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Central Bedfordshire Council Economic Insight 2016

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Executive Summary

Executive Summary

- 1.1** Central Bedfordshire occupies a strategic location in the greater South East with excellent transport links to London and surrounding centres including Milton Keynes, Bedford, Luton and Hertfordshire. It is part of the Economic Heartland, vital to the UK's global competitiveness in science and technology based innovation, and also forms the backbone to the Cambridge-Milton Keynes-Oxford "Growth Corridor". This "Growth Corridor" has been specifically highlighted in the 2016 Autumn Statement for infrastructure support, with £27 million funding being allocated for the Oxford to Cambridge expressway. East-west rail links are due to be upgraded, with new services between Bedford and Oxford operating by 2019, with the line electrified by 2020 as part of a £550m East-West Rail improvement scheme.
- 1.2** Central Bedfordshire continues to be a prosperous area, witnessing high levels of employment, although there has been a lower rate of job growth over the last year. The Council is developing a new Local Plan, supporting new homes and new jobs in the area by 2035. To achieve this level of jobs growth requires targeted support to existing businesses, concerted inward investment efforts to attract new businesses into the area, delivery of new infrastructure and support for local people to access job opportunities.
- 1.3** Central Bedfordshire has a diverse and continually high performing economy with a number of successful international brand names and innovative, growing, small businesses. It is an area having attractive market towns and good schools, giving a quality place to live. The area is characterised by a growing population and a highly skilled workforce, with over half working in managerial/professional roles. Central Bedfordshire, with its strategic location, has witnessed an increase in the demand and take-up of commercial premises, offering competitive prices for commercial units. Businesses continue to value the attractive surroundings, natural environment and good schools, continually rating them as one of the best aspects of doing business in the area. 89.9% of businesses in Central Bedfordshire are micro, higher than the national level of 82.9%. Ensuring that Central Bedfordshire remains a great place to live and work and that our communities prosper is a key priority for the council.
- 1.4** This Economic Insight has a clear purpose, which is to provide a robust evidence base, supporting the Council and its partners to identify and deliver actions to support the local economy to grow and specifically to:

- Ensure we have a clear picture of the Central Bedfordshire economy and understand the trends and factors impacting upon our local economy.
- Influence the work of our partners on addressing barriers to business growth, employment support, job creation and enhancing the local area.
- Provide the solid foundations upon which our key objectives and actions in our strategies, policies, and delivery are based.
- Inform commissioning of 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.

1.5 The Council will continue to monitor and share the performance of the national and local economy as policy developments emerge as part of triggering Article 50 to leave the European Union. As well as monitoring developments through national data, information will be collected from our sector groups, market intelligence and relationships with our key businesses. Looking further ahead the Bank of England has reduced its growth forecast in 2018 to 1.5% from 1.8%, noting that the exact nature of the UK's future relationship with the EU and rest of the world would determine longer term growth rates.

1.6 The picture of the UK economy following the EU referendum decision is still emerging. Limited data is available, but the Office for National Statistics (ONS) reports in October 2016 that there has been no major collapse in business or consumer confidence. In addition, the ONS reports that there are indications of continued momentum in the economy, for example, the recent 0.5% growth in Gross Domestic Product beating expectations, and the recent Bank of England announcement that they have increased their Economic Growth forecast for 2017 to 1.4% from 0.8%. However, there have also been significant fluctuations in exchange rates, with the UK pound falling to a 30 year low against the US dollar. The economic impacts of this are complex with likely increases to the rate of inflation and reduced profitability for importers, but also potentially providing an increase in profitability for businesses trading in US dollars, as witnessed by some exporters and the ongoing rise in the FTSE. Looking further ahead the Bank of England has reduced its growth forecast in 2018 to 1.5% from 1.8%, noting that the exact nature of the UK's future relationship with the EU and rest of the world would determine longer term growth rates.

