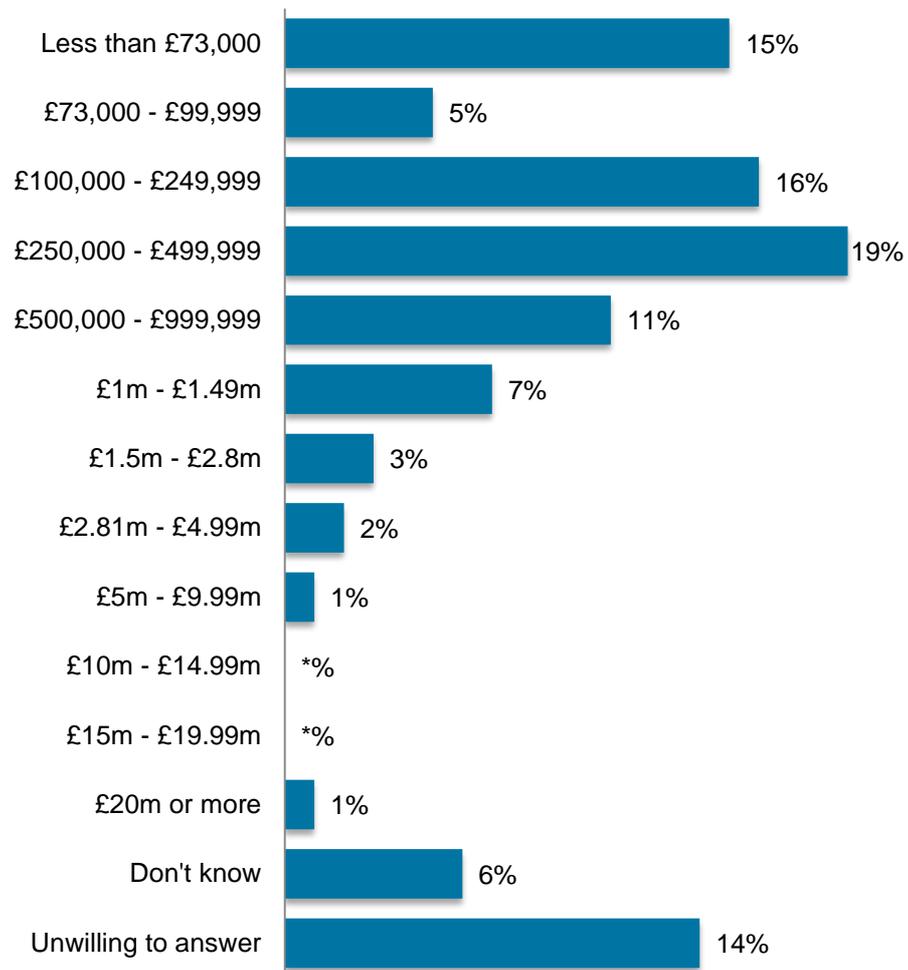
**Figure 14: Business Turnover in SEMLEP (£000s)**



Source: Office for National Statistics, IDBR 2013

5.23 With regard to individual business turnover, in the 2014 Business Survey, businesses were asked to provide an indication of their turnover in the last 12 months. Four fifths (80%) provided an answer and 15% indicated that their turnover was below the VAT threshold (then £73,000). In aggregate, 36% reported a turnover of less than £250,000.

**Figure 15: Establishment turnover in the last 12 months (private sector employers - where provided a response)**



*Source: Central Bedfordshire Business Survey 2014*

### **Business Sectors and Job Growth**

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

5.25 The main industries in Central Bedfordshire, in terms of employee numbers, according to the 2012 Business Register and Employment Survey (BRES), are Manufacturing (10,500 jobs), Retail (8,400) and Professional, Scientific and Technical (7,900).

5.26 Between March 2011 and March 2012, Central Bedfordshire experienced a 2.2% increase in jobs, or 1,800 new jobs. Central Bedfordshire Council's Development Strategy outlines an aspiration of creating 1,350 new jobs per year. Although jobs growth was high in 2012, the average over the past four years, since current monitoring practices began, is 833 each year.

5.27 As can be seen in Table 15, in 2012 Central Bedfordshire saw a significantly greater increase in jobs than SEMLEP, England and neighbouring local authorities.

**Table 14: Number of jobs and annual change**

	Jobs 2012	Change 2011-12	% change 2011-12
Central Bedfordshire	85,800	1,800	2.2%
Luton	80,000	-4,200	-4.9%
Bedford	67,300	400	0.6%
Milton Keynes	144,300	1,800	1.3%
SEMLEP	764,000	-5,700	-0.7%
England	23,225,400	152,200	0.7%

Source: Business Register and Employment Survey 2012

5.28 With regard to growth in specific sectors, as can be seen from the table below, the best performing sectors in 2012 were Manufacturing (1,400 new jobs) and Construction (1,900 new jobs). The sectors in which job numbers fell most significantly in 2012 were Education (-1,700) and Retail (-1,000).

**Table 15: Sector growth in 2012**

	Number of jobs 2012	Change 2011-2012	% Change
Mining, quarrying & utilities	600	200	37%
Construction	7,200	1,900	36%
Public administration & defence	3,700	900	30%
Accommodation & food services	6,100	1,000	21%
Manufacturing	10,500	1,400	15%
Information & communication	2,400	300	13%
Transport & storage (inc postal)	4,700	400	8%
Health	6,700	300	4%
Property	1,900	0.0	2%
Professional, scientific & technical	7,900	100	1%
Motor trades	2,000	0.0	-1%
Business administration & support services	6,100	0.0	-1%
Financial & insurance	800	-100	-8%
Retail	8,400	-1,000	-11%
Wholesale	4,200	-600	-12%
Arts, entertainment, recreation & other services	4,700	-900	-16%
Education	7,500	-1,700	-18%
Agriculture, forestry & fishing	200	-200	-42%
<b>Total</b>	<b>85,800</b>	<b>1,800</b>	<b>2.2%</b>

Source: Business Register and Employment Survey 2012

5.29 The growth in **Construction** jobs was seen predominantly in the following wards:

- Arlesey: 1,900 new jobs, mainly in Electrical, Plumbing and other Construction Installation Activities<sup>5</sup>

5.30 The growth in **Manufacturing** jobs was seen predominantly in the following wards:

- Houghton Hall: 600 new jobs, mainly in Repair and Installation of Machinery and Equipment.
- Dunstable Watling: 400 new jobs, mainly in Manufacture of Paper and Paper-related products.
- Biggleswade South: 100 new jobs, mainly in Manufacture of Rubber and Plastic Products, and Manufacture of Equipment and Machinery.
- Leighton Buzzard South: 100 new jobs, mainly in Manufacture of Paper and Paper-related products.

5.31 With regard to **Accommodation and Food Services**, the increase in jobs has been spread across much of Central Bedfordshire, but the wards which had the biggest increase are:

- Ampthill: 200 new jobs, mainly in Restaurants & Mobile Food Service Activities
- Arlesey: 100 new jobs, mainly in Event Catering & Other Food Service Activities
- Flitwick: 100 new jobs, mainly in Event Catering & Other Food Service Activities
- Shefford: 100 new jobs, mainly in Event Catering & Other Food Service Activities

5.32 The increase in **Public Administration and Defence** jobs was seen mainly in the following wards.:

- Dunstable Northfields: 600 new jobs, mainly in General Public Administrative Duties
- Shefford: 500 new jobs, mainly in General Public Administrative Duties

5.33 The sector with the biggest decrease in jobs in 2012 was **Education**.

There was a general decrease across all wards, but those with the greatest falls are:

- Arlesey: -200 jobs, mainly in Primary Education
- Dunstable Watling: -200 jobs, mainly in Primary Education
- Sandy: -200 jobs, mainly in Primary Education

5.34 It should be noted however, that ONS also produce an alternative definition for public sector employment (which included all Central, Local and non governmental institutions (i.e. Bank of England, and Post Office)). Using this Public/Private sector data, the number of people employed in

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<sup>5</sup> It should be noted that we have been unable to verify this increase using local intelligence and it may be down to a reporting error. If that is the case, it will be amended in the 2013 BRES.

the public sector in 2012 was 11,648 compared to 12,055 in 2011, a fall of 407 people. The difference to the above figure is due to the wider nature of sectors considered in the public/private sector employment definition.

5.35 The fall in **Retail** jobs has also been spread across most wards, but those with the greatest falls are:

- Shefford: -200 jobs, mainly in Retail Sale in Non-Specialised Stores
- Toddington: -200 jobs, mainly in Retail Sale of Other Goods in Specialised Stores
- Ampthill: -100 jobs, spread across the whole retail sector

5.36 **Arts, Entertainment, Recreation & Other Services** also saw a relatively significant decrease in jobs, and the wards with the largest falls are:

- Houghton Hall: -600 jobs, mainly in Activities of business, employers and professional membership organisations; and Repair of computers and communication equipment
- Aspley and Woburn: -100 jobs, mainly in Amusement and Recreation Activities

## Sector Specialism

5.37 Central Bedfordshire Council has identified business sectors with existing or potential comparative advantages as part of delivering new employment opportunities and building on the area's assets.

5.38 These sectors provide large numbers of jobs now and are considered the sectors the main jobs growth will be derived from in future years. Sector identification is based on national statistics, alongside local intelligence on business prospects and development.

5.39 The four key sectors are:

- Agri Food
- High Performance Technologies, R&D
- Transport and Logistics
- Visitor Economy

## Agri Food

5.40 Locally, there are around 50 key businesses in the Agri Food sector, employing 1,500 people. The sector has grown by 10% since 2009. And has a Location Quotient of 1. (See page 56 for explanation of location quotients).

Specific strengths are evident in:

- Breakfast Cereals
- Processing of Fruit and Vegetables
- Manufacturing of bread based products

Key businesses in this sector are Aрызta, Honeytop, It's Fresh, Jordans Ryvita, and Parripak.

## **High Performance Technologies, R&D**

5.41 This sector is closely aligned to the university strengths outlined in Sir Andrew Witty's recent review of Universities and Growth. Locally, there are over 100 businesses in the sector, employing almost 3,000 people. The sector has grown by 38% since 2009 and has a location quotient of 2.3.

Specific strengths can be found in:

- Military equipment
- Engineering design activities
- Technical testing

Key local businesses include Aerospace Technology Institute, BE Aerospace, Cranfield University, High Tech Engineering, Lockheed Martin, Magna, Millbrook Proving Ground and Nissan.

## **Transport and Logistics**

5.42 The transport and logistics sector has over 500 businesses in Central Bedfordshire, employing almost 8,000 people. The sector has grown by 11% since 2009 and has a Location Quotient of 1.3.

Specific strengths can be found in:

- Wholesale of mining, construction and civil engineering machinery
- Freight transport by road

Key local businesses include Amazon, A.S. Watson Group, Cinram, FedEx, Miniclipper, Polarspeed. Rajapack and Wolseley.

## **Visitor Economy**

5.43 In total, according to IDBR 2012, there are around 650 businesses in the tourism sector in Central Bedfordshire, employing 9,200 people. The sector as a whole has grown by 8% since 2009. The sector has a Location Quotient of 1.1.

Specific strengths can be found in:

- Cultural Activities
- Sport and recreation
- Food and beverage serving activities

Key local businesses include Center Parcs Woburn Forest, the Headquarters of the RSPB, Woburn Abbey and Safari Park, and ZSL Whipsnade Zoo. The attractive countryside and historic towns, villages and country houses also bring many visitors to the area each year.

5.44 The Great Britain Tourism Survey (GBTS), published by Visit England, provides information about domestic overnight tourism by residents of Great Britain. The 2013 GBTS found that between 2011 and 2013<sup>6</sup> an average of 217,000 trips were taken to Central Bedfordshire. This is an increase of 13,000 on the previous three years and has been growing steadily since 2006. The number of holiday trips has also increased significantly, rising from 30,000 in 2006-08 to 53,000 in 2011-13. This is likely to increase again for the next period following the opening of Center Parcs in 2014.

5.45 Associated spend on trips to Central Bedfordshire has also increased considerably over the past seven years, rising from £3m in 2006-08 to £32m in 2011-13.

**Table 16: Tourist spend in Central Bedfordshire**

Year	2006-08	2007-09	2008-10	2009-11	2010-12	2011-13
Total trips	171,000	147,000	141,000	134,000	204,000	217,000
Holiday trips	30,000	29,000	33,000	32,000	53,000	53,000
Total nights	507,000	704,000	544,000	358,000	507,000	506,000
Holiday nights	52,000	59,000	68,000	106,000	165,000	148,000
Total spend	£13m	£13m	£12m	£18m	£29m	£32m
Holiday spend	£3m	£3m	£6m	£10m	£18m	£19m

*Source: Great Britain Tourism Survey 2013, Visit England*

5.46 Visit England also produces the GB Day Visitor Survey, which aims to measure the volume, value and profile of Tourism Day Visits taken by GB residents to destinations in England, Scotland, Wales and Northern Ireland. The 2013 survey found that over the three years 2011-13, there were an average of 3.85 million day visits to Central Bedfordshire each year, spending £73.2 million.

5.47 The survey also collects data on the number of leisure day visits lasting 3 hours or more. In 2011-13 the three year average was 9.38 million visits, with a spend of £106.04 million.

<sup>6</sup> The GBTS survey collects data each year about trips from some 15,000 respondents. They provide information about overnight trips they have taken in the previous four weeks. While this makes for a very robust base size at national level, it means that the number of people interviewed each year about trips to individual towns / local authorities can be very low. As a result, single year results for towns and local authorities can vary widely from year to year simply because of the impact of low base sizes. By using three year averages, some of this variability can be removed, while allowing trends to be identified for the counties and larger local authorities.

## Location quotients

5.48 The analysis carried out to determine Central Bedfordshire's key sectors involved the use of location quotients. Location quotients 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.

5.49 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 17: Central Bedfordshire Location Quotients**

SIC 2007 Industry	2010 CB LQ	2011 CB LQ	2012 CB LQ
Construction	1.40	1.40	1.89
Manufacturing	1.20	1.25	1.43
Arts, entertainment and recreation	1.37	1.38	1.41
Real estate activities	1.74	1.39	1.32
Professional, scientific and technical activities	1.17	1.24	1.19
Transportation and storage	1.18	1.12	1.18
Other service activities	1.71	1.61	1.07
Wholesale and retail trade; repair of motor vehicles and motorcycles	1.19	1.20	1.06
Accommodation and food service activities	0.95	0.89	1.05
Water supply; sewerage, waste management and remediation activities	0.84	0.66	0.93
Public administration and defence; compulsory social security	0.61	0.69	0.91
Education	1.22	1.14	0.91
Administrative and support service activities	0.72	0.88	0.83
Information and communication	0.68	0.61	0.69
Human health and social work activities	0.61	0.60	0.61
Mining and quarrying	0.96	0.56	0.54
Agriculture, forestry and fishing	0.52	0.77	0.42
Financial and insurance activities	0.28	0.26	0.24
Electricity, gas, steam and air conditioning supply	0.06	0.07	0.06

*Source: Analysis of BRES 2012*

5.50 The table above highlights that Central Bedfordshire has a number of specialisms, at broad industrial level. In particular Construction (LQ 1.89), Manufacturing (LQ 1.43), Arts, Entertainment and Recreation (LQ 1.41), and Real Estate (LQ 1.32).

5.51 Further detailed analysis of BRES highlights that within the broader industries, Central Bedfordshire has a number of more specific specialisms:

### **5.52 Manufacturing**

- Manufacture of military vehicles (LQ 61.22)
- Manufacture of paper and paper board (LQ 7.20)
- Manufacture of articles of concrete, cement and plaster (LQ 6.33)
- Manufacture of plastic products (LQ 2.01)
- Manufacture of bakery and farinaceous (starch/flour) products (LQ 1.70)
- Manufacture of air and spacecraft and related machinery (LQ 1.45)

### **5.53 Rural / Agriculture**

- Logging (LQ 11.85)
- Wholesale of agricultural raw materials and live animals (LQ 7.47)
- Silviculture and other forestry activities (LQ 3.49)
- Support activities to agriculture and post-harvest crop activities (LQ 3.82)
- Processing and preserving of fruit and vegetables (LQ 2.83)
- Veterinary activities (LQ 2.70)

### **5.54 Construction**

- Electrical, plumbing and other construction installation (LQ 2.85)
- Building completion and finishing (LQ 2.45)
- Construction of residential and non-residential buildings (LQ 1.34)
- Construction of other civil engineering projects (LQ 1.70)

### **5.55 Wholesale/retail**

- Retail trade not in stores, stalls or markets (LQ 3.22)
- Non-specialised wholesale trade (LQ 1.62)

### **5.56 Tourism/recreation**

- Libraries, archives, museums and other cultural activities (LQ 3.24)
- Amusement and recreation activities (LQ 2.07)
- Beverage serving activities (LQ 1.52)

### **5.57 Other specialisms**

- Freight transport by road and removal services (LQ 2.72)
- Technical testing and analysis (LQ 3.30)

## **Public Sector Employment**

5.58 Office for National Statistics (ONS) uses the Annual Population Survey to determine the public/private sector employment split at a local level. Individuals in the Annual Population Survey (APS) are classified to the public or private sector according to their responses to the survey. Consequently, the classification of an individual's sector comes with a caveat that people who work within public sector premises, whilst being employed by private sector organisations, may classify themselves as working in the public sector, e.g. cleaners or security guards employed by a contractor to work at public sector premises.

5.59 In March 2014, the APS found that 20.1% of all people employed in Central Bedfordshire (26,900) are employed in the public sector. This is a slight increase from 19.4% in March 2013, but is below the national figure of 22.4%.

5.60 With regard to gender, just 8.5% of all males in employment in Central Bedfordshire work in the public sector, compared to 33.7% of all females in employment.

## **Business Performance**

5.61 Recent business performance in Central Bedfordshire has been very positive. In the 2014 Business Survey, 57% of all businesses in the area report an overall improvement, compared with just 10% reporting deterioration. This compares positively with the South East Midlands overall, where 48% reported improvement and 14% reported deterioration. Compared to 2013, a significantly greater proportion of businesses report an improvement in business performance (57% compared to 30% in 2013), and fewer report deterioration (10% compared to 27% in 2013).

5.62 By sector, significantly fewer manufacturing businesses report improved performance than the overall average (39%). Similarly, businesses in the wholesale & retail trade are significantly more likely to have reported deterioration (24%).

5.63 Businesses are even more positive when looking forward to the next 12 months. Nearly two-thirds (65%) anticipate an improvement in business performance. Just 3% anticipate a downturn. Compared to 2013, a significantly greater proportion of businesses expect an improvement in business performance in the next 12 months (65% compared to 54% in 2013), and fewer expect deterioration (3% compared to 9% in 2013).

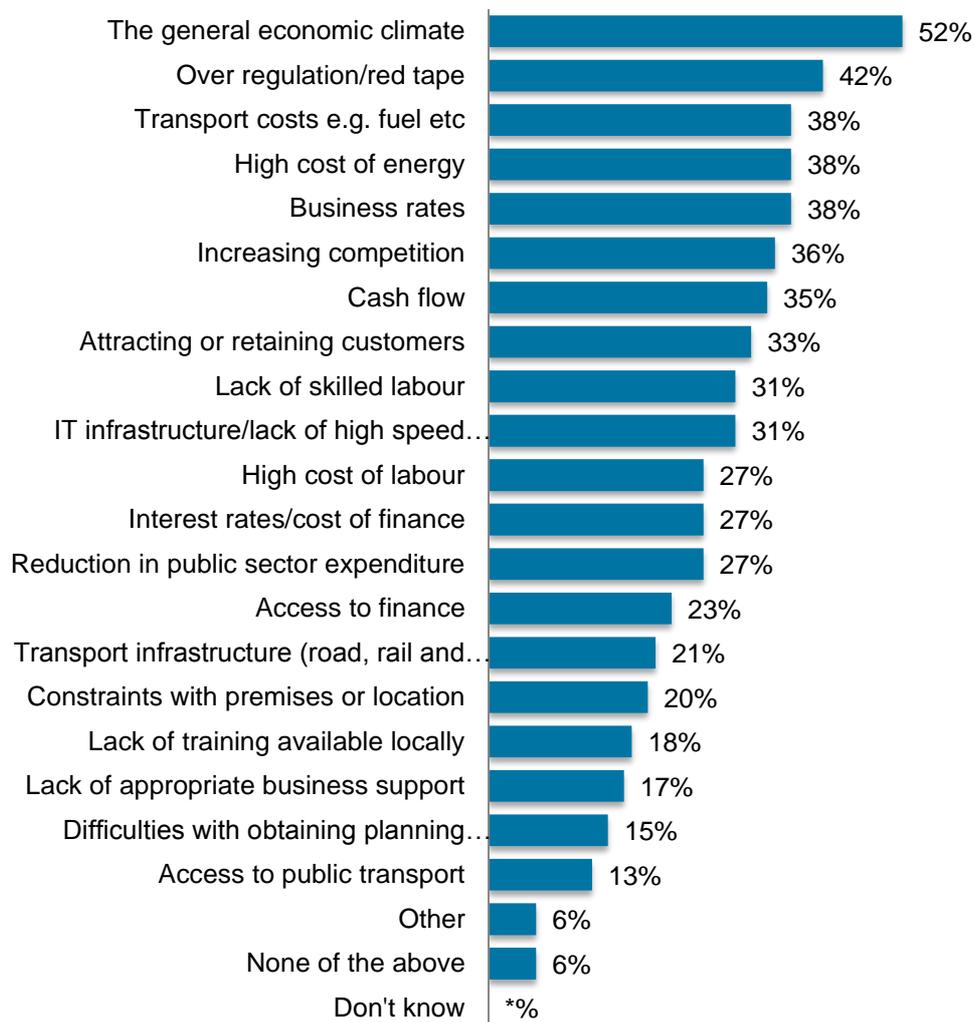
5.64 A comparison of sorts can be made to the national Federation of Small Businesses (FSB) Member Survey, which reports that 67% of businesses say growth is a key business objective in the next 12 months.

5.65 The most frequently cited constraints to business growth are the general economic climate (52%) and over-regulation/red tape (42%). Transport costs, the high cost of energy and business rates are each cited by almost

two-fifths of businesses (each 38%). All but 6% of businesses cite at least one issue that is a constraint to business growth, which can be seen in the chart below.

5.66 Nationally, the FSB member survey found the biggest constraint also to be the economy (49%), followed by cash flow (39%), competition in the market (36%) and tax (32%). Regulation was cited as second in Central Bedfordshire, but ranked eighth in the national survey.

**Figure 16: Perceived constraints to business growth – prompted, multiple response (all respondents)**



Source: Central Bedfordshire Business Survey 2014

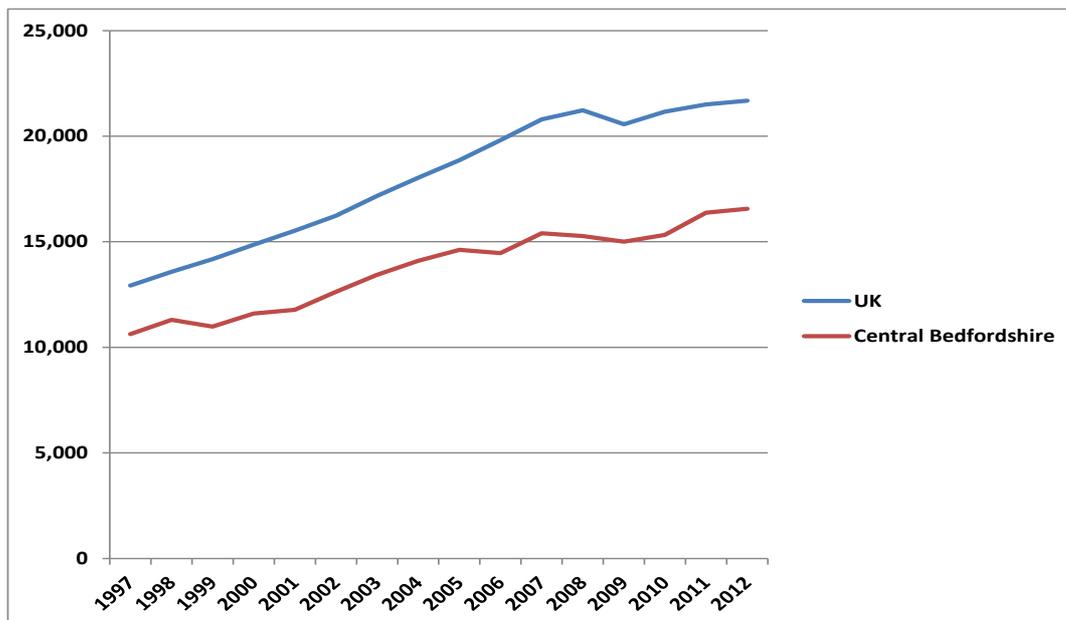
## Productivity

5.67 Gross Value Added (GVA) is the standard indicator of economic output and measures the value of the goods and services produced in the economy. The key national statistics on GVA (output) and associated measures are produced by the Office of National Statistics using a range of data and methods. To produce comparative measures, GVA is usually standardized in some way. Most commonly, it is expressed as a value for each member of the resident population and so produces a measure of GVA per capita. This is regarded as the main indicator of economic performance across regions and local areas.

5.68 Central Bedfordshire's level of GVA per capita in 2012 was £16,558 (Source: ONS) which is significantly below the national level of £21,937, indicating that the local economy is operating at a level equivalent to 76% of the UK average performance. Looking solely at GVA per capita would give the impression that Central Bedfordshire is a low GVA economy.

5.69 Analysis of the local economy of Central Bedfordshire, however, shows a potentially contradictory trend which has merited further study. As this Local Economic Assessment shows, Central Bedfordshire's economy appears to be performing well in terms of new jobs created, higher business survival rates and improved business performance year on year. Data also indicates that the number of businesses has been increasing as has overall turnover. However, GVA per capita has been consistently lower in Central Bedfordshire than national levels and the gap has widened over recent years.

Figure 17: GVA per capita 1997-2012



Source: ONS

5.70 Central Bedfordshire Council therefore commissioned a study to test GVA per capita as a reliable measure of productivity in Central Bedfordshire, and to test the assumption that the area has a low GVA economy.

5.71 The key finding was that GVA per capita is heavily influenced by out-commuting patterns. This is of great significance to Central Bedfordshire, as can be seen in the Place chapter of this Local Economic Assessment. The consequence is that GVA per capita is naturally lower for any area with a net out-commuting profile, whilst conversely it is higher for any area which experiences high in-commuting (e.g. central London and, more locally, Milton Keynes).

5.72 In order to derive a more balanced perspective on output and productivity performance in the local economy, other measures were generated and assessed in the report. The findings using these measures suggest a more positive picture, where the performance of Central Bedfordshire's economy is much closer to the national average and indeed exceeds some local and other comparator economies.

5.73 Key findings of the report are:

- Central Bedfordshire generates a higher total economic output (£4.3bn in GVA in 2012) than Luton (£3.8bn) and Bedford (£3.2bn).
- Both GVA per hour worked and GVA per filled job are alternative measures of productivity. Both use employment, rather than population, as the denominator.
- Central Bedfordshire generates £25,200 in GVA per hour worked, compared to £27,300 in the UK. This means on this measure the Central Bedfordshire economy is operating at a level equivalent to 92% of the UK average. However, Luton, Bedford and Milton Keynes all perform better than Central Bedfordshire on this measure.
- Central Bedfordshire creates £38,400 in GVA per filled job compared to £43,200 in the UK. This means on this measure the Central Bedfordshire economy is operating at a level equivalent to 89% of the UK average. Again, Luton, Bedford and Milton Keynes all perform better than Central Bedfordshire.

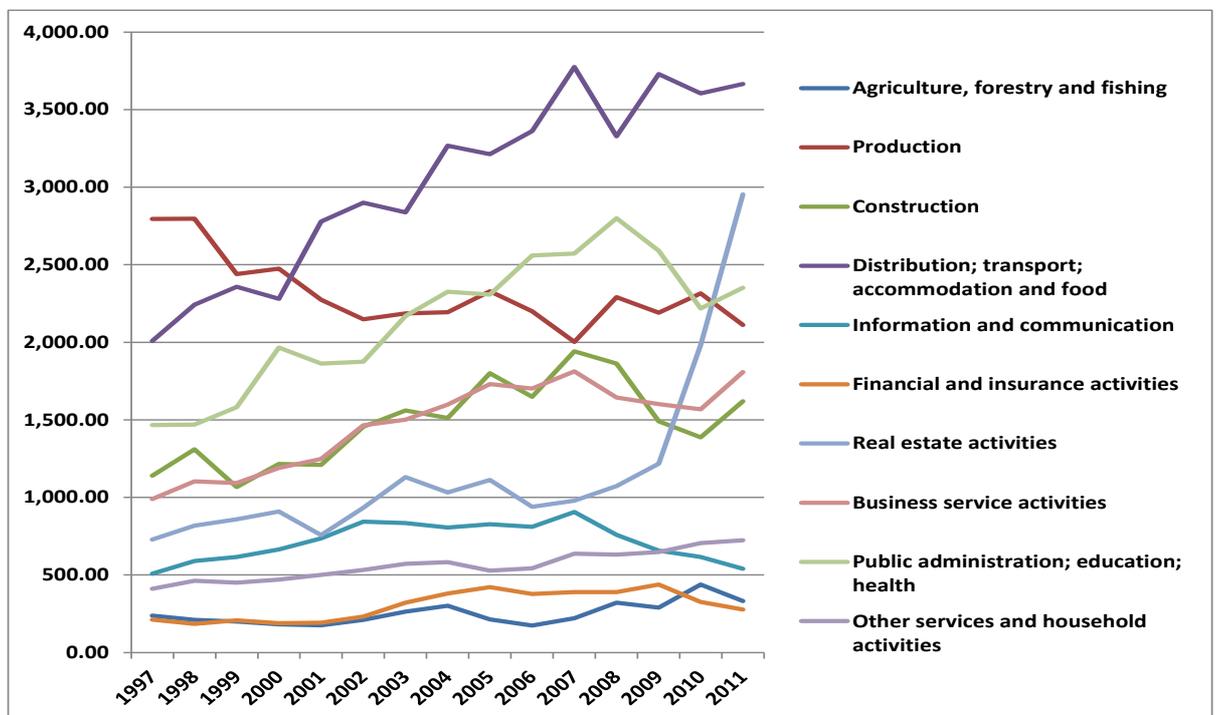
5.74 All of these raise questions to the extent that GVA per capita is the best measure of productivity or whether others should be considered as more appropriate for Central Bedfordshire.

5.75 The reasons for relatively lower GVA per capita performance include:

- ONS acknowledge that regional GVA per head does not provide a good measure of the economic productivity of a region or the wellbeing of those living in the region. This is because GVA, the numerator, is generally a workplace-based concept, allocating the incomes of workers to where they work, whereas the denominator is the residence-based population of the area. They further note that GVA per head is inflated upwards in those areas where there is a significant amount of in-commuting.

- This is a particular issue for more rural areas such as Central Bedfordshire that have high levels of local residents commuting out to work in surrounding urban areas, thus exporting high earning labour to those areas. ONS data on the difference between workplace and resident productivity show a clear split between relatively more positive figures for local residents, but less positive figures for the local economy.
- The area's population has also been rising at a faster rate than nationally, meaning that comparing GVA per capita would have the inevitable effect of widening faster unless output levels had increased – which they haven't.
- At the same time, there are a number of relative weaknesses in the local economy that also help to explain the relatively lower figures. These include that there is a general trend of lower employment densities through higher proportions of smaller sized firms and self-employment in the area. These types of firms and forms of economic activity tend to be relatively less productive. Whilst the local economy has strengths in a number of sectors (see graph below), it has relatively lower levels of employment and firms in the high GVA sectors (financial and insurance services, ICT and business/professional services) are also particular explanatory factors. These weaknesses are particularly stark when compared to the neighbouring high GVA area of Milton Keynes.

**Figure 18: Components of GVA per capita in Central Bedfordshire 1997-2011**



Source: ONS

5.76 The issues outlined above are typical for areas located close to major employment centres outside their boundary. And whilst there is a lot of

local economic activity, the structure and characteristics of that economy mean that it produces comparatively low levels of output.

5.77 While the study has confirmed that GVA per capita in the area is relatively low, it has also helped to explain why this is so and how this should be considered within the wider results. It is too simplistic to conclude from this that Central Bedfordshire is a low value, low output or low productivity economy.

5.78 The findings demonstrate that overall, output is increasing – the economy of Central Bedfordshire is growing and getting stronger. It is in fact the use of GVA per capita as the prime measure of productivity that is problematic since it is heavily influenced by population trends and in- and out-commuting patterns.

### **New businesses**

5.79 In 2012, according to ONS Business Demography, there were 1,150 business ‘births’ in Central Bedfordshire. A business in this case is classed as any enterprise that had turnover or employment at any time during the reference year. A ‘birth’ defines a business that was present in the reference year, but did not exist in either of the two previous years. This equates to 55 more births than in 2011, or a growth rate of 5.0%. This is below the rate of growth in 2011, which was 8.4%, but is above comparator areas: England 3.2%, East of England 1.6%. (No comparator data available for SEMLEP).

5.80 The ONS Business Demography also measures the number of business deaths in an area. In 2012 there were 1,040 business ‘deaths’. A ‘death’ defines a business that was active in the reference year, but no longer active in either of the next two years. Taking the number of deaths from the number of births gives new business stock of 110 in Central Bedfordshire. This compares to 85 in 2011. The number of deaths as a percentage of total business stock (taken from ONS UK Business Activity, Size and Location) has remained at or around 9% for the past four years.

5.81 The number of business births per 10,000 residents aged over 16 is often used as a measure of entrepreneurial activity in an area. In 2012, the number of births equates to 54.9 new businesses per 10,000 residents aged over 16. Central Bedfordshire levels have increased since 2011 (52.7 per 10,000) and are slightly above the East of England figure (52.5 per 10,000), but lower than the national figure (55.3 per 10,000) and SEMLEP figure (57.4 per 10,000). The figure has fallen from a high in 2008 of 61.1 new businesses per 10,000 residents aged over 16. (Source: Office for National Statistics, Business Demography, 2012).

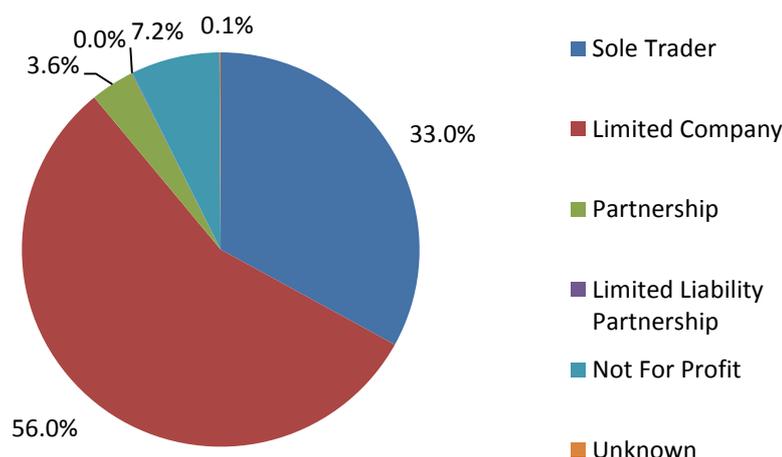
5.82 Additional data on business start ups has been acquired by the company Banksearch. This data is collected from the main suppliers of business banking services: Barclays, Co-operative Bank, HSBC, Lloyds Banking Group, Royal Bank of Scotland Group and Santander and provides a more

up to date picture of start ups in Central Bedfordshire. A 'start-up' in this instance is defined as 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. It includes not-for-profit businesses.

5.83 The Banksearch data shows that there were 2,087 start ups in Central Bedfordshire in 2013, a decrease of 7.1% on 2012, and a fall for the second consecutive year.

5.84 Of the Central Bedfordshire start ups in 2013, 151 were classed as not-for-profit businesses (7.2%) and 689 were sole traders (33%). The percentage of start ups classed as Limited Companies has increased further between 2012 and 2013 from 49.4% to 56.0%. In contrast, the number of sole traders has fallen from 37.7% to 33%.

**Figure 19: Start ups by business type, 2013**



*Source: Banksearch Small Business Start Ups Survey, January 2014*

5.85 According to Banksearch, the industry with the most start ups in 2013 was Real Estate, Professional Services and Support Activities with 619 start ups. This was followed by Recreational, Personal and Community Service (341) and construction (272). These were the top three industries in both 2011 and 2012, however – in line with the overall fall in start ups – all three sectors have seen a decline in the number of start ups. The only industry with no start ups in 2013 was Mining and Quarrying.

5.86 Start up businesses in 2013 were predominantly located in the least deprived parts of Central Bedfordshire – 1,075 start ups (51.5%) in the 20% least deprived areas. There were no start ups in the 20% most deprived parts of Central Bedfordshire. (Areas of deprivation are defined using the 2010 Index of Multiple Deprivation).

5.87 The wards with the most start ups in 2013 were Cranfield and Marston Moretaine (110), Flitwick (105) and Ampthill (101). The wards with the fewest start ups were Houghton Conquest & Haynes (25), Tithe Farm (26) and Parkside (37).

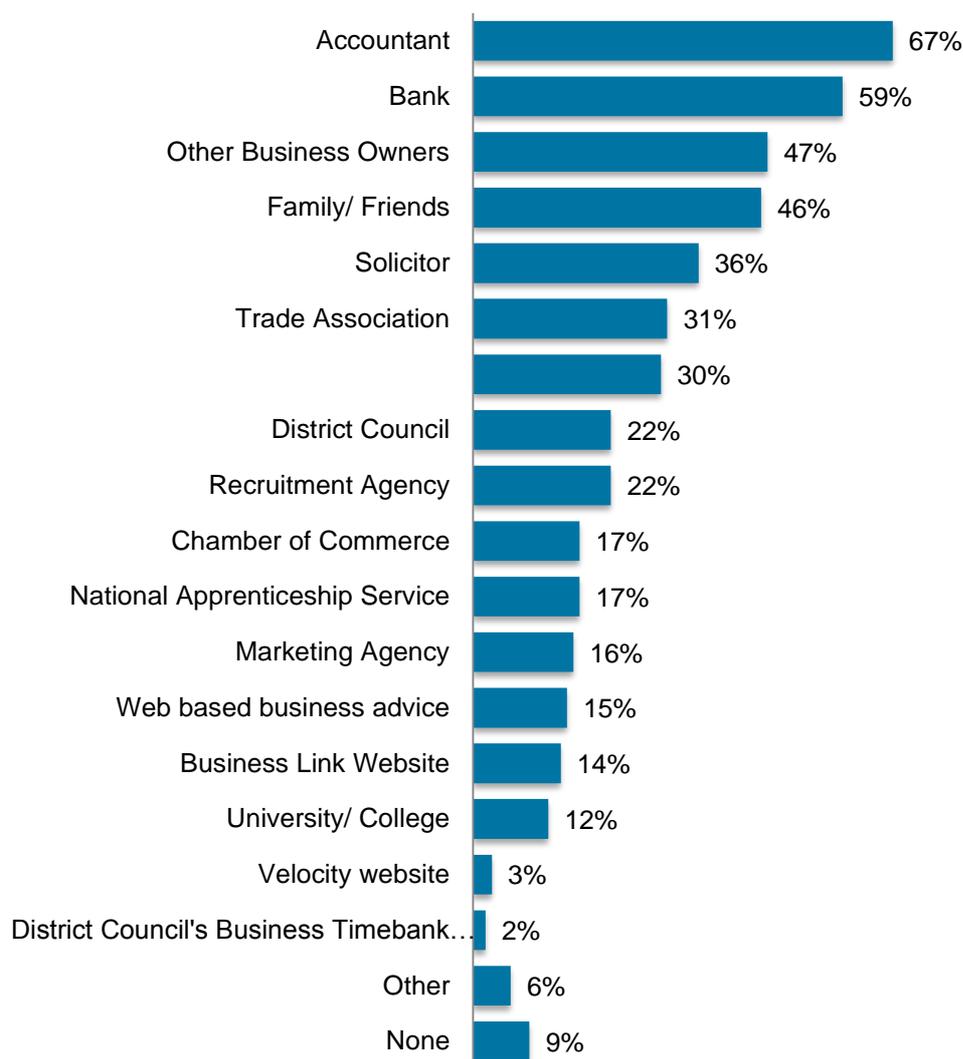
## **Business Support**

5.88 All respondents to the 2014 Business Survey were asked about sources of business advice or support they have used in the last 12 months.

5.89 The majority (91%) have used some, although this is likely to have been general and/or informal support from an accountant (67%), a bank (59%), other business owners (47%) or family/friends (46%) rather than a dedicated business advice and support resource such as the Central Bedfordshire Business Timebank service or a central government resource for business support such as the Business Link website or National Apprenticeship Service.

5.90 Compared to 2013, businesses are less likely to have used support from web based business advice (-13%), other business owners (-10%), family/friends (-9%) or an accountant (-9%), however they are more likely to have used a recruitment agency (+9%) or the Chamber of Commerce (+8%).

**Figure 20: Sources of advice used in the last 12 months – prompted, multiple response (all respondents)**



*Source: Central Bedfordshire Business Survey 2014*

## **Business Survival Rates**

5.91 The five year survival rate for new businesses in Central Bedfordshire was 48.8% in 2012 (based on businesses started in 2007). This was above the East of England (45.7%), SEMLEP (46.9%) and national (44.4%) rates. The table below indicates that business survival rates were higher than regional, SEMLEP and national levels at all stages (one to five year), with one year business survival rates of 98.1%.

**Table 18: Business Survival Rates of businesses started in 2007**

	One Year Survival rate %	Two Year Survival rate %	Three Year Survival rate %	Four Year Survival rate %	Five Year Survival rate %
Central Bedfordshire	98.1	85.4	65.8	55.0	48.8
England	95.4	81.3	62.9	51.9	44.4
East Of England	95.7	81.6	63.8	53.1	45.7
SEMLEP	97.0	83.7	65.3	54.2	46.9

*Source: Office for National Statistics, Business Demography, 2012*

5.92 With regard to the length of time businesses have been in operation, the 2014 Central Bedfordshire Business Survey asked businesses about the length of time they have been in operation. Three quarters of businesses in Central Bedfordshire (75%) have been trading for in excess of 10 years. This compares to 65% in the wider SEMLEP area. Just one per cent have been trading for less than a year and a further 14% for between 1 and 5 years. (Source: 2014 Business Survey – Central Bedfordshire, BMG Research, September 2014)

## **Self Employment**

5.93 The Annual Population Survey (APS) in March 2014 showed that 20,000 people aged over 16+ in employment were self-employed. This has remained static since March 2013, but is slightly lower in percentage terms (14.9%, from 15.7%) owing to an increase in the overall working age population.

5.94 The rate is identical to the national rate, slightly above SEMLEP (13.9%) and slightly below the East of England (15.5%).

5.95 Looking at the gender split, 13,700 of these people are male and 6,300 are female. Since March 2013, there are 800 fewer self employed males and 800 more self employed females.

5.96 Central Bedfordshire Council is keen to encourage people to take up self employment and commissioned a Building Enterprising Communities project to highlight the opportunities around enterprise and coach individuals to start their own business. Over 500 people enrolled on the project, with more than 100 getting into employment as a result.

## **Economic Resilience**

5.97 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.

- 5.98 When this sector diversity is considered in line with Central Bedfordshire's high level of employees in professional occupations 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.
- 5.99 The UK Competitiveness Index (UKCI) provides a benchmarking of the competitiveness of the UK's localities, and it has been designed to be an integrated measure of competitiveness focusing on both the development and sustainability of businesses and the economic welfare of individuals. In this respect, competitiveness is considered to consist of the capability of an economy to attract and maintain firms with stable or rising market shares in an activity, while maintaining stable or increasing standards of living for those who participate in it. This gives an indication of an area's resilience to economic shocks.
- 5.100 In 2013, the UKCI ranked Central Bedfordshire as 200<sup>th</sup> out of 379 local authorities. This is a fall from 139<sup>th</sup> position in 2010. The position is comparable with Luton, ranked 196<sup>th</sup>, but below Bedford, 131<sup>st</sup>. Bedford has remained relatively static since 2010 (132<sup>nd</sup>) and Luton has climbed from 241<sup>st</sup> place.
- 5.101 The UKCI looks at a number of factors to establish the position of each local authority, including the number of new businesses and levels of entrepreneurialism in an area. As was highlighted earlier in this chapter, Central Bedfordshire's business start up rate has fallen and entrepreneurial levels are weak, and this is a likely explanation for the fall in rank.

## **Social Enterprise**

- 5.102 No new data has been made available on social enterprise since the publication of the 2013 Local Economic Assessment, which reported data from the 2012 *Social What? Defining and Mapping the characteristics of Social Enterprise in Central Bedfordshire* (Voluntary and Community Action). This can be found in the 2013 Local Economic Assessment at [www.centralbedfordshire.gov.uk/economy](http://www.centralbedfordshire.gov.uk/economy).
- 5.103 With regard to new social enterprises, Banksearch data set out earlier in this chapter shows that 7.2% of all new business bank accounts opened are done so by not-for-profit organisations.

## **Innovation**

- 5.104 The number of patent applications granted in an area is a good indicator of innovation levels. In Central Bedfordshire, up to June 2013, 34 patents had been granted (Source: UK Intellectual Property Office). The number of patents (filed, granted, dead) listed on the World Intellectual Property Office (WIPO) database when searching for 'Bedfordshire', however, shows 220 'Applicants' and 376 'Inventors'. This indicates that

patent filing activity in Bedfordshire is a lot higher than the number of granted patents.

5.105 Overall, the number of granted patents in Bedfordshire and Central Bedfordshire is low compared to that of Cambridgeshire, for example. Central Bedfordshire has a world class University, multinational knowledge-intensive companies and a large intellectually diverse population. It is clear from the data that the Central Bedfordshire population is active in filing patent applications but intellectual property ownership is not necessarily retained in the area and is 'exported' to other areas or overseas in return for employment or commercial contracts. (Source: Patent map of Central Bedfordshire, Tacit Fusion, July 2014).

5.106 The 2014 Business Survey explored the extent to which businesses are innovators, i.e. introducers of new products, services, patents or processes.

5.107 Three in ten businesses (29%) have introduced any new products, services, patents or processes in the last 12 months. This has fallen slightly since 2013 (34%) and compares with the same proportion across the South East Midlands area. This proportion increases with business size, particularly among the 10 to 24 size band (44%).

5.108 Linked to innovation is research and development (R & D) and any links that businesses have with universities or colleges.#

5.109 One in ten businesses (10% compared to 12% across SEMLEP) has any links with universities or colleges for R & D purposes. This has not changed since last year (9%) and there are no significant differences by sector or size within Central Bedfordshire.

5.110 A review of the propensity to innovate at all (ie having links with universities or colleges, and recent or proposed introduction of new products, services, patents or processes), suggests that more than four in ten businesses in Central Bedfordshire are innovators. This compares to a slightly higher proportion across the South East Midlands area.

5.111 Nationally, the Federation of Small Businesses Member Survey 2014 found that 62% of businesses have introduced new or improved products or services in the last two years and 60% plan to in the next 12 months.

## **Rural Businesses**

5.112 The rural nature of a large amount of Central Bedfordshire means that rural businesses are of great importance to the local economy. Analysis of the 2013 IDBR shows that 45.1% of businesses are in wards that are classed as rural and 38.3% of all people employed in Central Bedfordshire are employed in rural areas.

- 5.113 It is also possible to extract data from BRES on the number of people employed in rural middle layer super output areas (MSOAs). In 2012, BRES found that 36.4% of all people employed in Central Bedfordshire are employed in rural areas. This is slightly lower than the IDBR, but it should be noted that BRES figures do not include farm agriculture.
- 5.114 The 2011 Census found that 38.8% of all people employed in Central Bedfordshire are employed in rural areas, this compares to 28.6% across the East of England and 17.5% nationally, showing the importance of the rural economy to Central Bedfordshire.
- 5.115 The 2014 Central Bedfordshire Business Survey examined findings by looking at differences between urban and rural businesses. A rural business is one based within any settlement that has a population below 10,000, defined according to the Department for Environment, Food and Rural Affairs urban/rural split.
- 5.116 When comparing businesses that are based in urban locations with those based in rural locations, several differences are evident. Specifically, urban businesses are more likely to:
- Provide positive ratings of the area in terms of availability of affordable housing (35% cf. 17%) and public transport (53% cf. 24%);
  - Mention the central location (32% cf. 20%), proximity to other businesses/clients (14% cf. 2%), good community support (9% cf. 1%), and good broadband/fibre optic area (5% cf. 0%) as the best things about the area. However, they are also more likely to mention poor parking facilities (14% cf. 2%) and too much competition (4% cf. 0%) as negatives about the area;
  - Consider the ability to attract or retain customers (38% cf. 25%) and a lack of appropriate business support (21% cf. 11%) to be constraints on business growth;
  - Have a workforce development plan in place (46% cf. 32%);
  - Consider taking on an apprentice (58% cf. 35%).
- 5.117 In contrast, rural businesses are more likely to:
- Be family-owned (72% cf. 59%);
  - Provide positive ratings of the area in terms of attractive surroundings (77% cf. 55%), airport access (71% cf. 58%) and proximity to universities (46% cf. 24%). However, they are also more likely to mention poor public transport services (18% cf. 5%) as a weakness of the area;
  - Have recruited any new staff in the last 12 months (99% cf. 86%);
  - Have undertaken any environmental activities (73% cf. 57%).