Central Bedfordshire's Economy

Work related

- 1.7** The labour market in Central Bedfordshire in 2016 remains in a positive position. In March 2016 137,300 people were in employment of a total working age population of 174,800 – 78.6%. This is higher than all comparator areas and although the rate has remained static compared to March 2015, due to an increase of the working population of 3,200 people, there are now 2,300 more people in employment compared to a year ago. Table 35, page 85 gives more details.
- 1.8** Central Bedfordshire remains a high performing economy with record levels of employment, however, the rate of job growth has slowed with 0.54% growth in 2015, compared to 2.39% nationally. This low job growth is subject to variables, and does not reflect the local market intelligence or the record levels of market interest and investment seen, with Central Bedfordshire's investment services creating 2,700 new jobs alone. Despite this, the long term average job growth between 2010 and 2015 stands at 13.4%, further demonstrating Central Bedfordshire's prosperous economy and attractiveness to business.
- 1.9** Central Bedfordshire generates £5.4 billion Gross Value Added (GVA) (2014). This increased by almost £300 million between 2013 and 2014, faster than the national rate. This is a new trend that highlights the growing economy. Despite this, the rate of growth over the last decade, while broadly in line with national levels (64%), is below that of our neighbouring areas. Furthermore, Central Bedfordshire's level of GVA per capita in 2014 was £20,200, below the national level of £25,400, indicating that the local economy is operating at a level equivalent to 79.6% of the national average performance. The high levels of out-commuting are a contributory factor to the apparently low levels of GVA in Central Bedfordshire. GVA is discussed in full in paragraphs 5.37 – 5.44.
- 1.10** There continues to be a significant leakage of retail and leisure spend from Central Bedfordshire. The balance of trade in Central Bedfordshire on comparison goods spend is -£423m, an increase from the -£387m in 2014 with seven times as much money leaving Central Bedfordshire, than coming into the area – please refer to Figures 4 and 5 on page 43 for more detail. This indicates that there are strong centres just outside Central Bedfordshire which are attracting residents of the area. Milton Keynes accounts for 27% of spend from Central Bedfordshire residents, with both London and Luton accounting for 6% of spend. Centres within Central Bedfordshire attract only £60m from residents outside the area. Dunstable

and Dunstable-Luton Road Retail Park contribute to the vast majority of this; with £41m spend by residents outside the area. The market towns within Central Bedfordshire are currently benefiting from regeneration grant funding, with a particular emphasis on shop front improvements. As part of the ongoing monitoring of the Economic Development Plan the Council is monitoring the level of high street vacancies in 'A' class premises in Central Bedfordshire's town centres. The overall vacancy rate within town centres is 7.7% in August 2016, lower than the 10.1% national rate in July 2016, and is summarised in Table 12, page 42.

1.11 Although Central Bedfordshire is a relatively affluent area there are some pockets of deprivation. In 2015, five Lower Super Output Areas (LSOAs) in Central Bedfordshire were in the 10 to 20% most deprived in England, and eight were in the 20 to 30% most deprived. Those five LSOAs in the 10 to 20% most deprived in England were Parkside (602), Dunstable Manshead (594), Parkside (601), Houghton Hall / Tithe Farm (618) and Sandy (433). Deprivation has increased since 2010, when only three LSOAs were in the 10 to 20% most deprived in England (Parkside (602), Dunstable Manshead (594), Houghton Hall / Tithe Farm (618)), with Parkside (601) and Sandy (433) only being in the 20 to 30% most deprived, with a further six LSOAs in the 20 to 30% most deprived. Nationally there appears to be an increased number of "Just about managing families", and data regarding such residents in Central Bedfordshire will be monitored, as available.

1.12 Unemployment in Central Bedfordshire remains significantly lower than comparator areas and in March 2016 the rate for people aged 16-64 was 2.5%, or 3,500 people, compared to 5.2% in England and 3.6% across the South East Midlands Local Partnership (SEMLEP) area. In February 2016 there were 9,170 people claiming out of work benefits, equating to 5.4% of the working age population, a reduction of 3,070 people since February 2013.

1.13 Although unemployment levels remain significantly lower than comparator areas, and at a record low, it is notable that the number of people claiming Jobseeker's Allowance (JSA) for long periods of time is not falling in the same way. 13.8% of claimants have been claiming JSA for over two years. People aged 50-59, and aged 40-44 are the largest age groups within the claimant cohort (in 2014 young people were the largest claimant groups). Similarly, the number of people who have been claiming Incapacity Benefit, Severe Disablement Allowance or Employment and Support Allowance over a long period of time is not reducing. This is summarised in Table 39, page 93.

There are 1,200 people claiming Job Seekers Allowance in June 2016 (0.7%), the lowest rate and number since October 2004 – a fall of 330 people – or 21.6% since June 2015. This recent decrease may be due to people starting to claim Universal Credit instead of Job Seeker Allowance. In comparison in February 2016 there were 6,190 people claiming Incapacity Benefit, Severe Disablement Allowance or Employment and Support Allowance, equating to 3.7% of the area's working age population or 49.5% of those claiming a benefit. The percentage of this cohort has remained persistent over the years due to the entrenched challenges to employment faced by individuals. Such challenges include individuals having complex needs including mental and behavioral disorders, diseases of the nervous system and musculoskeletal system. Interventions for this group of people continue to be a key focus, with a more specialised, individual and holistic approach being required.