# Labour Market



## Labour Market

### Key Issues

- The state of the labour market in Central Bedfordshire in 2014 is overall very positive and has seen much improvement in the past year. The employment rate stands at 77.4% and is higher than all comparator areas and in line with Central Bedfordshire Council's corporate target of remaining more than 5 percentage points above the national rate. Although employment levels are yet to return to their pre-recession peak, the growth rate of 3.9% in the past year is extremely positive.
- The number of people remaining in work over the age of 65 has increased by 37% in a year to 5,900 people.
- Part-time work has decreased from a high in March 2011, and shows business confidence as employers recruit workers to work more hours. The percentage of men working part time, however, has increased by 1,800 people.
- The economic activity rate is high at 80.4%, but recovery from the recession seems to be much slower than the employment rate. Added to this, the male economic activity rate (85.7%) is lower than in SEMLEP and the East of England, although it is consistently higher than the local female economic activity rate (75.2%).
- There has been a significant fall in the number of people classed as long-term sick and a rise in the number of people economically inactive owing to being a student. The reason for a substantial fall in the number of economically active people aged 20-24 may therefore be attributable to a rise in the number of people entering further and higher education.
- Ethnic minority groups, females in particular, tend to have a lower employment rate than the general population (54.3%), as do those aged over 50 (73%) or under 24 (59.6%). Conversely, some ethnic minority groups tend to have a higher economic activity rate than the population as a whole.
- Unemployment levels in Central Bedfordshire have returned to their pre-recession levels, with a fall of 42.5% from March 2013. The rate remains well below all comparator areas. A further positive development is that female unemployment has more than halved in the past year, from 8.5% to 3.9%.
- Jobseeker's Allowance claimant count rates have also halved in the past year and at 1.3% stand at almost half the national level. The largest claimant group remains young people, 20.3% of all claimants. The group of people claiming this benefit long-term has not fallen in the same way as the overall rate – 14.4% of claimants have been claiming for over two years. At 1.5%, the rate for males is above that for females (1.0%).
- Worklessness levels are also down to 22.6%, as are the number of people not working and not looking for work – 3,800 fewer than a year ago.

## Key Issues

- The number of people claiming out of work benefits has fallen by over 1,500 people to 10,650, but there remain a large number of incapacity benefit and employment support allowance claimants. Almost half of all people claiming a benefit (42.2%) are claiming one of these and levels have not fallen in line with all benefits.
- The most frequently advertised job vacancies in Central Bedfordshire consist of a combination of both highly skilled and unskilled work. Programmers and software development professionals rank as highly as care workers and home carers in terms of number of jobs. This highlights the diversity of the local economy, which adds to its resilience to economic shocks. Concerns have been raised though around the ability of Central Bedfordshire's jobseekers to access the many vacancies in the care sector because of transport and accessibility issues, particularly in rural areas.
- The majority of people in employment are employed in managerial or skilled professions (58.8%). This is higher than all comparator areas and this is continuing to increase.
- Job density has fallen slightly to 0.62, meaning there are fewer local jobs for every working age resident and half of all residents continue to travel out of the area to work, mainly to Hertfordshire, Luton and Milton Keynes. Of all the people who work in Central Bedfordshire, 65.1% also live in the area. This number has fallen in recent months.
- The income levels of Central Bedfordshire residents have increased again in the past year, to an average of £575 per week. At all percentiles, the rate is higher than in England overall. The earnings of people who work in Central Bedfordshire but may be resident elsewhere, are lower at £493 per week, reflecting the fact that higher paying jobs outside of the area remains an issue. The resident rate has grown by 2.3% since 2012, while the worker rate has seen growth of 9.8%, significantly above both the inflation rate and the national rate of growth. There continues to be disparity between the bottom and top percentile, with an £818.70 weekly difference, although this is falling.
- The area is relatively affluent, but some pockets of financial deprivation can be found in parts of Dunstable and Houghton Regis, where unemployment rates are higher than average and fewer people are likely to have access to such services as current accounts. The designation of assisted area status to these wards will help alleviate deprivation levels, as will initiatives put in place by Central Bedfordshire Council, such as work clubs.

6.1 This chapter monitors the labour market in Central Bedfordshire, to provide an evidence base for ongoing policy making and to monitor the effectiveness of current and past activity.

6.2 The indicators examined in this chapter are:

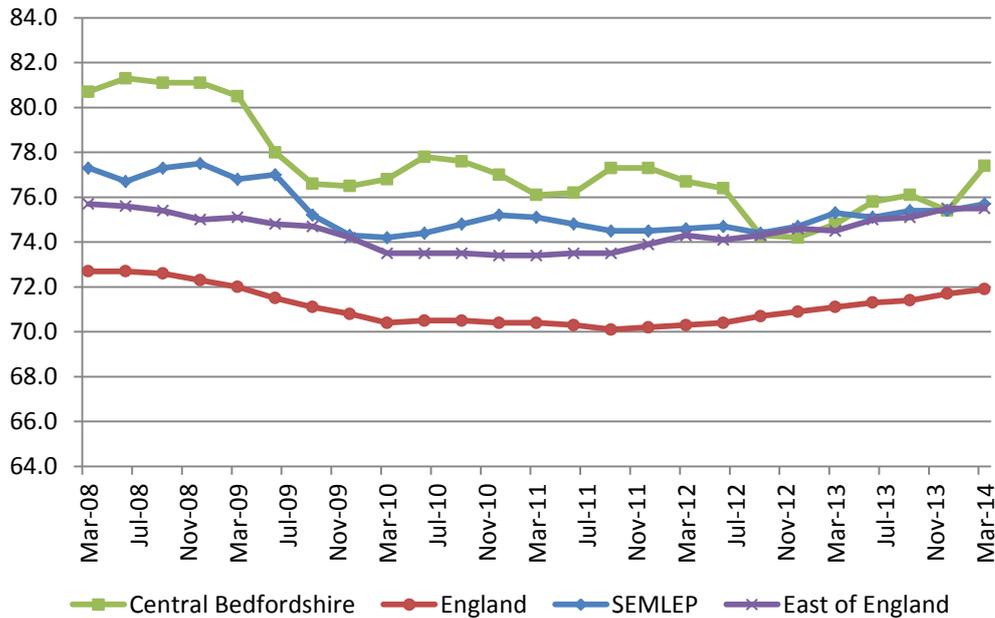
- Employment
- Economic activity
- Unemployment
- Worklessness
- Jobseeker's Allowance
- Youth unemployment
- Out-of-work benefits claimants
- Work Programme
- Job density
- Job vacancies
- JobCentre Plus local considerations
- Occupation
- Indices of Deprivation
- Income
- Poverty

## **Employment**

6.3 In March 2014 there were 128,300 people in employment in Central Bedfordshire of a total working age population (aged 16-64) of 165,700 – 77.4%. This is higher than all comparator areas – England 71.9%, East of England 75.5%, and SEMLEP 75.7% - and is in line with our corporate target of remaining more than 5 percentage points above the national rate.

6.4 The number of people in work remains slightly below pre-recession levels, but the growth since March 2013 shows positive signs of economic recovery. The number of people in employment has grown by 4,800, or 3.9%, since March 2013.

**Figure 21: Employment rate as a percentage of working age people (16-64), change over time**



Source: ONS Annual Population Survey March 2014, via Nomis

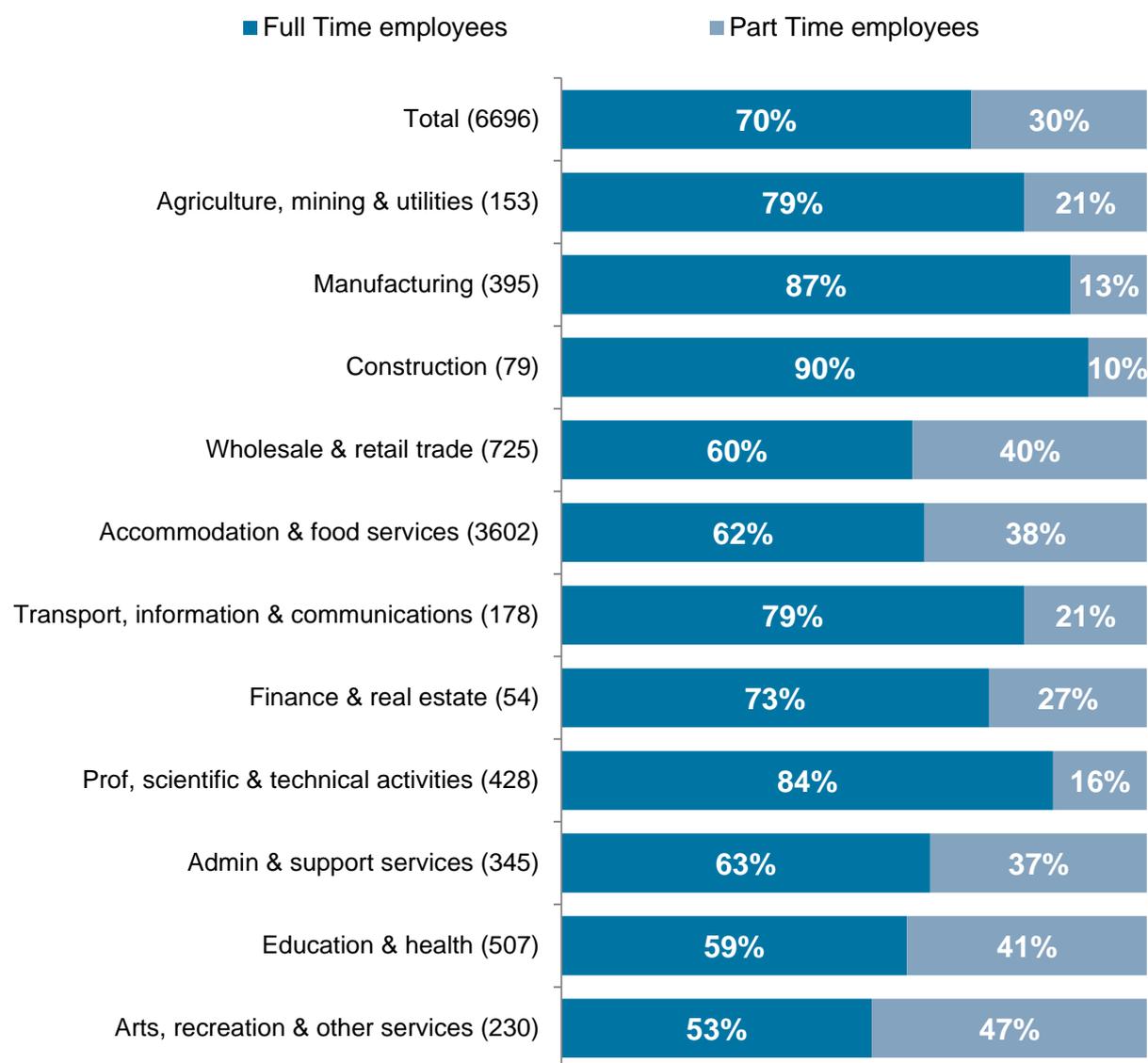
6.5 The number of people in employment generally rises when taking into account those people who remain in work beyond the age of 65. This is further impacted by the removal of the default retirement age, and state pension age for both men and women increasing to 66 by 2020. In March 2014, the number of people of all ages in employment was 134,200, or 64%. This figure has seen a 5% increase of 6,400 in the year from March 2013. Nationally, the rate is 58.9% and has not increased as quickly, by just 1.6% in the same time.

6.6 With regard to the number of people aged over 65 who remain in employment, there were 5,900 such people in the Central Bedfordshire labour market in March 2014. This is 1,600 more than in March 2013 and a 37% increase since that time.

6.7 The employment rate can be further split into full-time and part-time employees. In March 2014, 21.5% of all people aged 16-64 in employment worked part time (27,600 people). This has fallen from 23% in March 2013 and continues a steady decline that has been taking place since a post-recession high of 27.3% in March 2011. This is in contrast to the national rate, which has increased by 0.5% in the same time. Central Bedfordshire has a lower proportion of people in part time employment than England (25.3%), SEMLEP (22.7%) and the East of England (24.4%).

- 6.8 The percentage of men in employment working part time increased between March 2013 and March 2014 by 1,800 or 40% and stands at 9.1%, or 6,200 people. The female part time employment rate is 35.8%, 21,400, and has fallen by 11.2% since March 2013. The male rate is above SEMLEP (8.4%) and the East of England (8.9%) but below England (11.2%). In contrast, the female rate is below all comparator areas: SEMLEP 39.4%, England 41.7% and East 42.5%, meaning more women in work in Central Bedfordshire are in full time employment. It should be noted that the Central Bedfordshire data for both males and females working part time is subject to a great deal of fluctuation owing to the small sample sizes, and the figure could vary in reality by as much as 7%.
- 6.9 The 2014 Business Survey asked respondents about work patterns in their organisation. As with the Annual Population Survey, it also found the majority of the workforce in Central Bedfordshire is employed on a full-time basis (defined as working 30 or more hours a week); 70% employed full-time and 30% part-time (as estimated by respondents).
- 6.10 A significantly higher proportion of the workforce than average are employed on a part-time basis in the sectors of arts, recreation & other services (47%), education & health (41%), wholesale & retail trade (40%), accommodation & food services (38%) and administrative & support services (37%). Part-time working is less common within construction (10% of the workforce), manufacturing (13%) and professional, scientific and technical activities (16%).

**Figure 22: Breakdown of the workforce by full- and part-time employment, by sector (all employees)**

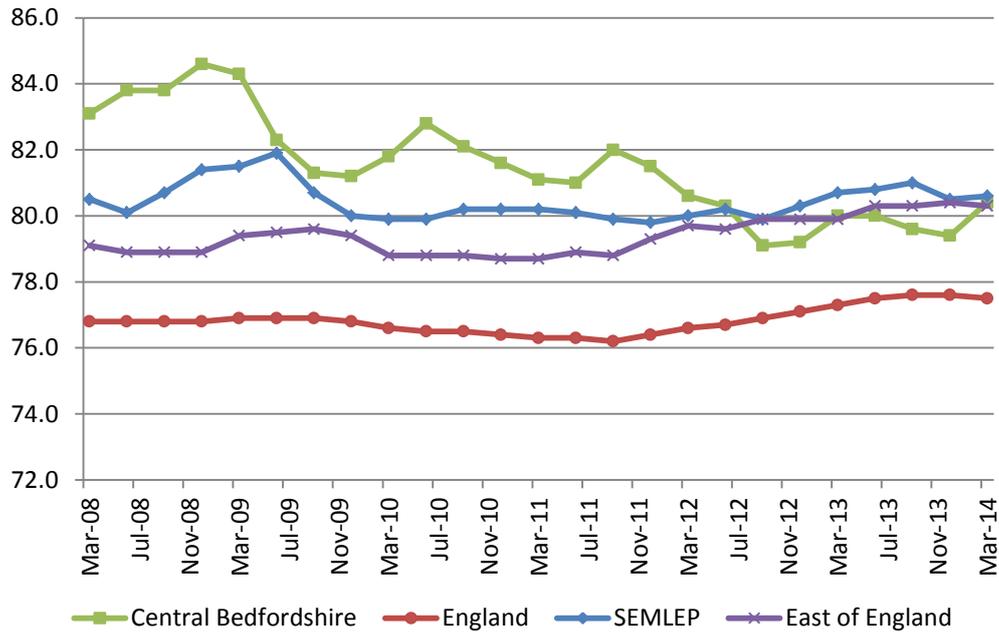


Source: Central Bedfordshire Business Survey 2014

## Economic Activity

6.11 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. In March 2014, the economic activity rate in Central Bedfordshire was 80.4% of working age population, or 133,300 people. This is a very marginal increase from 80.0% in March 2013. The rate has not yet reached pre-recession levels (83.3% in March 2008) and the recovery rate is slower than the employment rate alone. Central Bedfordshire compares well with England (77.5%) and is in a similar position to SEMLEP (80.6%) and the East of England (80.3%).

**Figure 23: Economic Activity rate as a percentage of working age people (16-64) change over time**



Source: Annual Population Survey March 2014, ONS via Nomis

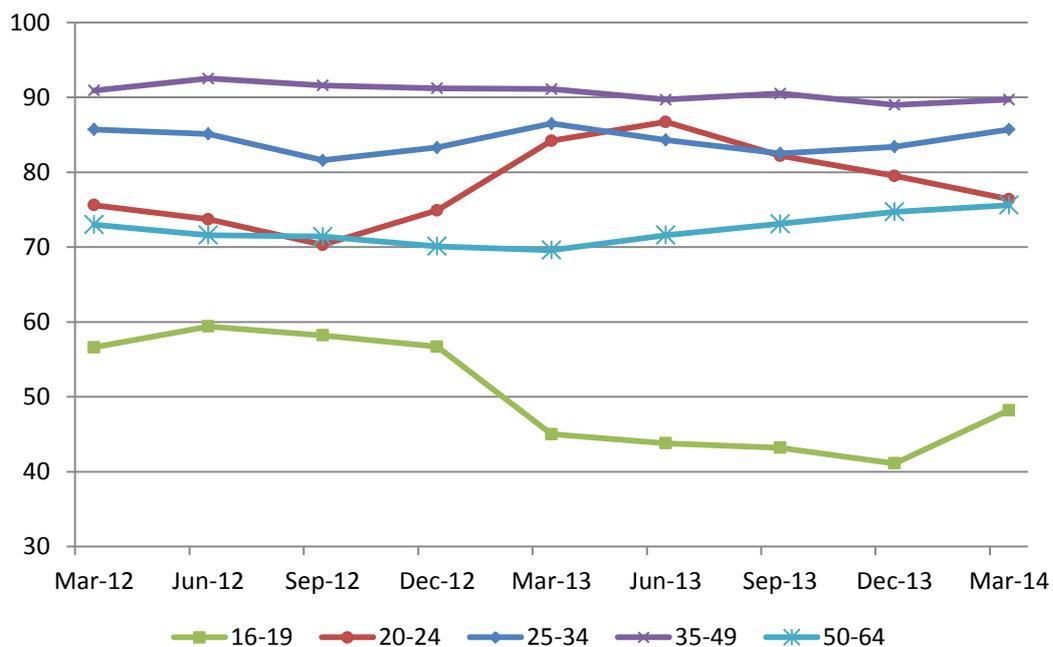
6.12 The economic activity rate of males and females in Central Bedfordshire varies, with the male rate (85.7% in March 2014) consistently higher than the female rate (75.2%). This is also true at regional, national and SEMLEP levels. Female economic activity rates are higher than all comparator areas, however the male rate is slightly below SEMLEP and East of England.

6.13 When considering reasons for economic inactivity, the largest single reason given for inactive is looking after family/home. This accounted for 9,100 people, or 28.2% of economically inactive (compared to 26.4% nationally) in March 2014. 90% of these people are women. The percentage of economically inactive looking after family/home in Central Bedfordshire has fallen by 1,600 people since March 2013.

6.14 There has also been a significant fall in the number of people economically inactive because they are long term sick. 16.6% of all economically inactive people, 5,400, consider themselves to be long term sick, a fall of 2,200 or 28.9% in a year. Historically this has been the second most common reason for being economically inactive, but in March 2014 the second most common reason was due to being a student. 23.3% of economically inactive people were students in March 2014, a rise of 1,200 or 18.8% in one year. Central Bedfordshire also has a larger economically inactive retired population than nationally, 16.8% compared to 14.8%.

6.15 The economic activity rate of individual age groups in Central Bedfordshire highlights that those aged 20 to 24 years old witnessed the biggest decrease in numbers of economically active by 2,800 people between March 2013 and March 2014, a 17% fall, possibly due to returning to full time education. The group which witnessed the biggest increase was those aged 50-64, an additional 5,100 people were economically active in this group – a 13.7% increase.

**Figure 24: Economic activity rate by age band over time in Central Bedfordshire**



Source: Annual Population Survey March 2014, ONS via Nomis

6.16 Despite the relatively high rates of economic activity in Central Bedfordshire, several groups face barriers to the labour market. Ethnic minority groups, females in particular, tend to have a lower employment rate than the general population of Central Bedfordshire as a whole. As do those aged over 50 and under 24. The annual population survey collects data on ethnic minority employment rates.

**Table 19: Employment rates among the most disadvantaged groups in Central Bedfordshire**

Group	Employment Rate (%)
All working age people	78.4
All people 50-64	73.0
Ethnic minorities	64.5 <sup>7</sup>
Ethnic minority males	78.4
Ethnic minority females	54.3 <sup>8</sup>
All people 16-24	59.6

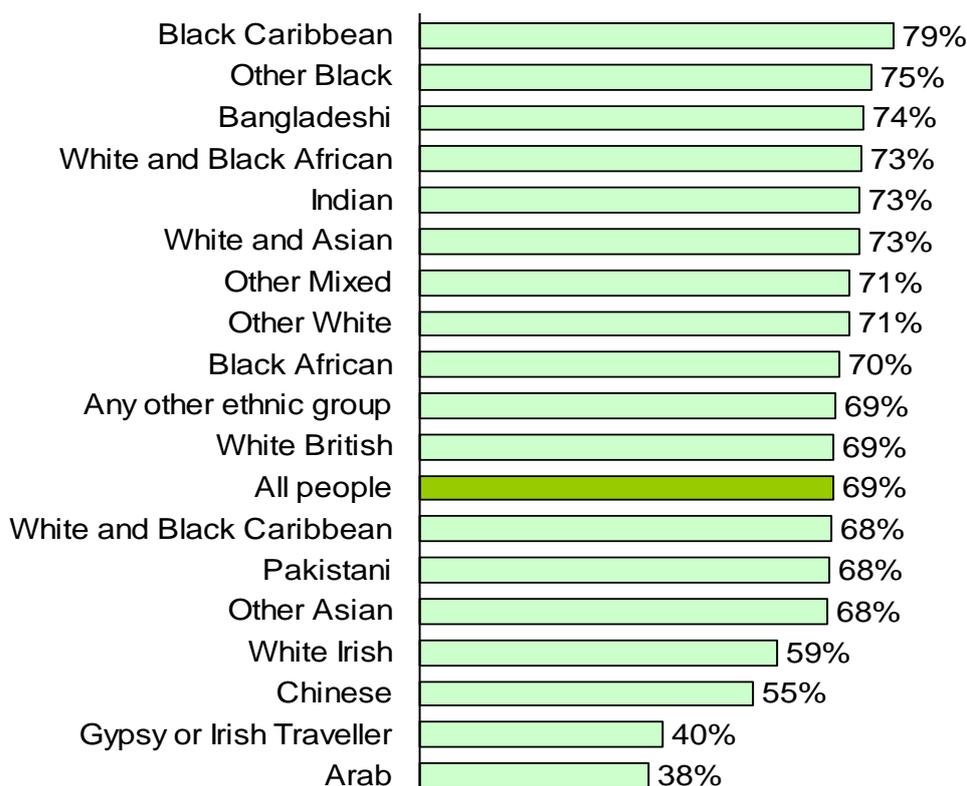
*Source: Annual Population Survey March 2014, ONS via Nomis*

6.17 The Census collects data on the economic activity rate by ethnic group. Please note that the total figure for economic activity from the 2011 Census (69%) is not comparable with the total figure for economic activity from the Annual Population Survey (80.4% in March 2014). 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.

<sup>7</sup> Please note the confidence interval for ethnic minority employment rate is 26.6% plus or minus therefore the actual figure maybe higher or lower.

<sup>8</sup> Please note the confidence interval for ethnic minority female employment rate is 37.4% plus or minus therefore the actual figure maybe higher or lower.

**Figure 25: 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

6.18 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)

6.19 Further analysis of the census data by age and gender shows that:

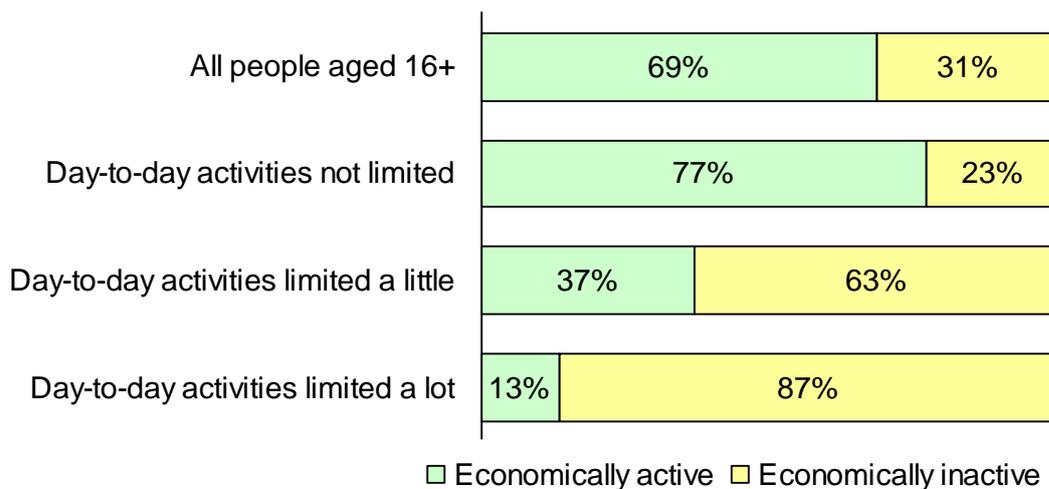
- Unemployment was higher in the 16-24 age group. This was particularly the case for males of Gypsy or Irish Traveller (33%), and Pakistani (24%) origin, and females of Bangladeshi (27%) and Black African (20%) origin. Note that an unemployed person is still economically active, as they are looking for 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).

6.20 Disabled people also frequently face difficulties entering the labour market, however, data collection on employment rates of disabled people is currently unavailable from the Annual Population Survey owing to changes in the wording of the questionnaire to make the APS consistent with definitions used in the 2010 Equality Act. New data will be available in January 2015.

6.21 The Census does collect data on those whose day-to-day activities are limited. 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

6.22 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. A breakdown of these figures by age is not available, but this may suggest that many people with limited activities are in older age groups.

**Figure 26: 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

## 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.

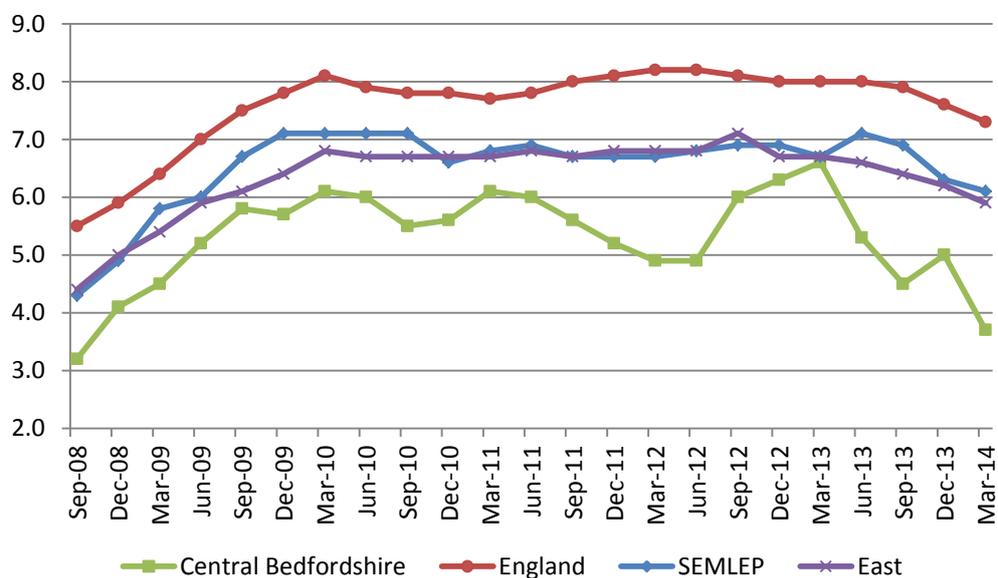
6.24 Unemployment in Central Bedfordshire remains significantly lower than comparator areas and in March 2014 the rate was 3.7% or 5,000 people compared to 7.3% in England, 6.1% in SEMLEP and 5.9% in the East of England.

6.25 The rate is the lowest it has been since September 2008 and has fallen by 42.5% since March 2013. All comparator areas have also witnessed a fall over the year, but much smaller than that in Central Bedfordshire. The rate in England fell by 7.8%, the East by 10.2% and SEMLEP by 8.5%.

6.26 The standard measure of unemployment looks at those aged 16-64 and can be analysed using age and gender splits. It is, however, subject to confidence intervals of around 2 percentage points.

6.27 The Office for National Statistics (ONS) also produces a model-based estimate of unemployment for local authorities. This uses both the Annual Population Survey data and the Jobseeker's Allowance claimant count to produce an estimate with a smaller confidence interval. It should be noted that this measure only covers all people ages 16+ and no age or gender breakdowns are produced. The model-based estimate of unemployment for Central Bedfordshire in March 2014 was 4.9%, or 6,900 people. This estimate has fallen by 1,400 people since March 2013. Comparator rates based on this model are: SEMLEP 5.9%, East 6.8% and England 7.1%.

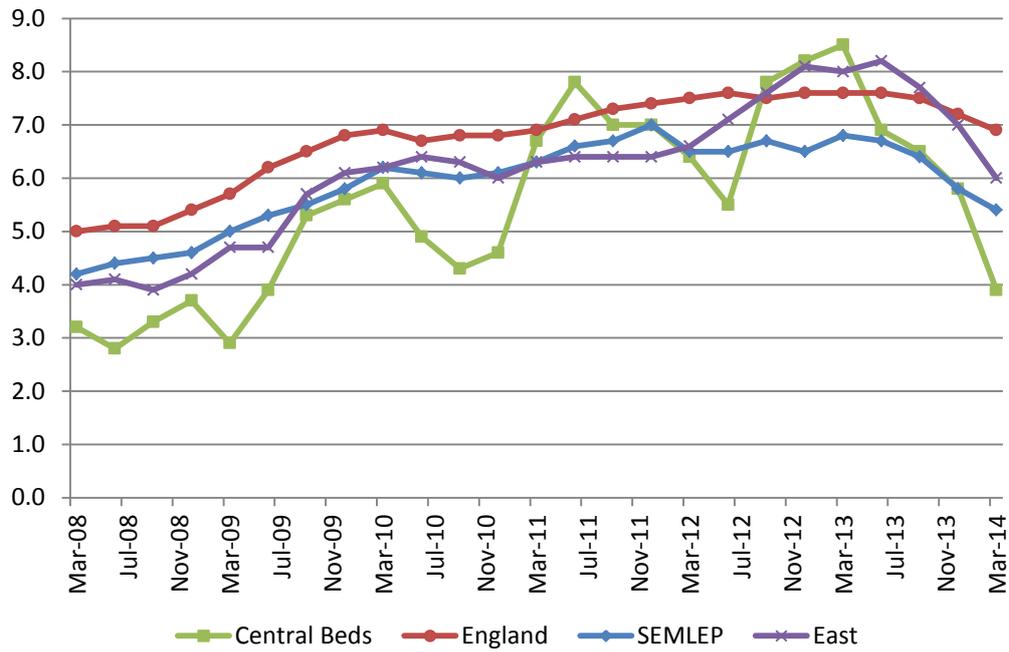
Figure 27: Unemployment rate over time as a percentage of working age population



Source: ONS Annual Population Survey, March 2014, via Nomis.

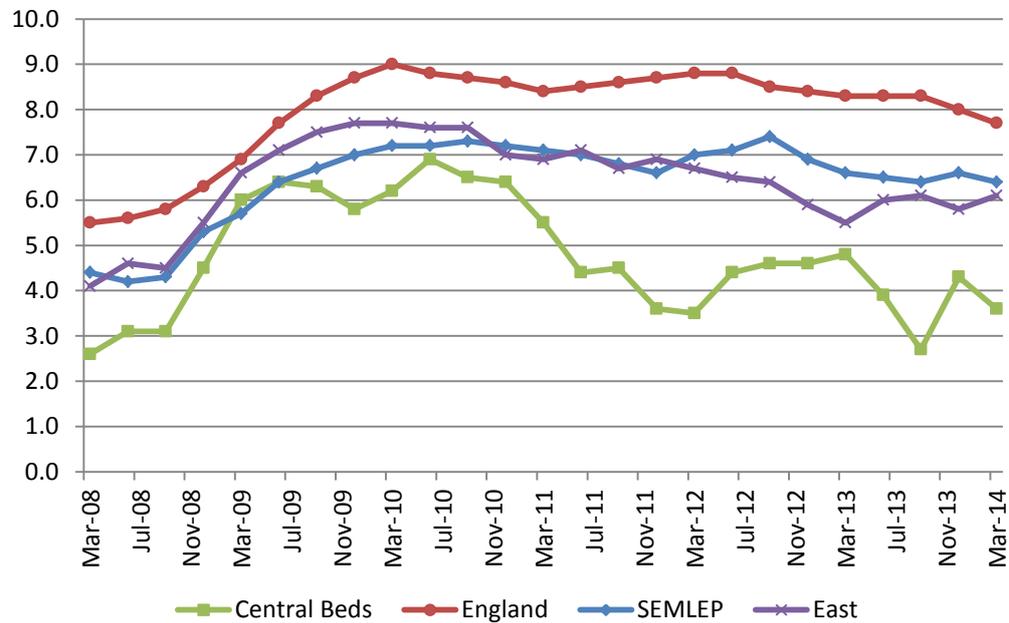
6.28 The unemployment rate varies between males and females in Central Bedfordshire and in recent years the female rate has been significantly higher than the male rate. In the year to March 2014, however, the female rate has fallen to 3.9% from a high of 8.5% in March 2013, a fall of 2,900 people. The male rate has also fallen to 3.6% from 4.8%, a fall of 800 people.

**Figure 28: Female unemployment rate as a percentage of female working age population**



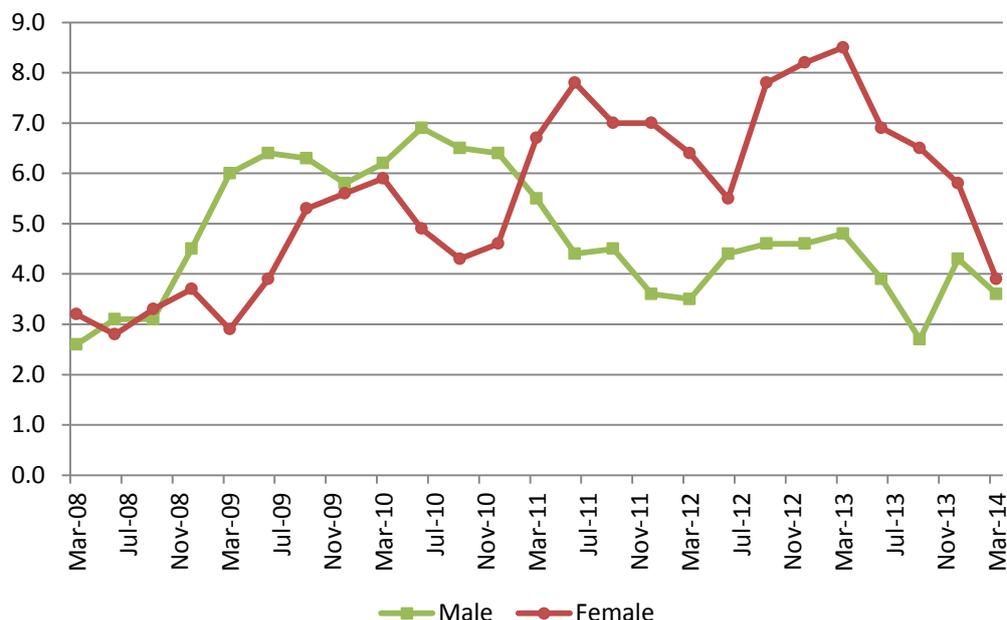
Source: ONS Annual Population Survey, March 2014, via Nomis.

**Figure 29: Male unemployment rate as a percentage of male working age population**



Source: ONS Annual Population Survey, March 2014, via Nomis.

**Figure 30: Male and female unemployment rate as a percentage of working age population in Central Bedfordshire**



Source: ONS Annual Population Survey, March 2014, via Nomis.

6.29 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. Owing to a small sample size when data collection takes place, the confidence intervals range from around 3 to around 7 percentage points, therefore the actual figure could be between 3 and 7 percentage points higher or lower than is stated.

6.30 During the recession, according to Office for National Statistics, the main reason why more women became unemployed was because more stay at home mothers had to re-enter the labour market and therefore moved 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. In recent months, the female unemployment rate has begun to decline in all areas, which is a positive sign of recovery from the recession.

## Worklessness

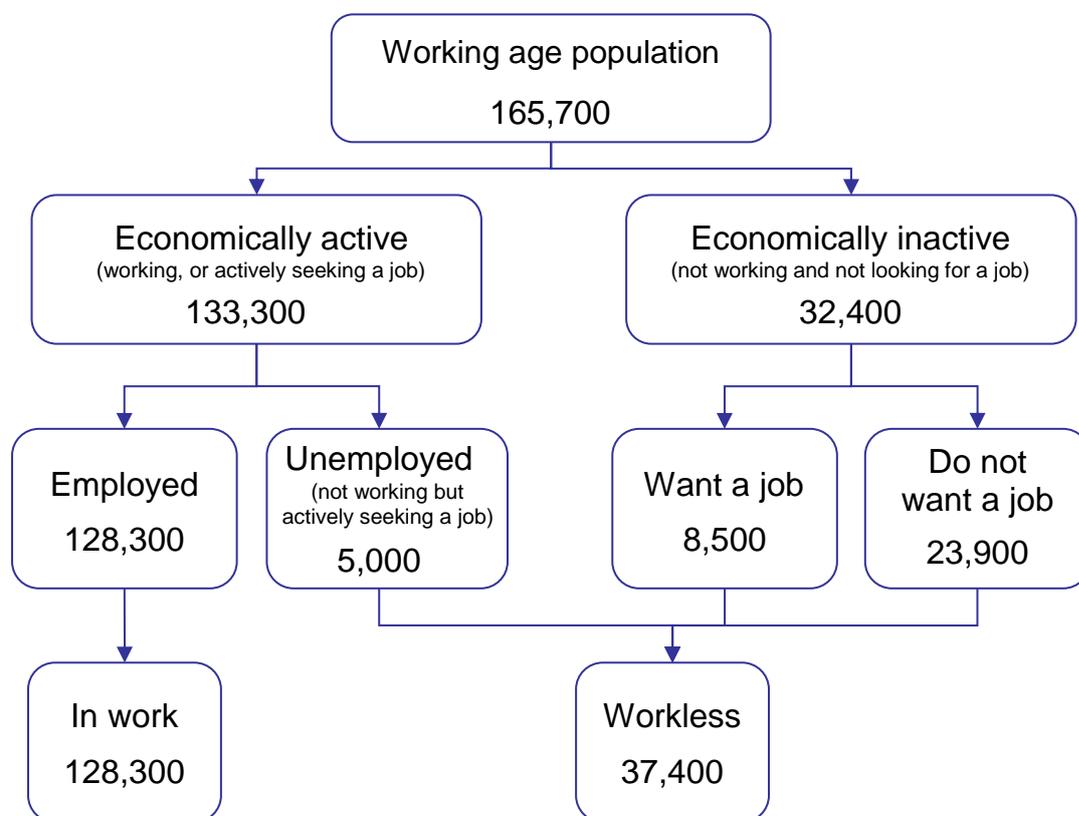
6.31 The term worklessness is used to describe people of working age who are not in work and includes:

- 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.

6.32 Since March 2013, worklessness levels (people who are not employed and are either looking for work or do not want a job) have fallen by 4,300 people to 37,400 in March 2014. At the same time, the number of people who are economically inactive and do not want a job has fallen by 3,800 people, meaning that fewer people are choosing not to work. The number of those who are economically inactive and looking for work has risen by 3,200 people since March 2014. Comparator areas have all seen a fall in worklessness rates over the same time period.

6.33 Central Bedfordshire's worklessness rate, at 22.6%, has fallen below England (28.1%), the East of England (24.5%) and SEMLEP (24.3%). 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.

**Figure 31: Worklessness in Central Bedfordshire**

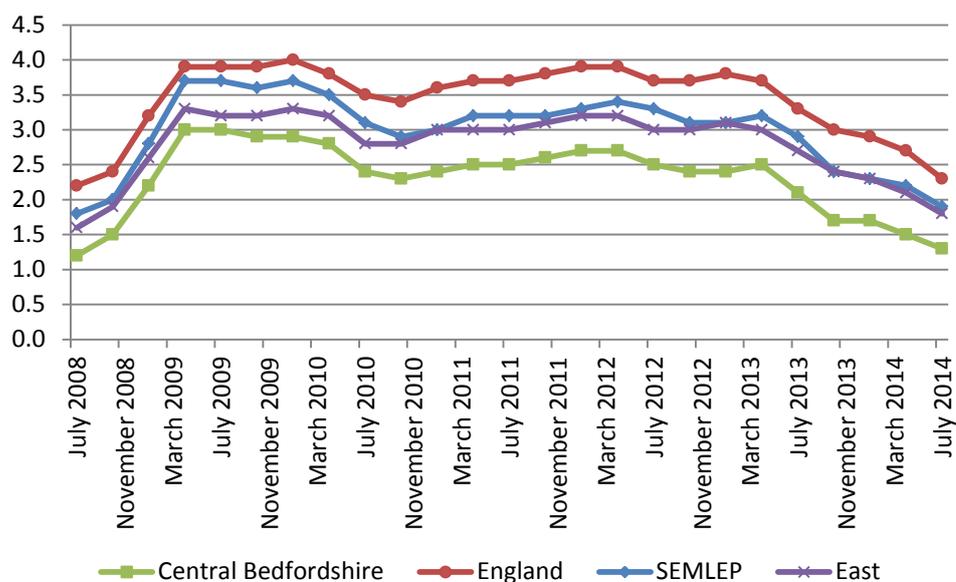


Source: Annual Population Survey, March 2014, ONS via Nomis.

## Jobseeker's Allowance

6.34 In Central Bedfordshire there were 2,122 Jobseeker's Allowance (JSA) claimants in July 2014 (1.3%). This is a fall of 1,398 people – or 39.7% - since July 2013. The rate remains below comparator areas – England (2.3%), SEMLEP (1.9%) and East of England (1.8%). The number of people claiming has returned to 2008 levels.

Figure 32: JSA claimant count as a % of resident workforce



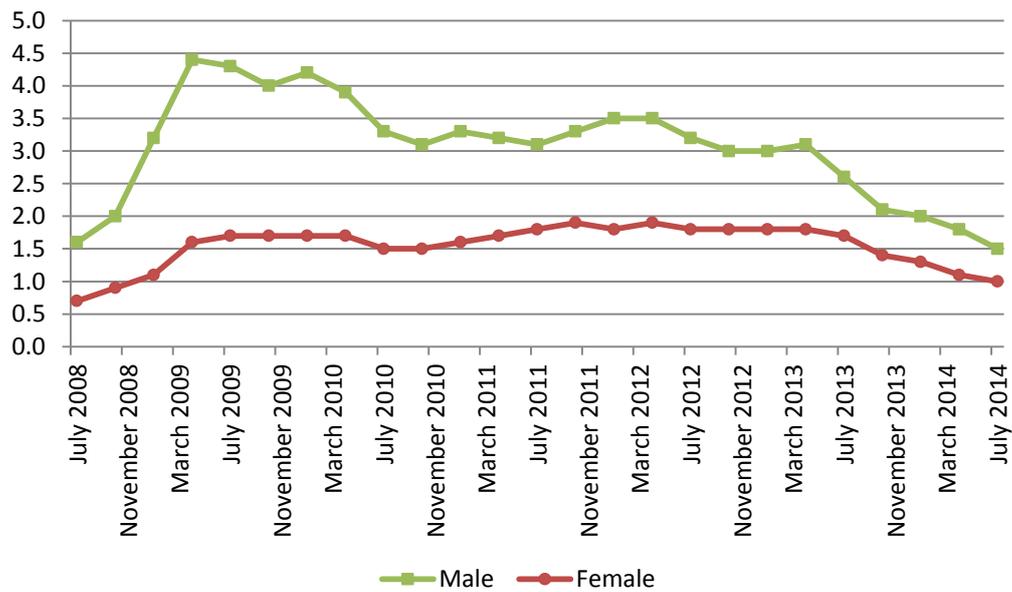
Source: Department of Work and Pensions, via Nomis, July 2014

6.35 Alongside recovery from the recession, some of the possible reasons for the claimant count continuing to fall may be due to more claimants being moved to employment support programmes by JobCentre Plus, including the Work Programme; being supported via the Flexible Support Fund to secure employment; and accessing the New Enterprise Allowance which supports people looking to move into self employment.

6.36 Central Bedfordshire Council works closely with the providers of these programmes and supports jobseekers through the Work Clubs operating from three of our library bases and at Kingsland Skills Centre in Houghton Regis and Stratton Upper School in Biggleswade. In the year August 2013 to July 2014, 1,094 jobseekers have attended one of these Work Clubs.

6.37 A breakdown of JSA claimant count by gender consistently shows a higher proportion of male claimants than females over time. In July 2014, the male claimant count rate was 1.5% compared to 1.0% of females.

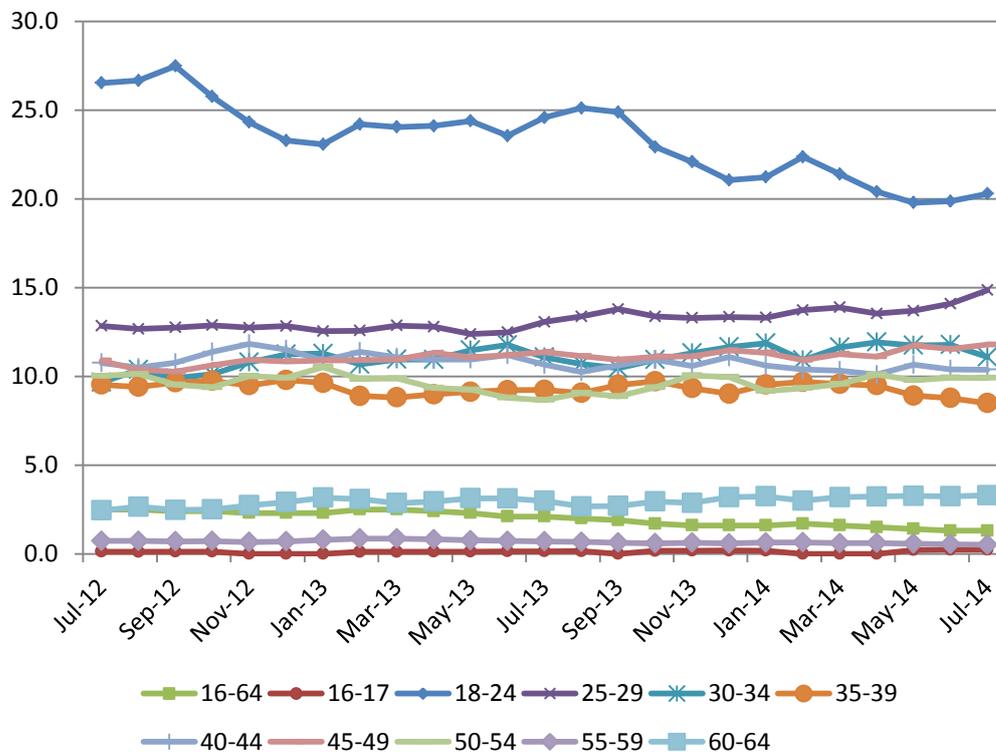
**Figure 33: JSA claimant count by gender as a percentage of working age population**



Source: Office for National Statistics via Nomis, July 2014

6.38 People aged 18-24 years old consistently remain the largest proportion of all JSA claimants in Central Bedfordshire, although levels are beginning to decrease. In July 2014, this accounted for 20.3% of all JSA claimants, or 395 people, indicating the ongoing need to support this group.

**Figure 34: Proportion of JSA claimants by age**



Source: Office for National Statistics via Nomis, July 2014

6.39 The distribution of JSA claimants across Central Bedfordshire shows some wards have a higher claimant count than the Central Bedfordshire average, but have fallen significantly in recent years, like the overall rate. Those in the table below, however, are all above the average rate of 1.3% in July 2014.

**Table 20: JSA Claimant Count by ward**

Ward	%
Dunstable Manshead	3.1
Tithe Farm	3.0
Parkside	2.8
Houghton Hall	2.4
Dunstable Northfields	1.8
Sandy	1.7
Leighton Buzzard North	1.6
Dunstable Central	1.5
Heath and Reach	1.5
Biggleswade North	1.5
Central Bedfordshire	1.3

*Source: Office for National Statistics via Nomis, July 2014 (based on CAS 2009 wards)*

6.40 Some of the areas with higher levels of JSA claimants will receive additional help through European Union Assisted Area Status. Assisted areas are recognised in European state aid rules as being less economically advantaged places that would benefit from additional support for development. As a result, financial support from Government is permitted to undertakings, typically businesses, for new investments in these areas. Being located in an Assisted Area does not confer any right to financial assistance; rather, it allows the public sector to provide certain types of assistance at higher intervention rates within State Aid regulations. Following Central Bedfordshire Council's work with SEMLEP, Department for Business Innovation and Skills and the European Commission, three Central Bedfordshire wards have been included in the approved UK Regional Aids Guideline Assisted Area map, which will further boost regeneration activities for the area. Dunstable-Icknield, Houghton Hall and Parkside wards have all been included on the map, which runs from 1st July 2014 until 31st December 2020.