1.14 Groups who continue to face barriers to being economically active are ethnic minority groups, females in particular, who still tend to have a lower economic activity rate than the population of Central Bedfordshire as a whole. As do those aged over 50 and under 24 years of age.

1.15 Central Bedfordshire has a population of 274,000, and has increased at a faster rate, 7.7%, than nationally since the 2011 Census. Population growth will be highest in the 65+ age group, with 73.7% growth projected to 2039, greater than the 48% projected national growth, bringing with it challenges around meeting the skills, jobs and public service needs of an ageing population. The number of people remaining in work over the age of 65 has increased by 6% over the last year to 5,200 people.

1.16 The most frequently advertised job vacancies in Central Bedfordshire consist of a combination of both skilled, in some instances highly skilled, and unskilled work. "Other administrative occupations"; and "programmers and software development" professionals rank as highly as "care workers and home carers" in terms of the number of advertised jobs. This highlights the diversity of the local economy, which adds to its resilience to economic shocks. There appears to be broad alignment between the occupations sought by Jobseeker's Allowance claimants and advertised job occupations, although there may be location variations and exact job requirements may not match workforce availability. The Annual Population Survey indicates that the majority of people in employment in Central Bedfordshire are currently employed in managerial, professional, or skilled occupations (63.1%). This is higher than national and regional levels and is evidence of Central Bedfordshire's strong and skilled workforce. Despite this, almost 40% of Central Bedfordshire residents commute outside of Central Bedfordshire to work. In March 2016, 63,300, (60.7%), of Central

Bedfordshire residents also worked in Central Bedfordshire. This has fallen each quarter over the last two years (63.7% in June 2014) but is still an increase from the 2011 Census figure of 50%.

Business

- 1.17** With 11,570 active enterprises in 2015, Central Bedfordshire has the largest number of businesses of all local authorities in the SEMLEP area; however, it has witnessed one of the slowest growth rates between 2013 and 2014. Although businesses in Central Bedfordshire are doing well and are continuing to grow in number, with 1,550 new business births in 2014, the growth rate for new businesses in Central Bedfordshire has slowed down from the rapid increase prior to 2012. The entrepreneurial activity level (EAL) for Central Bedfordshire has fallen slightly to 71.47, a -1.1% decrease in the rate of growth in 2014, whereas both England and SEMLEP have seen an increase in EAL of 0.6% and 6.6% growth rates respectively, as Figure 10, page 65 summarises. It must be noted that this decline in relative performance change is only for 2014, and that updates and revisions to figures may be released in the future. Although there was a slight decline in EAL in 2014 across Central Bedfordshire, more businesses are being born each year, with the number of business deaths decreasing.
- 1.18** Businesses continue to rate Central Bedfordshire as a good location to do business (61% compared to 63% in 2014), with only 5% of businesses giving a negative rating. The highest rated aspects are good quality schools / colleges, attractive surroundings and good connectivity / location. The lowest rated aspects are good value rent and rates, good public transport and the availability of affordable housing. 49% of businesses report an overall improvement in their business performance in the last 12 months. Although this is a decrease from the 57% in 2014, there are just 5% (10% in 2014) reporting deterioration. Businesses cite barriers to growth as being the general economic climate (47% cite this), over regulation / red tape (37%) and weakness in attracting or retaining customers (36%), with Table 21, on page 61 summarising further barriers to growth.
- 1.19** When looking to the future, 56% of businesses are anticipating an improvement in performance in the next year, a decrease from the 65% in 2014.
- 1.20** Strong business performance is reflected in high business survival rates, which are higher than comparator areas (64% of business in Central

Bedfordshire have been trading for in excess of 10 years) – and steady turnover growth. The survival rate of newly born enterprises in Central Bedfordshire in 2009 after five years is 46.9%, and the survival rate of newly born enterprises in 2013 after one year is 94.8% - in both cases this is above national and comparator area survival rates

1.21 A number of world leading companies contribute to the strong economy of Central Bedfordshire, with strengths in High Performance Technologies, Research and Development; Transport and Logistics; the Visitor Economy and Agriculture and Food. The key sectors all continue to show good strength and growth, but the Agriculture and Food sector has seen a decrease of 30% in the number of employees and a 3% decrease in the number of businesses in 2015. 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. Monitoring of other key sectors in Central Bedfordshire, summarised in Table 19 on page 55, shows that in 2015 the Construction sector grew by 6.7%, Administration and Support Services grew by 10.8%, with Human Health and Social Work decreasing by -1.6%.