6.41 Conversely, some areas in Central Bedfordshire have a very low JSA claimant count rate. Westoning, Flitton & Greenfield has a rate of 0.5%, Houghton Conquest & Haynes and Aspley & Woburn each have a rate of 0.6%

6.42 JSA claimant count can also be analysed by the ethnicity of the claimant. In April 2013, the majority of claimants (82.9%) in Central Bedfordshire were white, of which most were White British origin. 9.2% of Central Bedfordshire's claimants are from ethnic minority groups, compared to 20.5% in England, 20.6% in SEMLEP and 11% in the East of England. Further breakdown of these figures can be seen below but it should be noted that Central Bedfordshire has a lower proportion of ethnic minorities than comparator areas and so claimant count levels will reflect this.

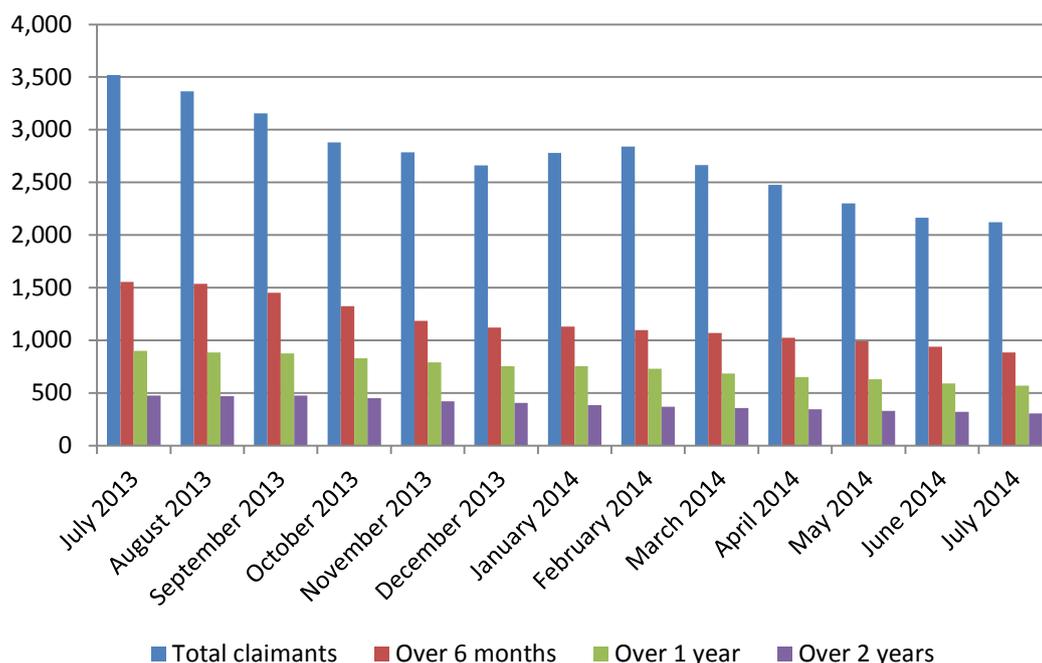
**Table 21: JSA claimant count by ethnicity as % of all claimants**

Ethnicity	Central Bedfordshire	England	SEMLEP	East of England
White	82.9%	73.4%	72.6%	81.6%
Mixed	1.6%	2.4%	2.6%	1.8%
Asian or Asian British	1.4%	6.7%	7.8%	3.6%
Black or Black British	3.9%	8.5%	8.3%	3.9%
Chinese or Other Ethnic Group	2.3%	2.9%	1.9%	1.6%
Prefer not to say	6.9%	4.6%	5.5%	6.3%
Unknown	0.9%	1.5%	1.2%	1.1%

Source: DWP via Nomis, July 2014

6.43 With regard to the length of time claimants have been claiming JSA, in the year from July 2013 to July 2014 the percentage of claimants who claim for over six months has fallen from 44.2% to 41.7% of all claimants (885 people), while those who claim for over one year has increased slightly from 25.6% to 26.9% (900 people). The percentage of claimants claiming for over two years has also increased slightly from 13.5% to 14.4% of all claimants. It is worth noting that between July 2012 and July 2014, the percentage of claimants claiming over two years has almost doubled from 7.7% to 14.4%. This group is not seeing the same level of decrease as JSA claimants overall. In comparison, across England as a whole the percentage of claimants claiming over six months is 47.8%, over one year is 30.5% and over two years is 17.1%.

**Figure 35: Number of all claimants claiming JSA and for longer than 6 months, 1 year and 2 years**



Source: DWP claimant count, ONS via Nomis, July 2014

## Youth unemployment

6.44 Figures for JSA claimant count show that in July 2014, there were 435 16-24 year olds (1.7%) in receipt of JSA, which has halved from 870 a year previously in July 2013. Again, this is below England (3.0%), SEMLEP (2.5%) and the East of England (2.4%). The rate of male JSA claimant count in this age group is higher than the female rate, 2.0% compared to 1.3%. People in the age group 16-24 account for 20.5% of all people claiming JSA in Central Bedfordshire. However this has decreased from 24.7% in July 2013.

6.45 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.

## Out of work benefit claimants

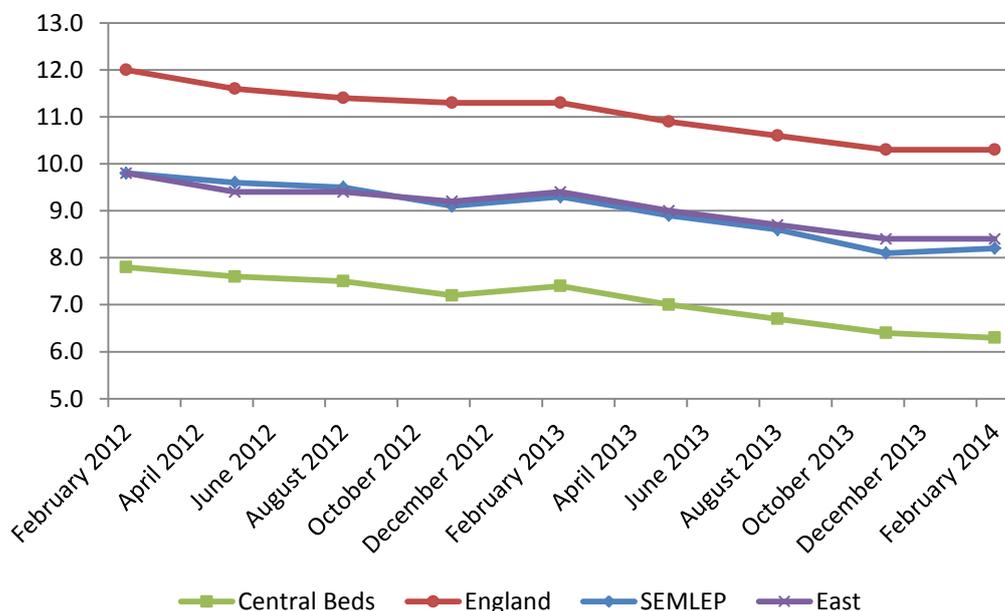
6.46 There are a significant number of people in Central Bedfordshire who are economically inactive as a result of a work-limiting illness. In February 2014, 5,980 people of working age (16-64 years old) were claiming Incapacity Benefit (IB), Severe Disablement Allowance (SDA) or Employment and Support Allowance (ESA), equating to 3.5% of the area's working age population or 42.2% of all those claiming a benefit.

6.47 The number of claimants has remained at a similar level for the past two years, which highlights that the number of people claiming IB/SDA/ESA remains an issue in Central Bedfordshire.

6.48 The majority of IB/SDA/ESA claimants are long term claimants, with 56.4% having claimed five years and over and 72.2% 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 1,830 or 30.6% of all claims. The main reason for claiming IB/SDA is due to mental and behavioural disorders, 36.4% of all claimants do so for these reasons. (Source: DWP Benefits Claimants, via Nomis, February 2014)

6.49 In terms of all out of work benefits<sup>9</sup>, in February 2014 there were 10,650 people claiming out of work benefits in Central Bedfordshire. This equates to 6.3% of the working age population. The level of out of work benefits has continued to fall into 2014 and has fallen by over 1,500 people since February 2013. Central Bedfordshire compares well to the national picture of 10.3% claiming out of work benefits, and also to SEMLEP (8.2%) and the East of England (8.4%).

**Figure 36: Out of work benefit claimants**

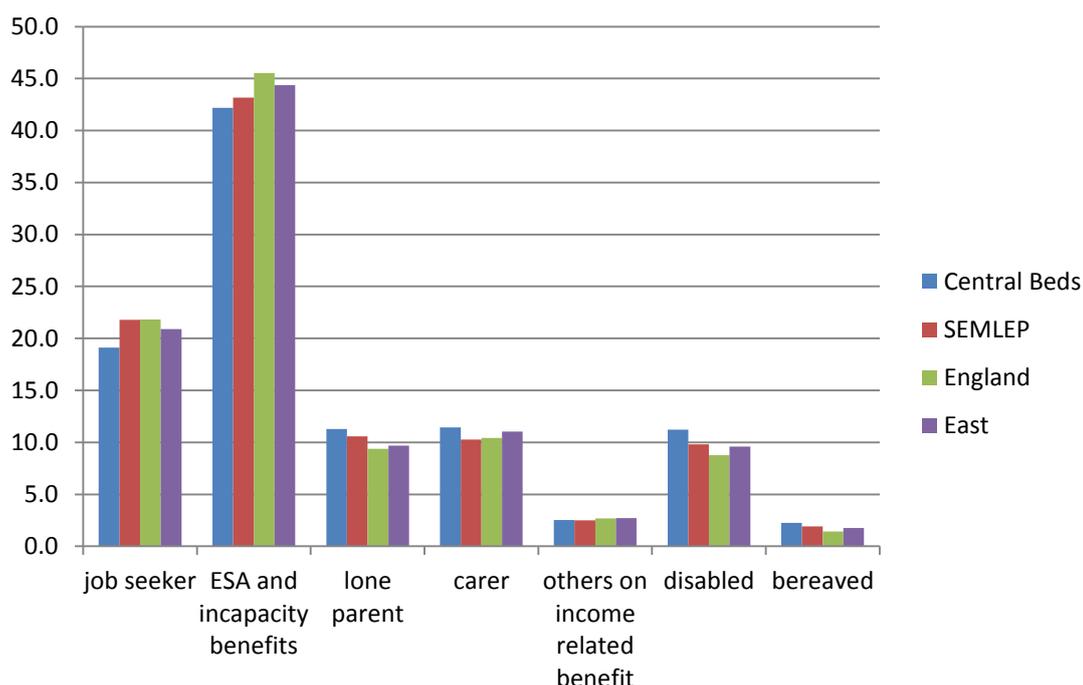


Source: Department for Work and Pensions, via Nomis, February 2014

6.50 With regard to all benefits claimed in Central Bedfordshire, there were 14,180 people claiming a benefit from the Department of Work and Pensions in February 2014. This includes all people in and out of work who are receiving a benefit of any kind and equates to 8.4% of total working age population. This is a lot lower than the national rate of 12.9% and also below SEMLEP (10.6 %) and the East of England (10.3%). 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.

<sup>9</sup> Out of work benefits consists of the groups: job seekers, ESA and incapacity benefits, lone parents and others on income related benefits.

**Figure 37: Types and proportion of all benefits claimed (%)**



Source: Department for Work and Pensions, via Nomis, February 2014

6.51 With regard to the split between male and female benefit claimants, a higher proportion of all benefits claimants are female – 7,850 or 55.4% of all claimants, compared to 6,330 or 44.6% for males. With regard to type of benefit, more females than males were claiming lone parent, carer and disability benefits than males. 97.5% of all lone parent benefit claimants are female in February 2014.

**Table 22: Number of people claiming out of work benefits by age**

	Feb-13	May-13	Aug-13	Nov-13	Feb-14	% of all benefits	Change Feb13 to Feb 14	% Change Feb 13 to Feb 14
aged under 25	2,000	1,860	1,750	1,540	1,590	14.9	-410	-20.5
aged 25-34	2,530	2,410	2,320	2,230	2,200	20.7	-330	-13.0
aged 35-44	2,360	2,250	2,130	2,050	2,010	18.9	-350	-14.8
aged 45-54	2,820	2,690	2,610	2,490	2,470	23.2	-350	-12.4
aged 55-59	1,380	1,340	1,310	1,270	1,310	12.3	-70	-5.1
aged 60-64	1,140	1,110	1,060	1,050	1,050	9.9	-90	-7.9

Source: DWP Out of Work Benefit claimants via Nomis, February 2014

## Work Programme

6.52 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 assistance for claimants who need more support to find and stay in employment.

6.53 Since its introduction, 3,440 people have been 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 2014). With regard to age, 25.9% of the total number of clients were aged 18-24. 63.4% of all Work Programme clients are male. 35.5% of all clients consider themselves to have a physical or mental impairment which has a substantial long-term effect on their ability to carry out normal day to day activities. With regard to ethnicity, 88.9% of all clients are white.

## Job density

6.54 Job density is a measure of the total number of filled jobs in an area compared to the resident working age population. It reflects the degree to which employment opportunities are available locally. In 2012 the job density in Central Bedfordshire was 0.62, meaning there are 0.62 jobs for every working age resident. This means less than 1 job per working age resident. This has fallen slightly since 2011 and remains below all comparator areas, as can be seen in the table below. This shows the highly mobile nature of the Central Bedfordshire labour market in terms of out-commuting to high value jobs elsewhere.

**Table 23: Job Density, 2002-2012**

Area	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Central Beds	0.63	0.63	0.64	0.65	0.64	0.64	0.65	0.60	0.65	0.65	0.62
SEMLEP	0.79	0.81	0.83	0.83	0.8	0.82	0.81	0.79	0.79	0.80	0.80
England	0.8	0.8	0.8	0.81	0.8	0.8	0.79	0.78	0.78	0.78	0.79
East	0.78	0.78	0.77	0.78	0.78	0.78	0.77	0.76	0.75	0.76	0.77

*Source: Office for National Statistics, Job Density 2002-2012, via Nomis*

6.55 Data from the 2011 Census shows that 66,440 (50%) Central Bedfordshire residents travel outside of the area to work, while 32,535 people travel to work in Central Bedfordshire from other areas. This means that there is a net out-commuting level of 33,905. This has changed little since 2001, when 49.7% of residents commuted out of Central Bedfordshire to work. The main areas residents commute to are Hertfordshire, Luton and Milton Keynes.

**Table 24: Workplace location for Central Bedfordshire residents**

<b>Workplace Location</b>	<b>Number</b>	<b>%</b>
Central Bedfordshire	66,453	50.0
Hertfordshire	19,133	14.4
Luton	12,780	9.6
Milton Keynes	8,061	6.1
Bedford	6,986	5.3
Westminster	3,314	2.5
Other areas	16,166	12.2
<b>Total resident workforce</b>	<b>132,893</b>	<b>100.0</b>

*Source: 2011 Census, ONS via Nomis*

6.56 The Annual Population Survey measures the number of people who both work and live in Central Bedfordshire, by asking those who say they work in Central Bedfordshire where they live. In March 2014, 59,400 people who worked in Central Bedfordshire also lived in the area (65.1%). This has fallen from 70.6% in December 2013.

## **Job Vacancies**

6.57 Using Labour Insight, a software application which documents all jobs posted by employers on job search websites, it is possible to monitor the top job vacancies in Central Bedfordshire

6.58 Data from Labour Insight shows that the most frequently advertised occupation in the first half of 2014 (January to June) was Programmers and Software Development Professionals, with 115 job postings. This was the second most frequently advertised occupation in 2013 (309 postings) behind Care Workers and Home Carers (315 postings). In 2012, the most frequently advertised occupation was Cleaners and Domestic staff, with 519 postings. This shows that there are as many highly skilled jobs in Central Bedfordshire as there are unskilled and highlights the diversity of the local labour market.

6.59 The top twenty advertised occupations from 2012, 2013 and the first half of 2014, with corresponding numbers of vacant posts, can be seen in the table below.

**Table 25: Top occupations listed in Central Bedfordshire**

2012		2013		2014 (January to June)	
Occupation	No	Occupation	No	Occupation	No
Cleaners and domestics	519	Care workers and home carers	335	Programmers and software development professionals	115
Van drivers	484	Programmers and software development professionals	309	Nurses	97
Programmers and software development professionals	460	Nurses	280	Care workers and home carers	97
IT business analysts, architects and systems designers	448	Van drivers	256	IT business analysts, architects and systems designers	92
Care workers and home carers	433	Business sales executives	232	Business sales executives	82
Nurses	393	IT business analysts, architects and systems designers	207	Van drivers	82
Business sales executives	371	Mechanical engineers	185	Primary and nursery education teaching professionals	74
Other administrative occupations n.e.c.	367	Elementary construction occupations	180	Elementary construction occupations	69
Cooks	361	Sales related occupations n.e.c.	180	Other administrative occupations n.e.c.	69
Large goods vehicle drivers	322	Cleaners and domestics	168	Buyers and procurement officers	60
Sales related occupations n.e.c.	310	Other administrative occupations n.e.c.	166	Mechanical engineers	58
Sales and retail assistants	288	Primary and nursery education teaching professionals	161	Sales related occupations n.e.c.	52
Mechanical engineers	266	Sales and retail assistants	159	Book-keepers, payroll managers and wages clerks	51
Book-keepers, payroll managers and wages clerks	260	Vehicle technicians, mechanics and electricians	156	Sales Supervisors	50
Telephone salespersons	259	Book-keepers, payroll managers and wages clerks	132	IT specialist managers	50
Vehicle and parts salespersons and advisers	248	Large goods vehicle drivers	131	Call and contact centre occupations	49
IT operations technicians	247	Vehicle and parts salespersons and advisers	127	IT operations technicians	49
IT user support technicians	243	IT operations technicians	122	Human resources and industrial relations officers	46
Elementary storage occupations	238	Sales Supervisors	122	Transport and distribution clerks and assistants	45
Elementary construction occupations	227	Telephone salespersons	116	Vehicle technicians, mechanics and electricians	43

Source: *Burning Glass/Labour Insight, August 2014*

6.60 In England in the first half of 2014, the top occupations were Programmers and Software Development Professionals, followed by IT Business Analysts, Architects and System Designers, then Nurses. These were the same top occupations in both 2013 and in 2012.

6.61 At a more local level, the top occupations advertised in Dunstable/Houghton Regis<sup>10</sup>, Biggleswade and Leighton Buzzard over the same time periods were:

#### **Dunstable**

- 2012: IT Business Analysts, Architects and System Designers (169)
- 2013: Van Drivers (111)
- 2014 (Jan-Jun): IT Business Analysts, Architects and System Designers (47)

#### **Biggleswade**

- 2012: Cleaners and Domestic (102)
- 2013: Care Workers and Home Carers (53)
- 2014 (Jan-Jun): Nurses (26)

#### **Leighton Buzzard**

- 2012: Nurses (154)
- 2013: Mechanical Engineers (109)
- 2014 (Jan-Jun): Buyers and Procurement Officers (43)

### **Local considerations**

6.62 Information obtained from local JobCentre Plus advisers highlights positive changes in the labour market in the last year, alongside issues and barriers unemployed people face accessing the labour market. These are summarised below:

#### **6.63 JobCentre Plus Biggleswade**

- Work Experience, part of the Government's Get Britain Working strategy offered by Jobcentre Plus, has been successful in securing placements, particularly in the local Retail, Warehousing and Automotive sectors, some of which have resulted in sustainable job outcomes.
- More training provision has been set up locally to support people seeking work, this includes CV writing, interview skills, warehousing and IT skills
- A lack of suitable and regular public transport within some rural Central Bedfordshire communities can present a barrier to securing employment and accessing child care.
- Rural transport issues are particularly seen as a barrier into the Health and Social Care sector, particularly into Domiciliary Care, where own transport is advantageous to access the growing number of job opportunities in this sector. In addition, there is a mismatch between the number of vacancies and the number of Jobseekers seeking to work in the Health Care Sector.

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<sup>10</sup> Dunstable and Houghton Regis are combined as one recorded area on the Labour Insight database.

- Vacancies in the Construction sector are being seen following the commencement of the construction phase of the London Road Development in Biggleswade.

#### 6.64 JobCentre Plus Dunstable

- Increased numbers of local employment opportunities have been seen in the last 12 months, including recruitment by Honeytop and Superdrug, two of the larger companies in the town. The majority of local companies are SMEs and don't have large recruitment needs at any one time.
- Retail employment opportunities are sought in the respective town centres and retail park but are low, many are part time.
- There are a number of empty retail properties in Dunstable town centre and the White Lion Retail Park, which would provide additional job opportunities if these were to be filled.
- Recruiting to the continually expanding Health and Social Care sector is an issue as many people are without driving licences and/or access to their own transport
- Inadequate public transport in rural areas makes it difficult for those travelling outside Dunstable and Houghton Regis and to jobs where shift work is key feature.
- On a positive note, the Guided Busway has improved travel times to Luton enabling jobseekers to look at jobs in that town or further afield.
- The development of land around Boscombe Road will bring employment into Dunstable.

#### 6.65 JobCentre Plus Leighton Buzzard

- The Youth Contract continues to be used to find Work Experience for the 18-24 age group.
- Increasing employment opportunities in neighbouring towns such Milton Keynes and Aylesbury offering retail and warehousing in particular, has encouraged jobseekers to look further afield than previously.
- The Health and Social Care sector offers employment, but jobseekers face transport issues in this rural area.
- Many of the commuter occupations are 'professional' and 'executive' and as these opportunities have improved this group of people are also finding employment.
- Marked increase in the level of programme provision in the town to support job hunting skills, with particular reference to the digital agenda. Many programmes help newly unemployed people who need to be conversant with the new ways of seeking job opportunities.
- Jobseekers are strongly encouraged to look at their existing skills and consider how these can be used in the available jobs or if any upskilling is needed to improve their prospects of gaining employment.

6.66 Most of these issues cited by JobCentre Plus are similar to those reported in LEA 2013. It is clear that in 2014 the main issues facing jobseekers remain around access to transport to enable them to take up job opportunities further afield, which comprise shiftwork or which are in the domiciliary care sector. As

can be seen from the earlier analysis of Labour Insight, these jobs tend to be those most frequently advertised in Central Bedfordshire.

## Occupation

6.67 Within Central Bedfordshire the majority of people are employed in managerial, professional or skilled occupations. This is higher than national and regional levels.

6.68 In March 2014, 58.8% of people were employed in these categories, representing a high level of skills and productivity. This is above regional (56.2%), SEMLEP (54.6%) and national levels (55.1%) and is evidence of Central Bedfordshire's strong workforce. The percentage of working age population in these categories has risen across all areas in the year to March 2014.

**Table 26: Occupational structure (%)**

Industry	Central Beds	England	SEMLEP	East
Managers and senior officials	12.6	10.5	10.2	11.0
Professional occupations	19.7	19.9	20.5	19.6
Associate prof & tech occupations	16.1	14.3	14.3	14.8
Administrative and secretarial occupations	13.9	10.7	11.7	11.2
Skilled trades occupations	10.4	10.4	9.6	10.8
Personal service occupations	7.9	9.0	8.2	9.1
Sales and customer service occupations	7.0	7.8	7.3	6.9
Process, plant and machine operatives	6.7	6.2	6.9	6.3
Elementary occupations	5.4	10.6	10.7	9.6

*Source: ONS Annual Population Survey, March 2014*

6.69 The East of England Forecasting Model (EEFM) 2013 forecasts job growth in Central Bedfordshire to 2031. This is a policy off 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. An update to the East of England Forecasting Model is due in late 2014 and will be reported in the 2015 Local Economic Assessment. Information from the previous model can be found in the 2013 Local Economic Assessment at [www.centralbedfordshire.gov.uk/economy](http://www.centralbedfordshire.gov.uk/economy).

## Indices of Deprivation

6.70 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. The most recent data on deprivation is the 2010 Department for Communities and Local Government Indices of Multiple Deprivation. The next update to this will come in 2015 and will therefore be reported in the 2015 Local Economic Assessment. In the meantime, all past data can be found in the 2013 Local Economic Assessment at [www.centralbedfordshire.gov.uk/economy](http://www.centralbedfordshire.gov.uk/economy).

## Income

6.71 The gross average weekly income of Central Bedfordshire residents in 2013 was £575, a 2.3% increase on the 2012 figure (£562). This was greater than England (1.5% increase) and similar to the East of England (2.1%) The total average earnings are above all comparator areas: England is £521 and the East of England is £543. (There is no data available at SEMLEP level) The Central Bedfordshire rate of increase was similar to the average inflation rate for 2013 (2.5%) but the national rate was much below.

6.72 The average earnings for people working in Central Bedfordshire, but who may be resident elsewhere, are significantly lower (£493 per week), reflecting the fact higher paying jobs outside of the area is still an issue. This has, however, increased by £44 or 9.8% in the past year, growing at a faster rate than inflation and than the resident rate. The gap between those who work in Central Bedfordshire and those who live in Central Bedfordshire has also fallen slightly and now stands at £82.

6.73 The difference between the top and bottom percentiles of the gross average weekly income of Central Bedfordshire residents in 2013 was £818.70. The gap has decreased by £4.80 since 2012, whereas the gap has increased at a national level by £15.50 to £754.30 in 2013.

**Table 27: Gross weekly earnings of Central Bedfordshire residents, 2013, full-time workers only (includes overtime), £GBP**

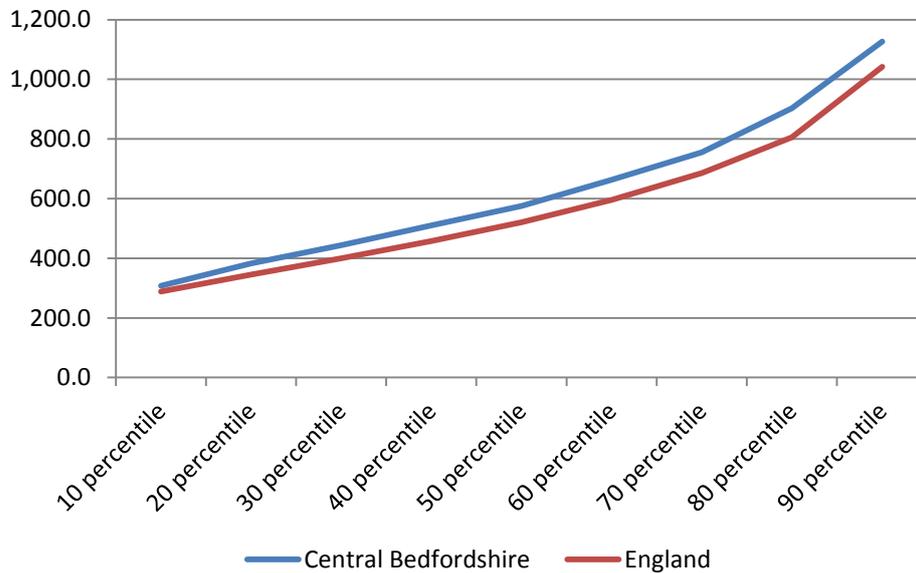
Percentile	Male	Female	All
10 percentile	342.8	263.4	307.7
20 percentile	401.4	303.6	382.6
30 percentile	463.8	352.8	444.0
40 percentile	555.3	412.4	510.5
50 percentile	640.5	467.2	574.9
60 percentile	745.9	528.2	663.1
70 percentile	860.8	607.4	755.0
80 percentile	977.4	691.5	902.6
90 percentile	Not available	Not available	1,126.4

*Source: Annual survey of hours and earnings 2013 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*

6.74 As can be seen in the table above, the rate of earnings for females in Central Bedfordshire is consistently lower than that for males.

6.75 At every percentile point, Central Bedfordshire residents earn more than the national average, as can be seen in the graph below.

**Figure 38: Gross weekly earnings 2013, £s**



*Annual Survey of Hours and Earnings 2013, Resident Analysis, ONS via Nomis*

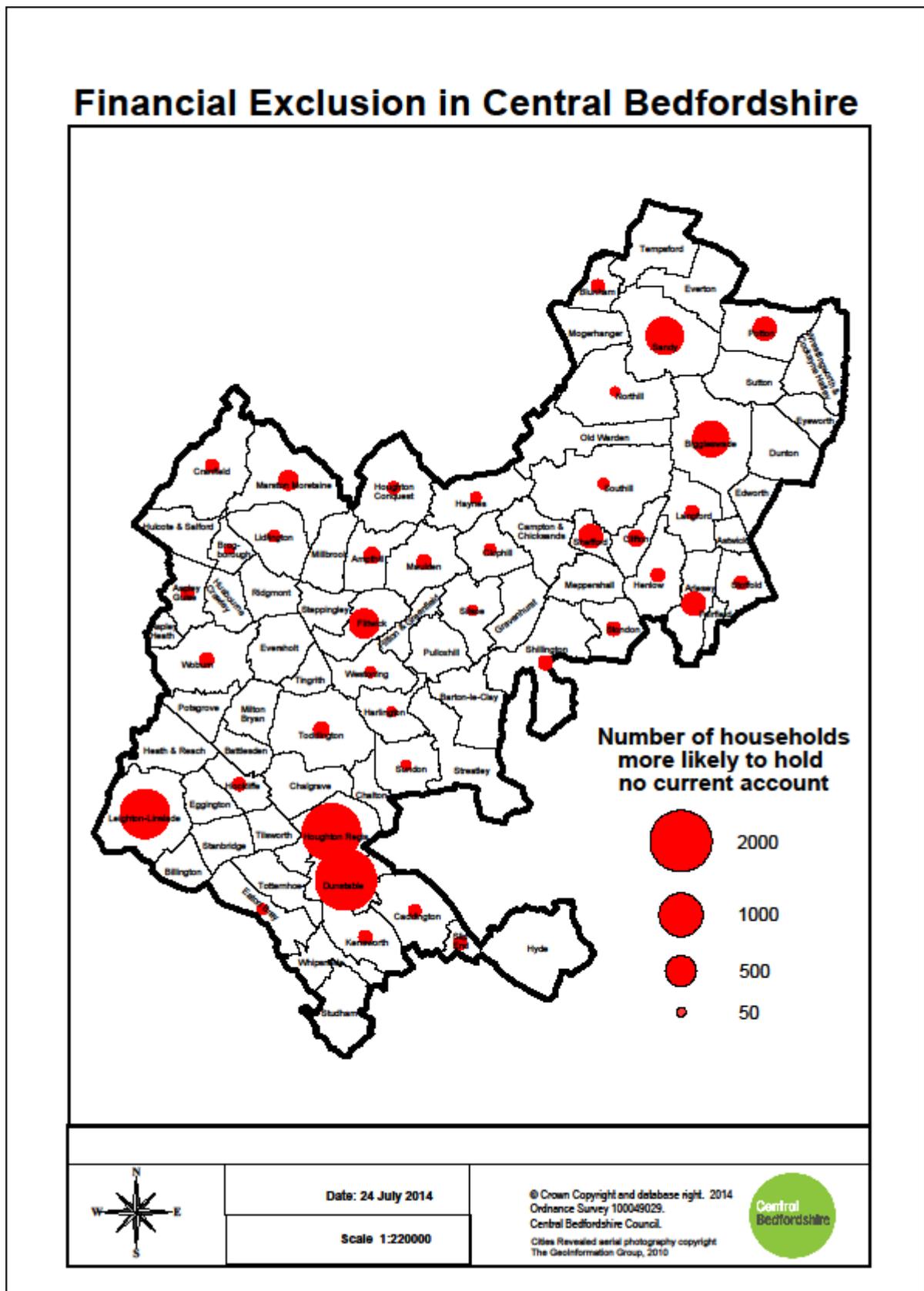
6.76 It is also possible to measure the gross weekly income of households in smaller areas in Central Bedfordshire (Middle Super Output Areas – MSOAs), however the most recent data available at this level is from 2008. This was reported in the 2013 Local Economic Assessment, which can be found at [www.centralbedfordshire.gov.uk/economy](http://www.centralbedfordshire.gov.uk/economy).

6.77 Income and 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 a bank account.

6.78 The Mosaic dataset can be used to highlight households that are typically experiencing financial exclusion. Data from Mosaic has been used to provide the map below, which shows the number of households in each parish that are more likely not to hold a current account (ie. face financial exclusion).

6.79 The largest numbers of financially excluded people can be found in Dunstable and Houghton Regis, although Leighton Buzzard, Biggleswade and Sandy also have high levels relative to their population.

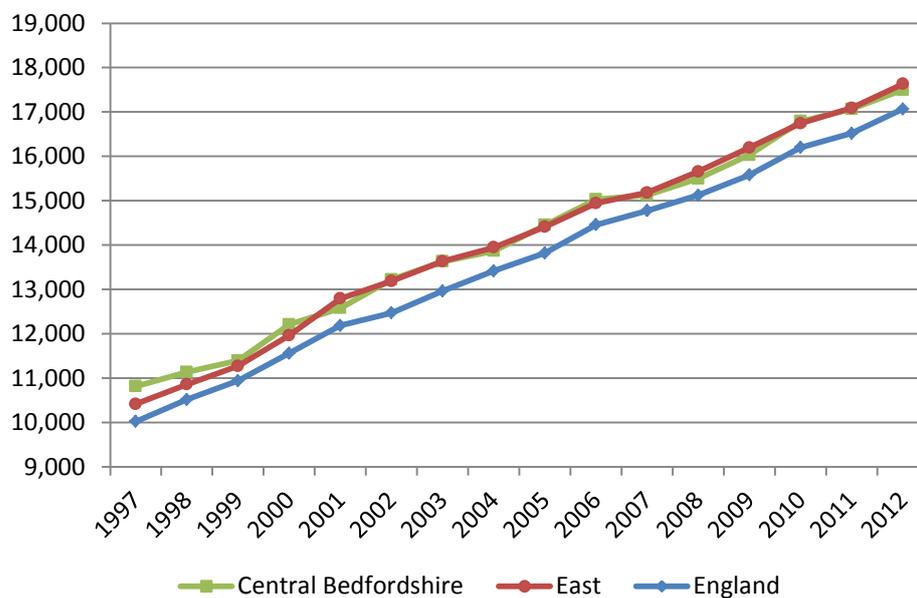
Figure 39: Financial exclusion in Central Bedfordshire



Source: Experian, Mosaic data, July 2014

6.80 Gross Disposable Household Income (GDHI) is a further indicator of the economic situation of households in Central Bedfordshire. GDHI is the amount of money that all of the individuals in the household sector have available for spending or saving after income distribution measures (for example taxes, social contributions and benefits) have taken effect. In 2012, individuals in Central Bedfordshire had an annual disposable income of £17,499. (Source: Regional Gross Disposable Household Income (GDHI) NUTS3 tables, ONS, June 2014). This has risen every year since records began in 1997 and is consistently above the national level (£17,066 in 2012) and around the same as the East of England level (£17,630 in 2012).

**Figure 40: Gross Disposable Household Income over time (£ per head) at current basic prices**



Source: Regional Gross Disposable Household Income (GDHI) NUTS3 tables, ONS, June 2014

## Poverty

6.81 According to latest data from HMRC in 2014, 12.6% of children in Central Bedfordshire live in poverty in homes that are below 60% of the median income. This compares to 20.1% in England and has remained almost static in the past two years. (Source: HMRC, Child poverty statistics, snapshot as at 6 February 2014).

6.82 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 regime<sup>11</sup>. According to the Department for Energy and Climate Change, in 2012, 9,200 households in Central Bedfordshire (8.9%) were living in fuel poverty. This compares to 9.8% in the whole of Bedfordshire and 11.6% in the East of England. The figure has fallen from 12,900 people in 2010 and all areas have seen a decline in the rate. 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, five small areas (LSOAs<sup>3</sup>) are in the worst 30% in England for fuel poverty. Most of these areas cover more than one parish. The five areas are: Old Warden and Southill (this area has the highest rate of fuel poverty in Central Bedfordshire – in the worst 10% in England); Battlesden, Eversholt, Milton Bryan, Potsgrove, Ridgmont and Woburn; Cranfield, Brogborough, Hulcote & Salford; Chalgrave, Tilsworth, Eggington, Stanbridge and Billington; and part of Aspley Guise. In total there are 13 LSOAs in Central Bedfordshire which are in the 50% most deprived in England for fuel poverty.

6.83 Poverty does not just affect children, nationally 9% of pensioners after housing costs, and 14% before housing costs, live in persistent poverty (for at least three years with income below 60% of median income). Pensioner poverty continues to be greatest among older and female pensioners, disabled pensioners not in receipt of disability benefits, and ethnic minorities.

6.84 Some older people have insufficient resources to meet their needs and find difficulty accessing welfare benefits, due to the complexity of the benefits system. The biggest gains in pensioner family income are likely to come from Pension Credit, especially for the poorest families. However up to a third of those eligible to claim do not, as the onus is on the person to claim it. (Source: Age Concern, September 2008, Flagship or Flagging)

6.85 The 2010 Indices of Deprivation gives details of the number of pensioners living in poverty. As this has been reported in previous Local Economic Assessments, and will not be updated until 2015, more details can be found in the 2013 Local Economic Assessment at [www.centralbedfordshire.gov.uk/economy](http://www.centralbedfordshire.gov.uk/economy).

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<sup>11</sup> A satisfactory regime is considered to be 21 degrees for the main living area, and 18 degrees for other occupied rooms.



# Skills



## Skills

### Key Issues

- Achievement at all levels, except for NVQ Level 2, has fallen over the past year and in almost all cases is below national, regional and SEMLEP levels. Central Bedfordshire now has a higher rate of people of working age with no qualifications (10%) than nationally and regionally and the rate has increased in the last year.
- GCSE attainment has improved in 2013, by 2.6% to 81.9% of pupils gaining 5 A\*-C grades at any subject. This is around the same as the national (81.8%) and higher than regional levels (80.6%), but the improvement in Central Bedfordshire was better than in England (2.2%) and the same as the East of England (2.6%). This was also accompanied by an improvement in attainment in some of the most deprived wards in Central Bedfordshire.
- The majority of businesses that have had vacancies in the last 12 months have recruited any new staff (91%) and just over two-fifths of businesses that have had any vacancies have experienced difficulties in filling these vacancies (46%). This equates to 21% of all Central Bedfordshire businesses, and compares with 18% in 2013.
- Approaching two-fifths of respondents to the 2014 Business Survey (37%) cited some skills missing amongst their current workforce. Compared to 2013, this represents an increase of 19% (18% reported skill gaps in 2013).
- The majority of businesses in Central Bedfordshire (57%) have funded or arranged training or development for their employees in the last 12 months.
- When recruiting staff, the top skills cluster sought by Central Bedfordshire employers is communication skills.
- In March 2014, 10.9% of people report having job related training in the past four weeks, a significant increase from a high of 7.1% in December 2012. The figure is above East of England (10.2%), national (9.6%) and SEMLEP (9.9%) levels.
- In March 2014, 4.2% of young people in the academic years 12-14 were not in education, employment or training (NEET). NEET levels have fallen from 5.0% to 4.2% since March 2013.
- Apprenticeship numbers (starts) have increased by 3.1% which is significantly less than the previous year, which witnessed a 20.3% increase. All areas saw fewer starts in this time. The rate of growth is higher than the region (0.7%) and statistical neighbours (0.3%) and significantly better than the national picture, where an overall decline in All Age starts was seen (-2.2%).
- One in fourteen businesses in Central Bedfordshire (7% compared to 12% across SEMLEP) employed someone on an Apprenticeship programme in 2014. This has not changed since 2013. Of those that do not currently employ an apprentice, 48% said they would consider taking one on.

7.1 This chapter monitors the skills of the population in Central Bedfordshire, to provide an evidence base for ongoing policy making and to monitor the effectiveness of current and past activity.

7.2 The indicators examined in this chapter are:

- Skills levels
- Rural skills levels
- Employment, skills gaps and shortages
- Training and Development
- Workforce Development Plans
- GCSEs
- Skills Deprivation
- NEET
- Apprenticeships

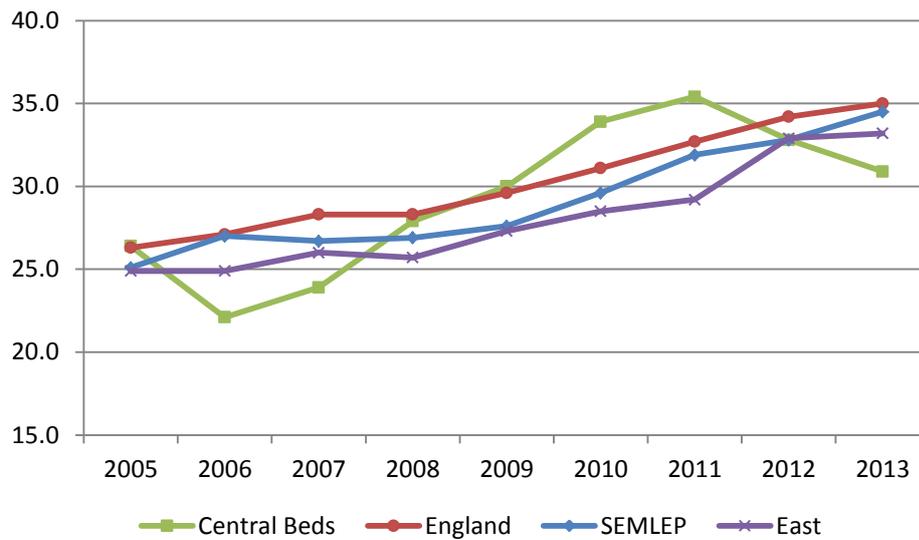
## **Skills Levels**

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.

7.4 Overall there has been a decrease in attainment at most NVQ Levels, except for NVQ Level 2, which remained static. Achievement at NVQ Levels 1-4 has increased both nationally and regionally. The number of people with no qualifications is now higher in Central Bedfordshire than both regionally and nationally.

7.5 In Central Bedfordshire, 30.9% of the working age population were qualified to NVQ Level 4 (degree equivalent) or above in 2013, compared to 32.8% in 2012. This is lower than England (35.0%), East of England (33.2%) and SEMLEP (34.5%).

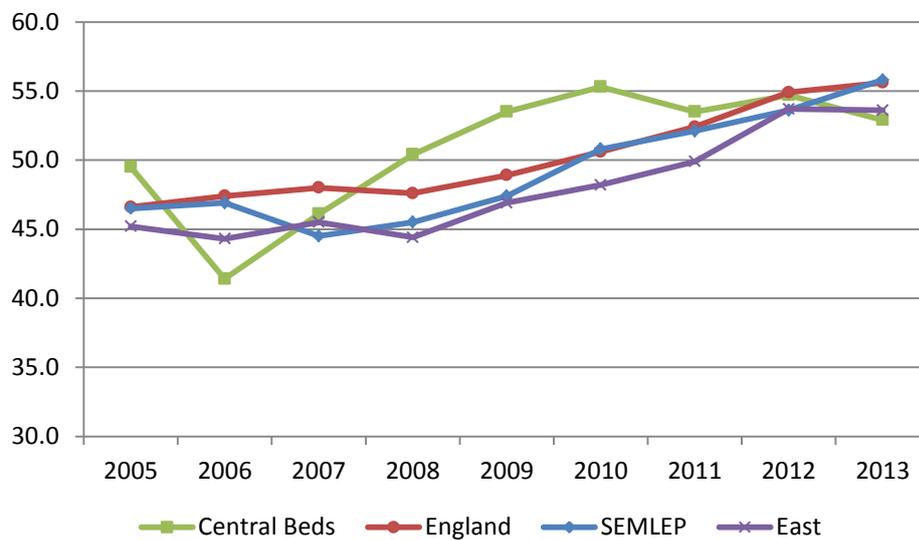
**Figure 41: % of working age population with Level 4+ qualifications**



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

7.652.9% of the working age population were qualified to NVQ Level 3+ in December 2013, compared to 54.7% in 2012. This is lower than England (55.6%), East of England (53.6%) and SEMLEP (55.8%).

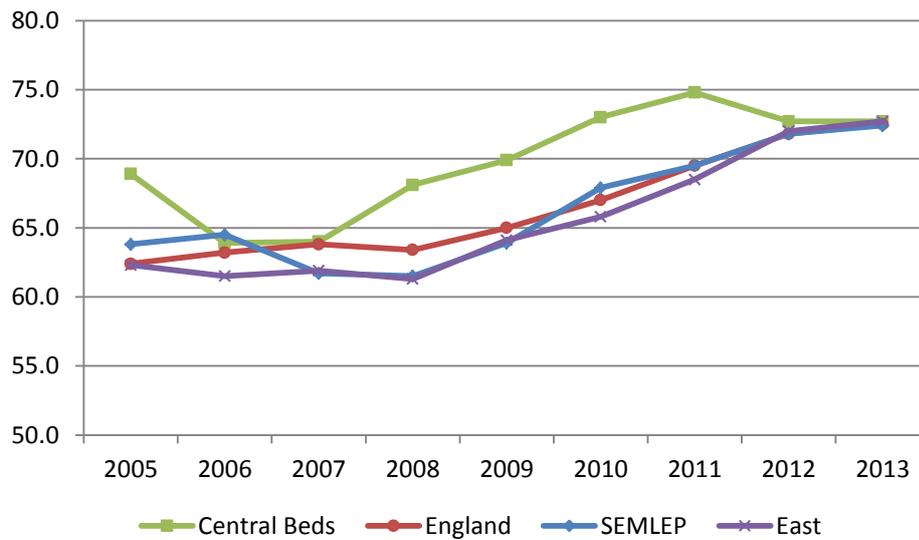
**Figure 42: % of working age people with Level 3 qualifications**



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

7.7At NVQ Level 2+, Central Bedfordshire (72.7%) is around the same as all comparator areas. The rate for England is 72.5%, SEMLEP 72.4% and the East of England 72.7%. This figure remained static between 2012 and 2013.

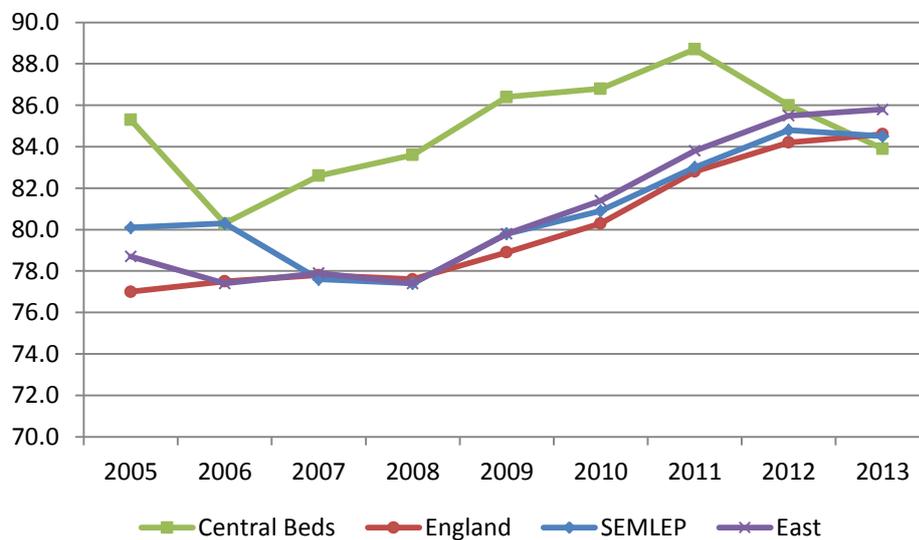
**Figure 43: % of working age people with Level 2 qualifications**



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

7.8 Central Bedfordshire’s level of people qualified to Level 1+ has also fallen in the last year and is below all comparator areas. At 83.9%, this compares to 84.6% in England, 84.5% in SEMLEP and 85.8% in the East of England.

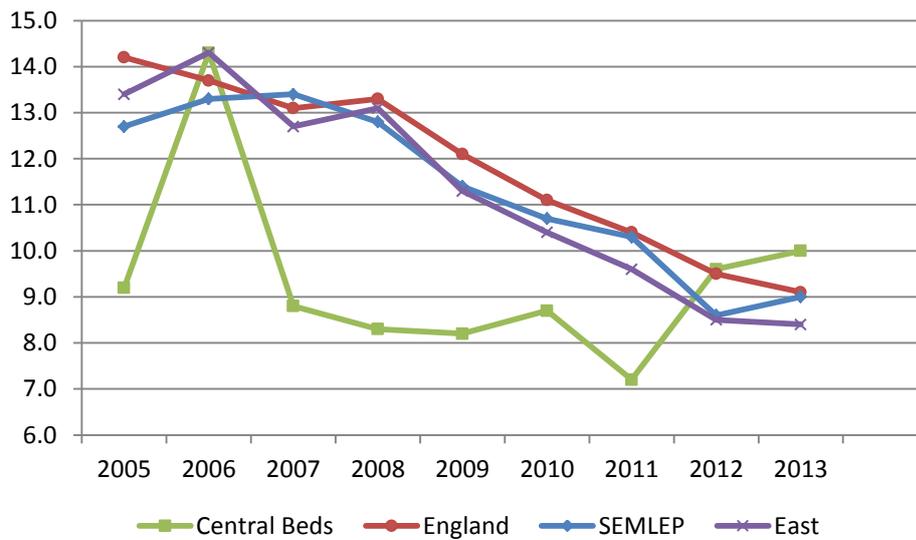
**Figure 44: % of working age people with NVQ Level 1+**



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

7.9 Over the past year the number of people with no qualifications has increased and the rate is now higher than national and regional. In 2013, 10% of people of working age had no qualifications. This compares to 9.1% for England, 8.4% for East of England and 9% for SEMLEP area.

**Figure 45: % of working age people with no qualifications**



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

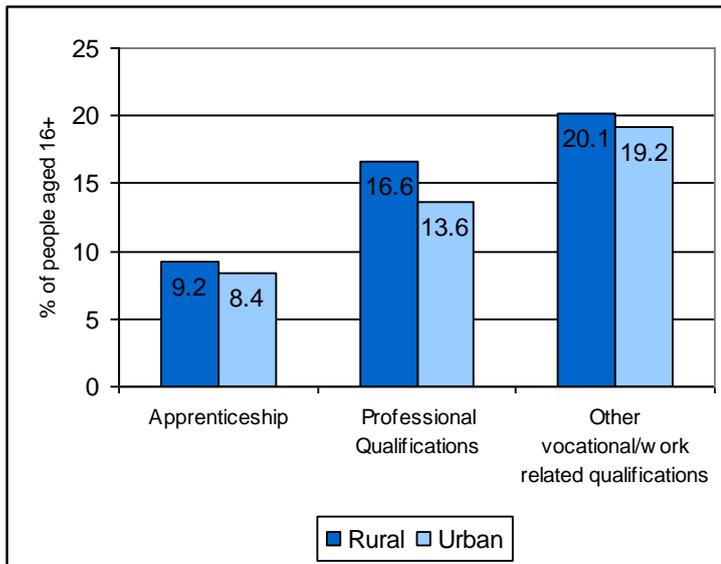
## Rural skills levels

7.10 Skills data can be looked at from an urban and rural perspective. A higher proportion of people live in rural areas in Central Bedfordshire than regionally or nationally.

7.11 20.1% of all people aged 16-74 in rural areas in Central Bedfordshire have work related qualifications. Figures below look at levels of work-related skills and qualifications in Central Bedfordshire, measured as the proportion of the population aged 16-74. Note the counts are based on all qualifications held rather than highest qualification held – an individual with an apprenticeship qualification, a professional qualification and another work-related qualification will be included in all three counts.

7.12 A higher percentage of people (9.2%) in Central Bedfordshire living in rural areas have apprenticeship qualifications compared with people in urban areas (8.4%). A higher percentage of people in rural areas have professional qualifications (16.6%) compared with people in urban areas (13.6%).

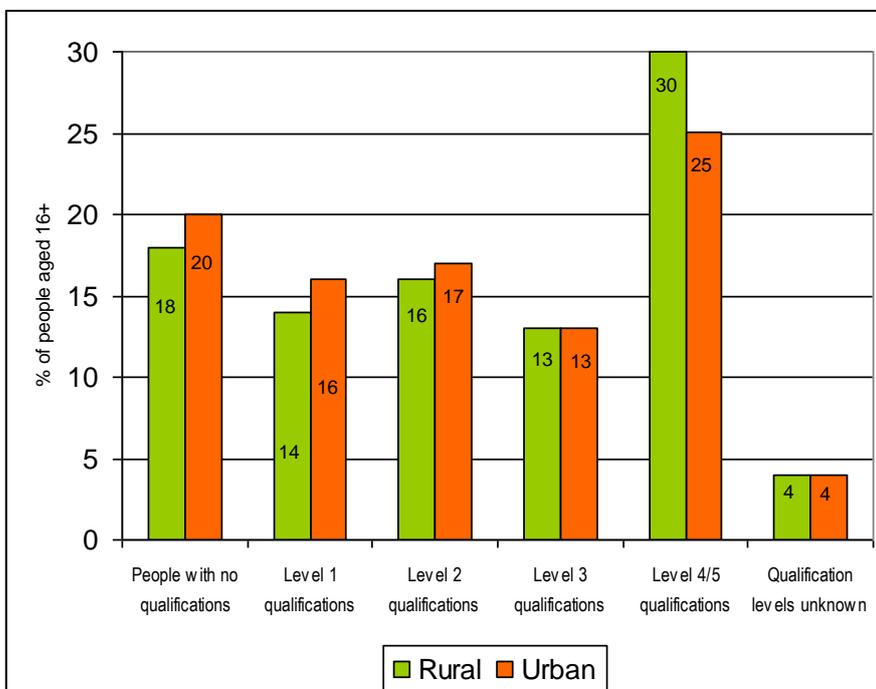
**Figure 46: Work-related qualification levels in the local area (rural vs urban)**



Source: *The rural economy in Central Bedfordshire, ACRE, OCSI 2013*

7.13 A lower percentage of people living in rural areas of Central Bedfordshire have no qualifications (18%) compared with people in urban areas (20%). A higher percentage of people in rural areas have degree qualifications (30%) compared with people in urban areas (25%).

**Figure 47: Qualification levels in the local area (rural vs urban)**

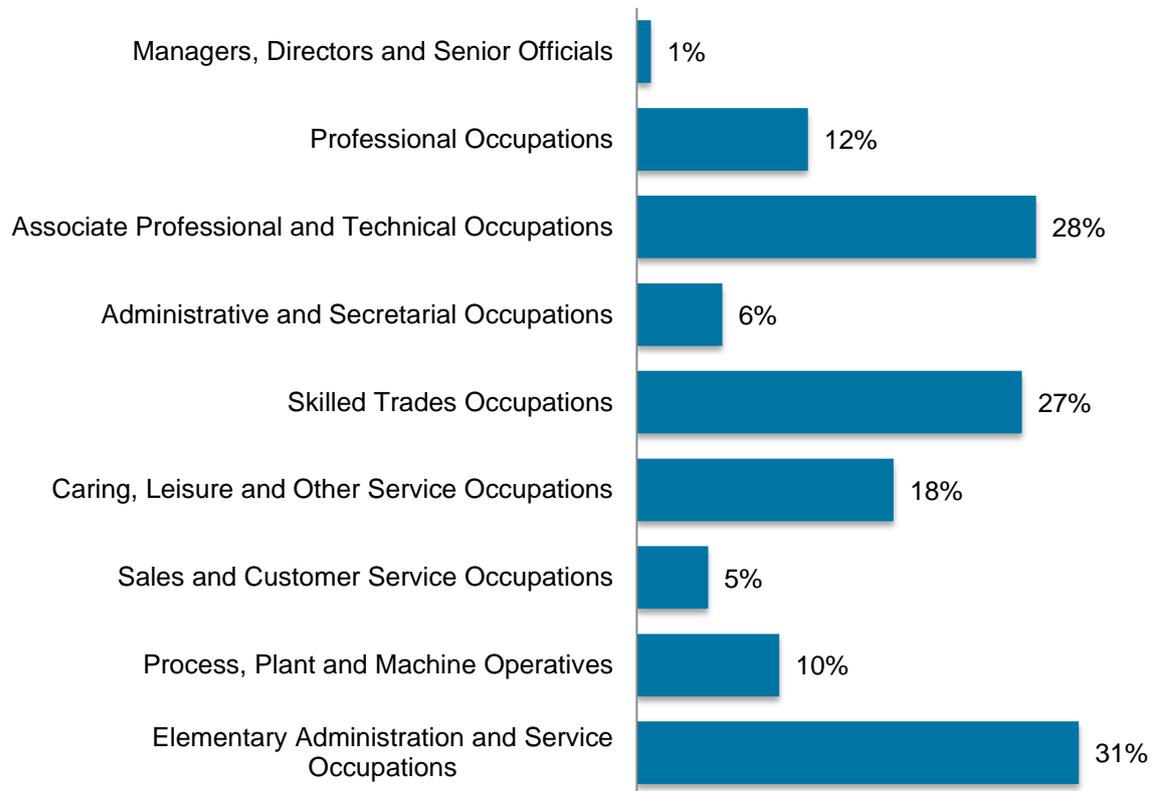


Source: *The rural economy in Central Bedfordshire, ACRE, OCSI 2013*

## **Employment, skills gaps and shortages**

- 7.14 Data is also available on the nature of skills required by the local business community. The 2014 Business Survey asked local businesses about their recent recruitment and any skills shortages they found within the local labour market. They were also asked about skills gaps in their internal workforce.
- 7.15 Half the businesses surveyed in Central Bedfordshire (45%) have had vacancies in the last 12 months. The 2013 UK Commission's Employer Skills Survey reported that 15% of employers had vacancies at the time of the survey. Although this is a lower proportion than in Central Bedfordshire, it is focused on current vacancies (rather than vacancies in the last 12 months) and excluded sole traders and establishments with just one employee and no working proprietors from the survey population.
- 7.16 The majority of businesses that have had vacancies in the last 12 months have recruited any new staff (91%) and just over two-fifths of businesses that have had any vacancies have experienced difficulties in filling these vacancies (46% compared to 43% across SEMLEP). This equates to 21% of all Central Bedfordshire businesses, and compares with 18% in 2013.
- 7.17 The 2013 UK Commission's Employer Skills Survey reported that almost 3 in 10 vacancies are hard to fill, mainly due to shortages in suitably skilled, qualified and/or experienced workers. The survey also reported that the number of skills shortages in England had nearly doubled since 2009.
- 7.18 Hard-to-fill vacancies are most likely to have been experienced when recruiting for elementary administration & service (31% of those having hard-to-fill vacancies), associate professional & technical (28%) and skilled trades (27%) occupations. The 2013 UK Commission's Employer Skills Survey also reported that skilled trades roles are the most common occupation with skills shortages.
- 7.19 Between 5% and 18% of businesses that have had vacancies in the last 12 months have experienced recruitment difficulties in other occupational groups; the exception being for managers, directors and senior officials (1%).

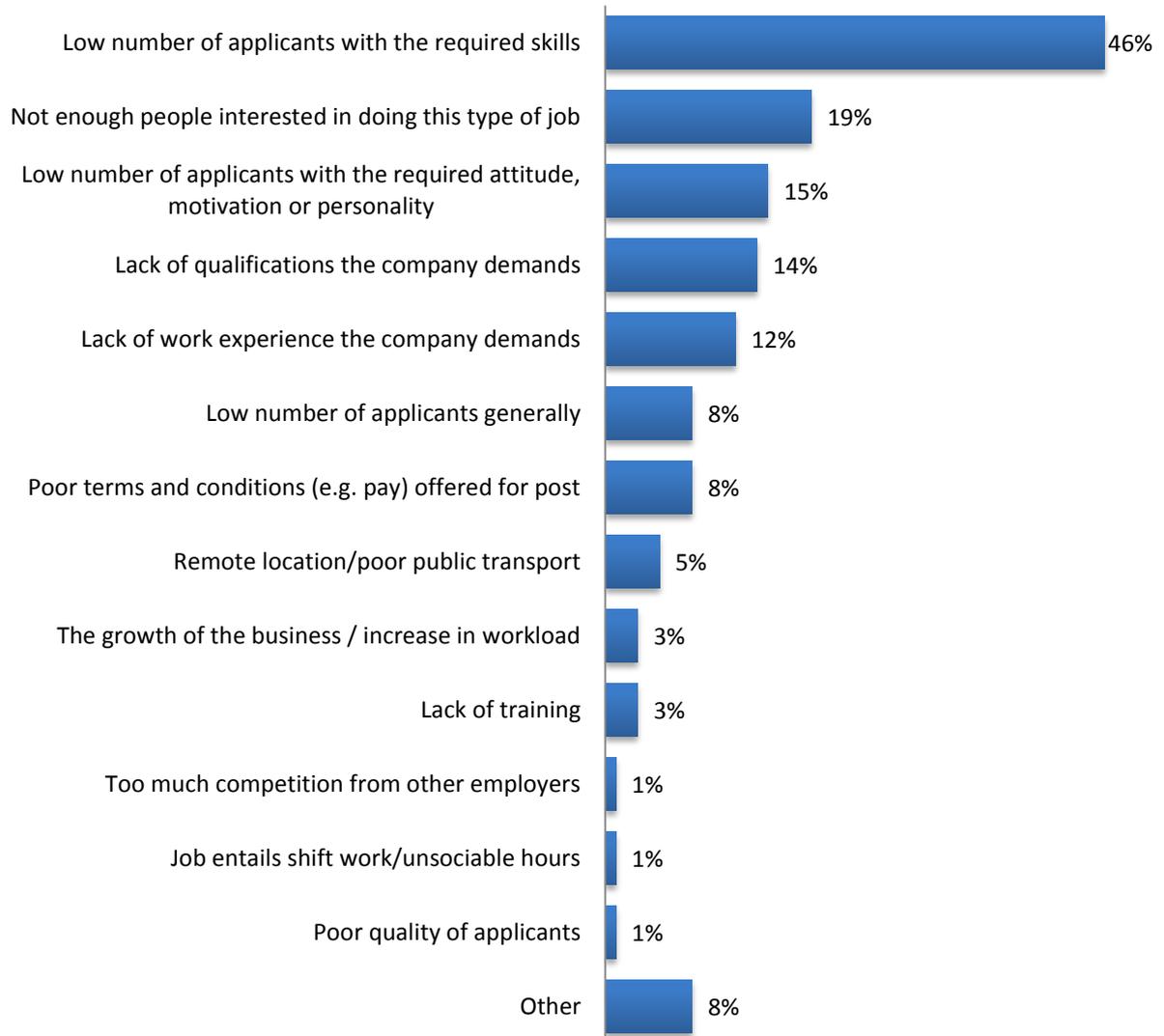
**Figure 48: Occupations in which hard-to-fill vacancies have been experienced (where have had hard-to-fill vacancies)**



*Source: 2014 Business Survey, BMG Research*

7.20 The most frequently cited reason for difficulties in recruiting into a role is lack of the right skills amongst applicants (46%), while at least one in seven cited lack of people interested in doing this type of job (19% compared to 11%) and low number of applicants with the required attitude (15% compared to 13%).

**Figure 49: Reasons for having hard-to-fill vacancies – unprompted, multiple response (where have had hard-to-fill vacancies)**

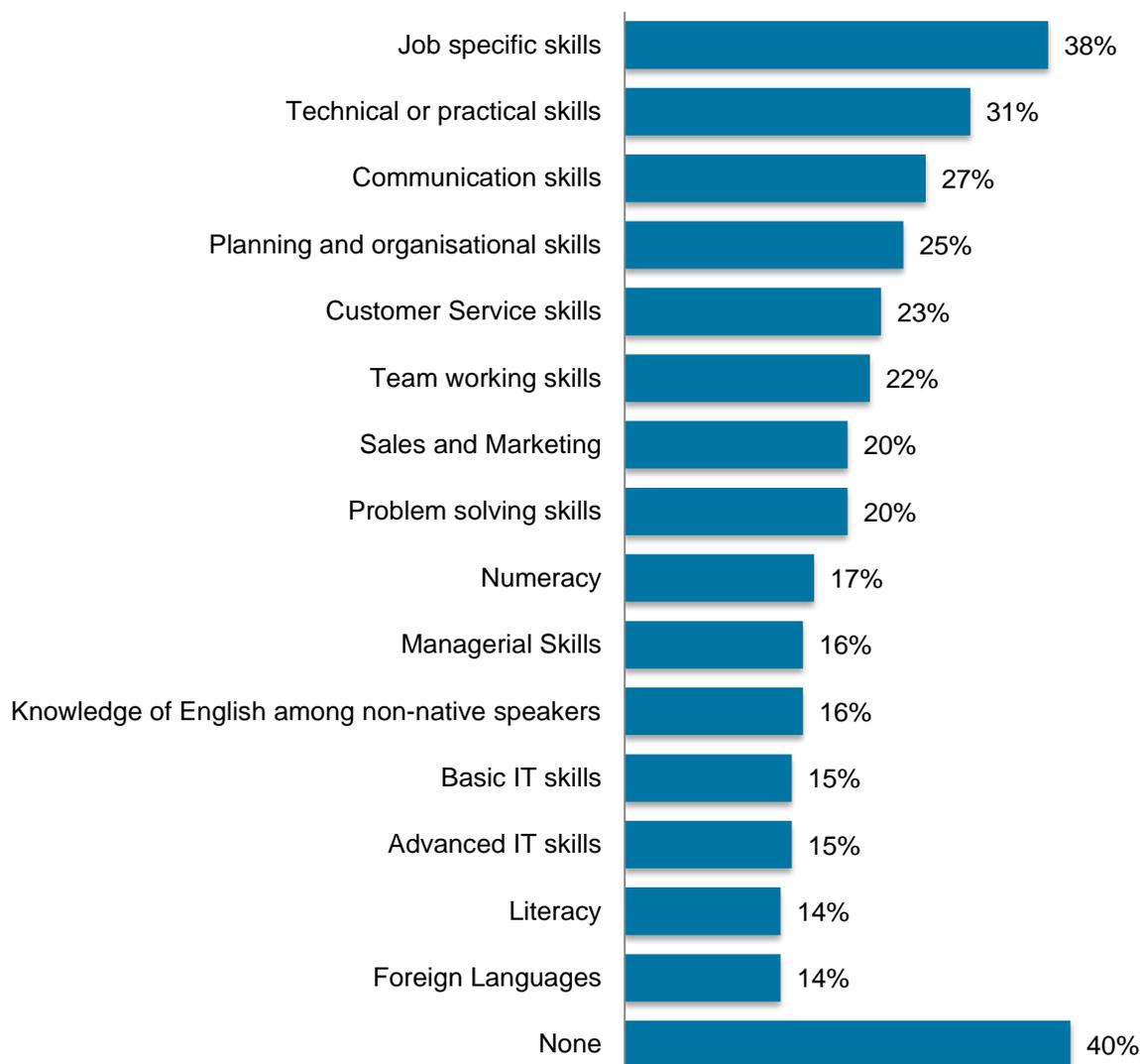


Source: 2014 Business Survey, BMG Research

7.21 All respondents that reported having had vacancies in the last 12 months (representing 45% of all businesses) were asked if they have found any of a number of skills difficult to obtain when recruiting staff during this time. Three-fifths of these businesses (60% compared to 63% across SEMLEP) had found some skills difficult to obtain. This equates to 27% of all Central Bedfordshire businesses, and compares with 34% in 2013.

7.22 The two most frequently cited skills that recruiting businesses have found difficult to obtain include job-specific skills (38%) and technical or practical skills (31%).

**Figure 50: Skills that businesses have found difficult to obtain in the last 12 months – prompted, multiple response (where have had vacancies)**



Source: 2014 Business Survey, BMG Research

7.23 When asked why skills had been difficult to obtain, respondents were generally quite vague in their description of the issues. A minority highlighted a lack of proper education/training or work ready school, college or university leavers.

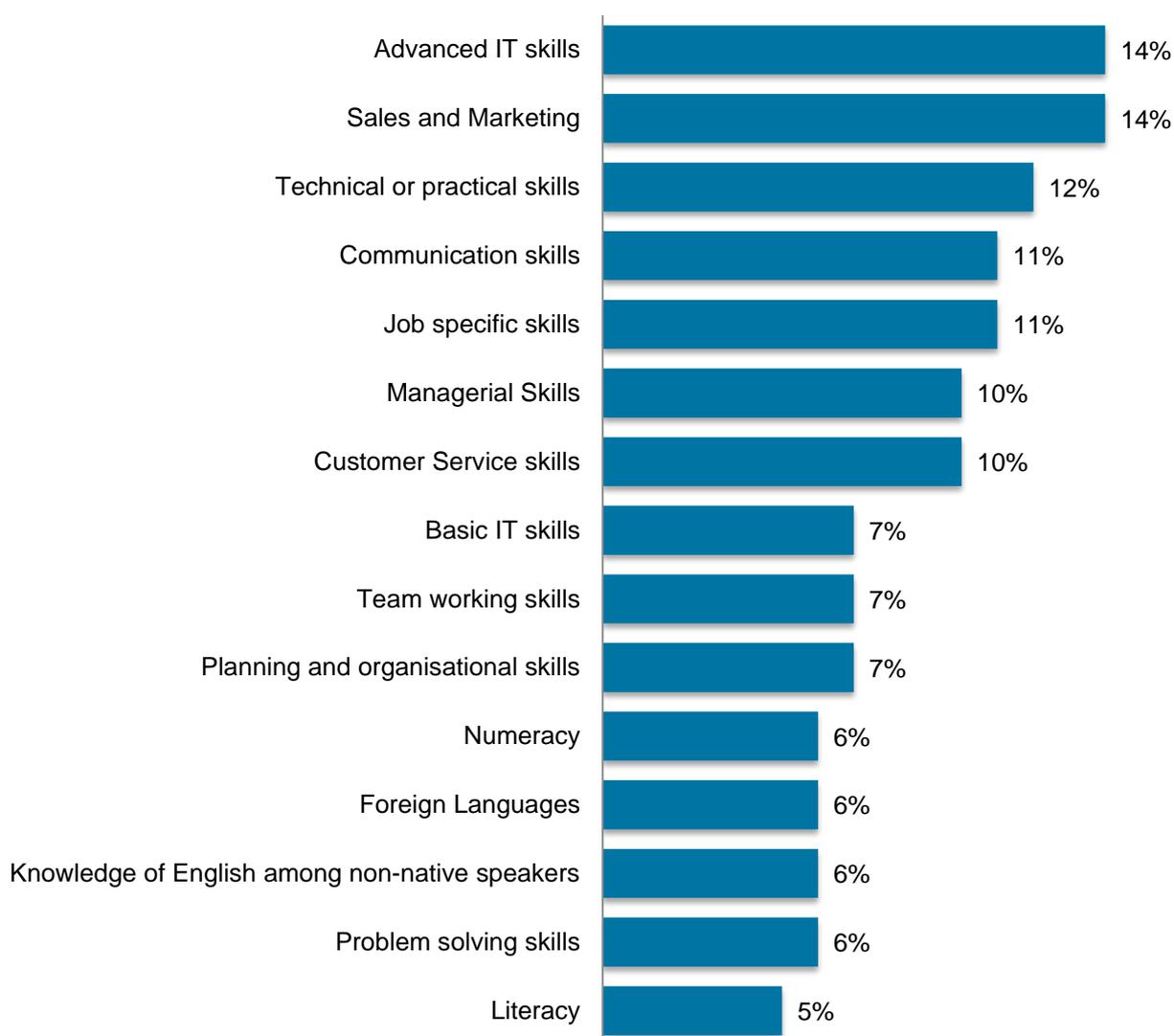
7.24 While the nature of recruitment difficulties and the skills lacking amongst job applicants are indicative of skill shortages within the local labour force, skills gaps show where skills are lacking within the existing workforce of a business.

7.25 Approaching two-fifths of respondents (37%) cited some skills missing amongst their current workforce. Compared to 2013, this represents an increase of 19% (18% reported skill gaps in 2013). This compares to a similar proportion (38%) across the SEMLEP area as a whole. The Central Bedfordshire proportion is significantly higher than average among manufacturing businesses (57%).

7.26 The 2013 UK Commission’s Employer Skills Survey cited that 15% of employers reported that some staff are not fully proficient, and these gaps represent 1 in 20 (5%) employees. Again, this excludes sole traders and establishments with just one employee and no working proprietors, and these figures are only indicative.

7.27 In terms of the skills that are missing in their existing workforce, advanced IT skills (14%) and sales & marketing skills are most frequently mentioned (14%).

**Figure 51: Areas in which businesses report skill gaps – prompted, multiple response (all respondents)**

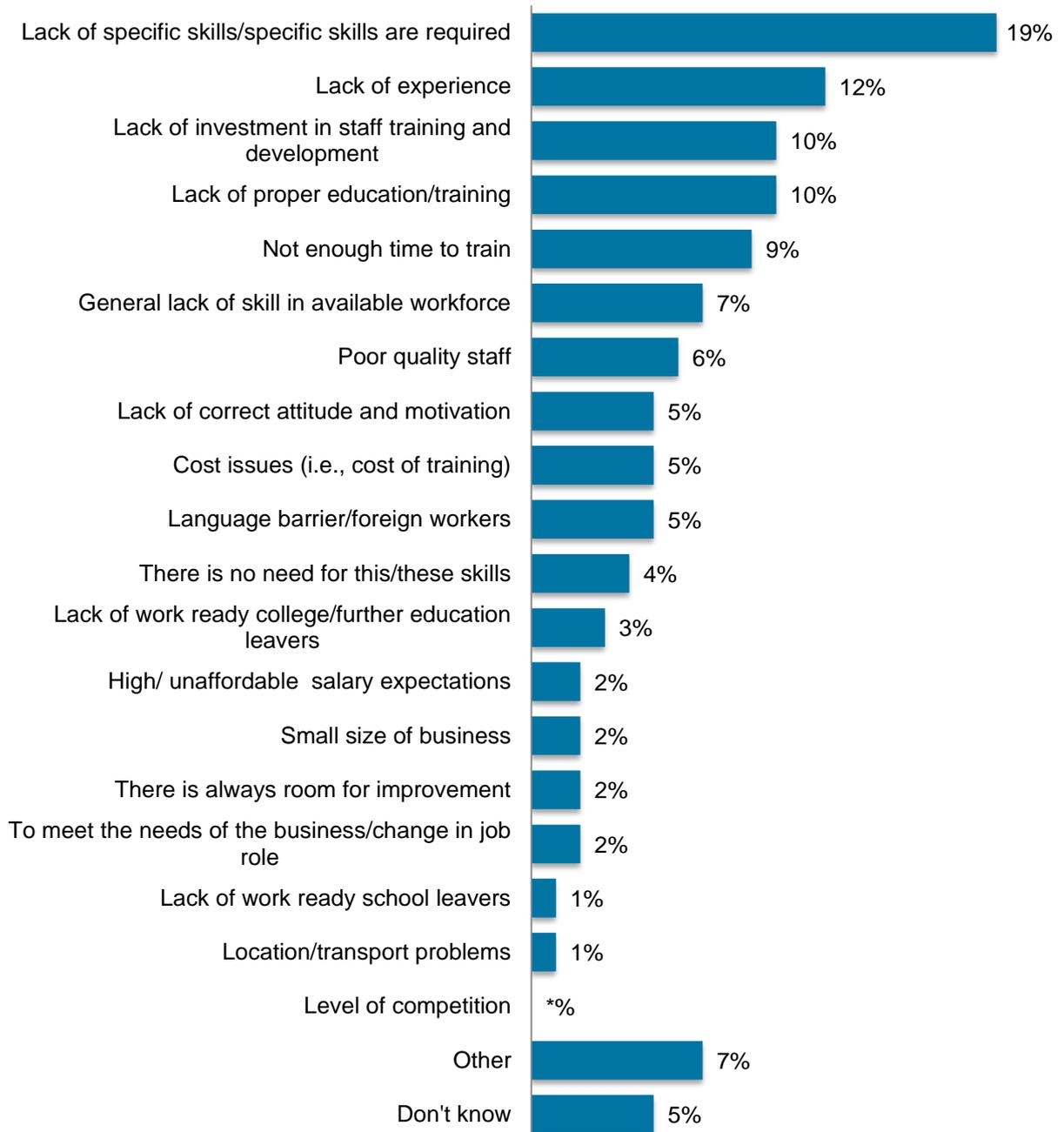


Source: 2014 Business Survey, BMG Research

7.28 When asked why they have skill gaps, once again, respondents do not tend to give detailed explanations. About one in ten (9%) states they do not have time to

train and a similar proportion highlight their lack of investment in staff training and development (10%). The 2013 UK Commission's Employer Skills Survey reported that three quarters of all skills gaps are due at least in part to employees being new and/or still in training.

**Figure 52: Reasons why there are skill gaps– unprompted, multiple response (where have skill gaps)**

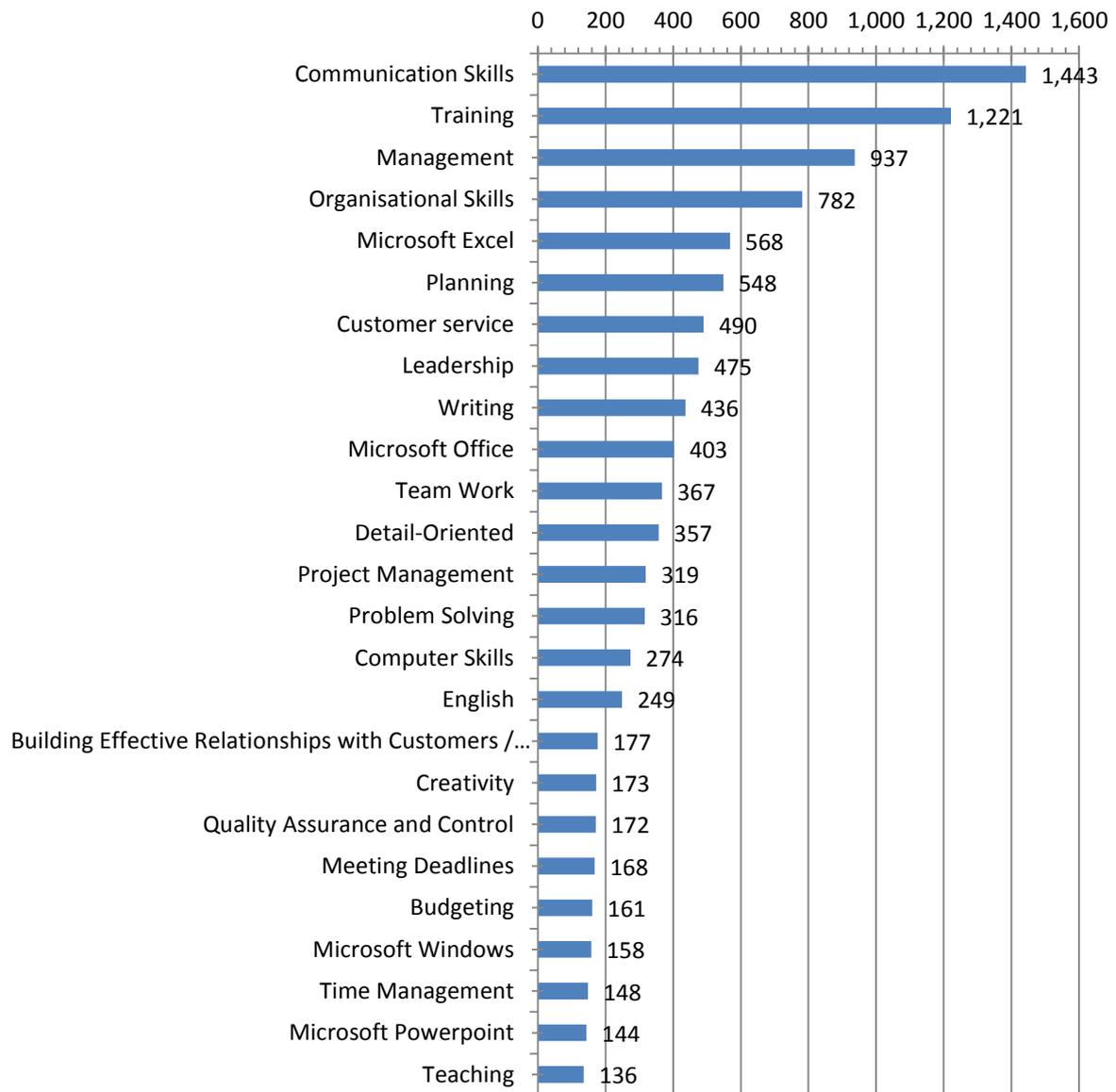


Source: 2014 Business Survey, BMG Research

7.29 Data obtained from Labour Insight, a software application which documents all jobs posted by employers on job search websites, gives details of the most

frequently sought skills clusters by recruiting employers. In the year to August 2014, the skill most often required was ‘communication skills’ in over 1,400 of the almost 9,000 jobs advertised in this time. This was followed by ‘training’ (which means that either the applicant must have job-specific training or that training will be provided, so it is a little ambiguous) then ‘management’ and ‘organisational skills’. The graph below gives further details of the top 25 skills clusters.

**Figure 53: Skills in greatest demand in advertised vacancies in Central Bedfordshire**

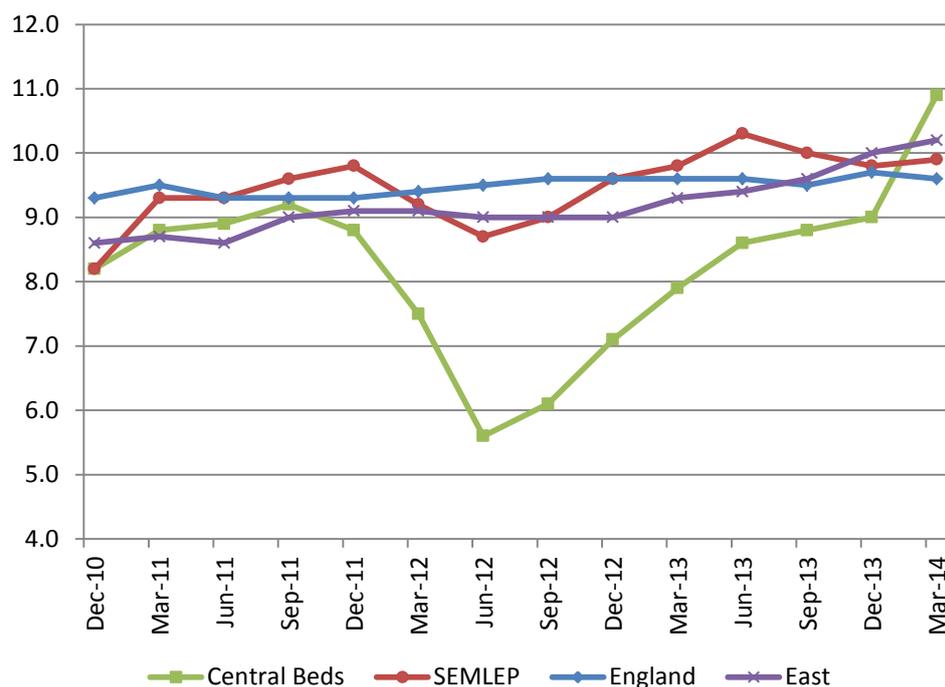


Source: Burning Glass/ Labour Insight, September 2014

## **Training and development**

- 7.30 More than half of businesses in Central Bedfordshire (57% compared to 58% across the South East Midlands area) have funded or arranged any training or development for employees at their site in the last 12 months.
- 7.31 Results cannot be compared to 2013 due to a change in the questionnaire, however, as an indication, 39% of businesses had funded or arranged any off-the-job training and 58% had funded or arranged any on-the-job training last year.
- 7.32 The 2013 UK Commission's Employer Skills Survey reported that 66% of employers fund or arrange training for their staff. Again, this excludes sole traders and establishments with just one employee and no working proprietors, and this figure is only indicative.
- 7.33 This proportion increases with the size of the business (at that site), particularly the 10-24 size band which is significantly higher than the average (82%).
- 7.34 When asked why their business had not funded or arranged any training or development for employees in the last 12 months, the majority of respondents (73%) said there had been no need to do so. This is by far the most frequently cited reason. The cost as a constraint was cited by just under one in ten (8%) with the same proportion citing few/no employees (8%) and 6% in-house/head office training.
- 7.35 According to the 2013 UK Commission's Employer Skills Survey, by far the most common reason that employers do not provide training is that they believe all staff are fully proficient in their roles.
- 7.36 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. In March 2014, 10.9% of working age people report having job related training in the past four weeks, a significant increase from the 5.6% seen in June 2012. The figure is above East of England (10.2%), national (9.6%) and SEMLEP (9.9%) levels.

**Figure 54: % of working age people who have received job related training in the past 4 weeks**



Source: Annual Population Survey, March 2014, ONS via Nomis

## Workforce development plans

7.37 Just under half of all businesses, irrespective of whether or not they have funded or arranged training or development for their employees in the last 12 months, (40% compared to 45% across SEMLEP) have a workforce development plan. This represents a significant increase from 2013, when 27% of Central Bedfordshire businesses claimed to have a plan in place. A workforce development plan is a plan to develop the skills and capabilities of the workforce.

7.38 The proportion of businesses with a workforce development plan increases to 60% of businesses that have funded or arranged training in the last 12 months, compared with 13% of those who have not.

7.39 Reflecting the provision of training and development, the propensity to have a workforce development plan increases with business size, particularly among those with 10 to 24 employees (70%). Businesses in urban locations are also significantly more likely to have a workforce development plan (46%) compared to those in rural locations (32%).

## **GCSEs**

7.40 GCSE results in Central Bedfordshire in 2013 increased by 2.6% to 81.9% of pupils gaining 5 A\*-C grades at any subject, up from 79.8% the previous year. Marginally higher than national (81.8%) and regional levels (80.6%), the rate of improvement in Central Bedfordshire was better than in England (2.2%) and the East of England (2.6%). However we are no longer in the top 40% of local authorities in the country for attainment at GCSE.

7.41 The number of children eligible for free school meals<sup>12</sup> is often used in the education sector as a measurement of deprivation. In Central Bedfordshire, GCSE achievement of 5 A\*-C grades including English and Maths is 26.2%. The East of England has higher achievement rates than Central Bedfordshire, with 32.2% of pupils receiving free school meals gaining 5 A\*-C including English and Maths. This rate is below national levels of 38.1%. (Source: Department for Education Statistical First Release, 2014)

## **Skills deprivation**

7.42 Related to the data on GCSE achievement in deprived areas, levels of skills deprivation can be found in the 2010 Indices of Deprivation. This was reported in the 2013 Local Economic Assessment and can be found online at [www.centralbedfordshire.gov.uk/economy](http://www.centralbedfordshire.gov.uk/economy)

## **NEET**

7.43 In March 2014, 4.2% of young people in the academic years 12-14 were not in education, employment or training (NEET). This has fallen from 5.0% since March 2013. The most significant decrease was seen in the Year 14 group with 5.8% of this cohort recorded as NEET in March 2014 compared to 7.4% in March 2013. This decrease can be attributed to additional tracking work that was carried out during the summer period with the rising year-14 cohort of young people. This enabled the Youth Support Service to identify earlier the young people that had not applied to University and were at-risk of becoming NEET. Decreases were also seen in the Year 12 cohort from 3.0% in March 13 to 2.2% in March 14, this is largely due to Raising Participation Age.

7.44 Central Bedfordshire consistently performs well against the national and regional NEET averages. Improvements have been seen when compared to Central Bedfordshire's statistical neighbours. In March 2014, Central Bedfordshire's NEET level was just below the mean average for statistical neighbours at 4.3% (in March 2013, Central Bedfordshire's NEET level was just above the statistical neighbours average). Central Bedfordshire's NEET count remains consistently lower than geographical neighbours Bedford Borough (6.0%), Luton (6.3%), and Milton Keynes (5.3%).

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<sup>12</sup> 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.

- 7.45 The Central Bedfordshire wards with the highest NEET levels are Leighton Buzzard North (10.4%), Dunstable - Northfields (6.7%), Dunstable – Manshead (6.0%), Houghton Hall (6.0%) and Sandy (5.7%). The NEET cohort primarily resides in the 'built-up' areas across Central Bedfordshire
- 7.46 In 2011, there was an even distribution of males and females across the NEET group. In 2012, changes were seen with an increase in the proportion of males (54%) in the NEET group than females (46%). In 2013, the distribution returned to similar levels to 2011. In 2014, there has again been a rise in the proportion of NEET's that are male (60%) than female (40%).
- 7.47 In 2014, there has been an increase in the proportion of young people that are NEET and unavailable to the labour market. This can largely be attributed to an increase in the number of young people that are unable to participate in education, training or employment (EET) due to illness. In March 2014, 8% of the NEET group was unavailable to the labour market due to illness. A further 18.5% were unavailable due to pregnancy or teenage parent status.
- 7.48 In March 2014, 9.3% of the NEET group had a recorded learning difficulty or disability (LDD).
- 7.49 Local data shows that young people in the NEET Group generally have low attainment of GCSEs grade A\*-C. In March 14, 83.5% of the NEET group did not have 5 GCSEs grade A\*-C and 80.5% of the NEET group did not have GCSEs A\*-C in both English and Maths.

## **Sustained NEETs**

- 7.50 A review of NEET young people was carried out by the Youth Support Service in May to identify the characteristics of 'sustained' NEETs to inform services and future commissioning. A sustained NEET is a young person that has been in this group for over six months. In May, 216 young people met this criteria, which was 61.5% of the total NEET group. 73.6% of the young people had been NEET for between 6 and 12 months, the remaining 26.4% had been NEET for longer than a year. Of this group of sustained NEETs, the most common length of time to be NEET was 9 months.
- 7.51 The geographical wards with the highest numbers of sustained NEETs were Leighton Buzzard North, Sandy, Houghton Hal and Dunstable Manshead which correlates with the overall distribution of the total NEET group.
- 7.52 Just over a third of sustained NEETs had joined this group from education and a further 5.5% from employment without training, and 5.5% from training. A further third had moved from a different NEET destination e.g. pregnancy to teenage parent or from illness to seeking employment or training.
- 7.53 The sustained NEET group was analysed by additional circumstances, for example young offenders, looked after or care leavers, pregnancy etc. Interestingly, the only circumstances that were found to be significant for sustained NEETs was becoming pregnant or teenage parent with 31.9% of

sustained NEETs being in this group. A further 11.1% of sustained NEETs were found to have a statement of special education needs.

## **September Guarantee & Activity Survey**

7.54 The Council has a statutory duty to ensure that every Year 11 and 12 receives a suitable offer of learning by the end of September.

7.55 In addition, the Council is required to carry out an Annual Activity Survey where the current destination of all young people aged 16-19 is confirmed. The purpose of the exercise is primarily linked to the September Guarantee in terms of ensuring Year 11/12's continue into education, training, or other positive destination. Those young people that are identified as not moving into a positive destination are offered appropriate support and opportunity. For those, that do not make a successful transition, they form part of the NEET group.

## **Participation of Young People in Education & Training**

7.56 The Department for Education (DfE) monitors participation of 16 and 17 year olds in education and training on a quarterly basis. Participation data in March 2014 showed that Central Bedfordshire performed well compared to March 2013 figures. In March 2014, there was an increase of 0.7% in the proportion of 16/17 year olds participating in education and training, raising the rate to 90.7%. This was higher than the national (90.3%) and regional (89.9%) averages.

7.57 In March 2014, a higher proportion of females were participating in education and training than males, which follows national and regional trends. Higher proportions of 16 year olds were participating than 17 year olds – again this follows the national and regional trends.

7.58 In Central Bedfordshire, the proportion of 16/17 year olds with LDD participating in education and training is 86.1% which is lower than the proportion of 16/17 year olds in Central Bedfordshire without LDD at 90.9%. However, participation of the LDD group in Central Bedfordshire is higher than the national (85.8%) and regional (83.8%) averages.

## **Raising Participation Age**

7.59 The Government has increased the age to which all young people in England must continue in education or training. This duty requires young people to continue to participate 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.

7.60 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).

7.61 In March 2014, 94.9% of the Year 12 cohort were participating in learning, this was higher than the national (93.7%) and regional (93.9%) averages. 2.2% of the Year 12 cohort were NEET.

7.62 The Raising Participation Age also places a statutory duty on education and training providers to notify the relevant Local Authority when a young person leaves their course early, and without completion during the academic year. In 2013/14, Central Bedfordshire Council was notified of 117 leavers, the peak time for leaver notifications was January to March. Of the 117 young people that left early, 58% were male. Analysis of the movement of young people immediately after leaving education or training identified that 42% of the leavers left education or training for alternative EET provision. 35% of the leavers left education or training to become NEET. The remainder of leavers had either moved out of area or the provider did not know what the young person had left to do.

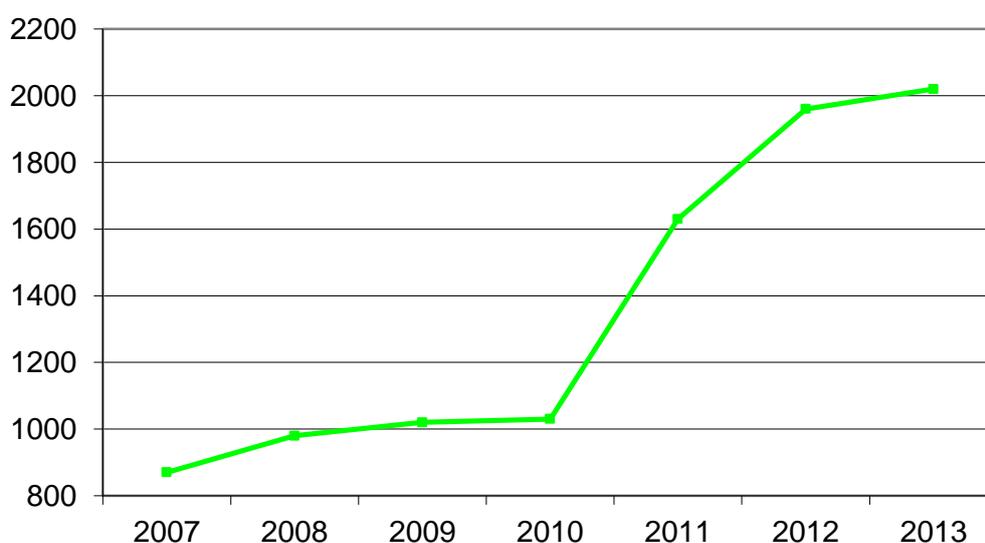
7.63 Further analysis in August 2014 of the current destinations of leavers identified that 60.7% had moved into alternative education or training. 29.1% were still NEET of which 22.2% were actively seeking employment or training. The remainder of leavers had either moved out of area or the Youth Support Team have been unable to contact them to confirm their current destination.

## Apprenticeships

7.64 Data from the Data Service (June 2014) shows that there were 2,020 starts at all age levels in Central Bedfordshire in 2012/13 academic year. This is an increase of 60 people, or 3.1% from the previous academic year. Since 2010/11 there has been a steady increase in apprenticeship take up in Central Bedfordshire.

7.65 The rate of growth is higher than the region at (0.7%) and significantly better than the national picture where an overall decline in All Age starts was seen (-2.2%).

Figure 55: Number of apprenticeship starts in Central Bedfordshire 2007-2013



Source: The Data Service, June 2014

7.66 The number of 16-18 apprenticeship starts in Central Bedfordshire decreased in 2012/13 by 19 (-3.7%) compared to 2011/12. However, this rate of decline was lower than the region (-9.4%), statistical neighbours (-11.4%) and national (-12.0%).

7.67 Locally, the decline in 16-18 starts can be attributed to a significant decrease in the number of 17-year-olds taking up apprenticeships (-22.3%). Whereas, increases were seen in starts for the 16-year-old (2.7%) and 18-year-old (8.0%) age groups. Local data suggests that in 2013/14 more young people are taking up apprenticeships.

7.68 In terms of 16-18 starts by gender, Central Bedfordshire continues to follow a trend seen since 2010/11 with a distribution of 60% males to 40% females starting apprenticeships. This gender distribution follows the national trend of more males than females starting apprenticeships, however, locally at 60% we have a higher proportion of males starting apprenticeships compared to national figures at 55%.

7.69 The annual increase seen in 2012/13 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 2010/11 (increase of 600) and 2011/12 (increase of 330). The number of starts was greater in all regions of England in 2012/13 compared to 2009/10; though lower than 2011/12 in over half. The slowing down of growth in 2012/13 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 28: % increase in apprenticeship starts since previous academic year**

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Central Bedfordshire	-2.2	12.6	4.1	1.0	58.3	20.3	3
East of England	5.4	25.2	0.7	12.1	67.6	15.2	4.8
England	5.3	21.8	7	16.8	63.6	13.9	-2.1

Source: The Data Service, June 2014

7.70 Nationally, the highest take up of apprenticeships in 2012/13 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

7.71 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 2012/13 are:

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

7.72 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.

7.73 The 2014 Business Survey asked local businesses about their apprenticeship experience. One in fourteen businesses in Central Bedfordshire (7% compared to 12% across SEMLEP) employed someone on an apprenticeship programme at the time of the survey. This has not changed since 2013 (7%).

7.74 In line with training activity, the propensity to have an apprentice increases with business size, again, particularly among those with 10 to 24 employees (19%).

7.75 Of those that do not currently employ an apprentice, 48% (compared to 45% across SEMLEP) said they would consider taking one on. Among those who do not currently employ an apprentice, significantly more businesses in urban locations would consider taking one on (58%) compared to those in rural locations (35%).

7.76 Lack of need within the business is the most frequently cited reason for not considering employing someone on an Apprenticeship (40%). A fifth feel the business or type of work is unsuitable for apprentices (20%). Other reasons cited by minorities of respondents include: the business is too small (16%); apprentices do not have the necessary skills/experience/qualifications/we only want to employ people that are ready to do the job (12%); cost (6%); poor experience of Apprenticeships (4%); and no time (5%).