1.22 Income levels for Central Bedfordshire residents are high, above all comparator areas, and have marginally increased (0.5%) to an average of £574.80 per week in 2015. The earnings of people, who work in Central Bedfordshire but may be resident elsewhere, are lower at £478.50 per week – a gap of £96.30. This gap has remained at around £100 per week level over recent history.

1.23 Providing suitable employment land and premises for existing businesses to grow and new businesses to locate in Central Bedfordshire is a priority for the Council. In 2014 /15 overall gains in commercial floorspace were significantly higher than losses, 71,000 sqm. compared to 43,300 sqm. Table 8, page 38, shows that there was a slight decrease in the number of commercial property deals carried out in Central Bedfordshire. The majority of deals took place in Dunstable, and most of the premises were for industrial and distribution, and retail.

Connectivity

1.24 Central Bedfordshire benefits from excellent connectivity. The physical location, with easy access to road, rail and air transport links is repeatedly voted one of the best aspects of the area by businesses and is a draw for new businesses to invest in the area. The area occupies a strategic location in the greater South East, with excellent transport links to London and surrounding centres. The M1, A1, A5, A6 and A421 all run through

Central Bedfordshire creating strategic corridors, with the £162.1 million M1 – A5 link due to be completed in Spring 2017, connecting Houghton Regis and the industrial estates in Dunstable to the new junction 11a of the M1. London Luton Airport has a direct connection in under 15 minutes from Dunstable, via the new £90 million Guided Busway. The airport provides international connections to over 100 destinations and with the £110 million investment destinations will increase. Likewise, Cranfield Airpark provides exclusive business travel, with Stanstead and Heathrow Airports being less than an hour's drive.

1.25 The opening of the Luton-Dunstable Guided Busway in 2013– the second longest urban busway in the world and the longest in an urban environment– has further enhanced connections with Luton and London Luton Airport. The announcement of the route of the East West Rail line, connecting Oxford to Cambridge, through Central Bedfordshire represents an opportunity for transformational infrastructure improvements that could support the development of new investment and job opportunities.

1.26 In terms of digital connectivity, 90% of Central Bedfordshire's premises have access to superfast broadband coverage (classed as over 24 megabits per second) and the Council is investing in extending this to more than over 97% by 2018/19.

Housing

1.27 The average April 2016 house price in Central Bedfordshire, £270,546, was 20.4% higher than the average for England overall and increased by 15.5% between April 2014 and April 2015. There were 1,625 new houses built in Central Bedfordshire in 2015/16, 103 more than the previous year. The 2010 spending review introduced Affordable Rent for Registered Providers (RPS), changing the way in which new social housing is funded through the Homes and Communities Agency (HCA). The Affordable rent is subject to rent controls that require the rent to be at no more than 80% of the local market rent.

Skills

1.28 Central Bedfordshire's job density is 0.66. Although this is the highest it has been since 2004, it is still below comparator areas reflecting the highly mobile nature of the Central Bedfordshire labour market in terms of out-commuting to potentially high value jobs elsewhere.

1.29 The rate of people in Central Bedfordshire in December 2015 with NVQ 2, 3 and 4 qualifications has increased by a higher number of percentage

points over the last 3 years than the national rate. The rate for those having no qualifications remaining lower than the national level.

1.30 In Central Bedfordshire 38.6% of the working age population were qualified to NVQ Level 4 (degree equivalent) or above in December 2015; 56.9% to NVQ level 3+; 75.4% to NVQ Level 2+; and 88.1% of the working age population is qualified to NVQ Level 1. Despite this there are people, both in and out of the workplace, having low level skills. Interventions are in place to support these people, and are summarised in the Council's All Age Skills Strategy.

1.31 Central Bedfordshire consistently performs well against the national, regional and statistical neighbour NEET (Not in employment, education or training) averages. For example, In April 2016, Central Bedfordshire's NEET level was just below the mean average for statistical neighbours at 3.5%. Support for assisting young people move into training and employment is closely monitored and is summarised in the Council's All Age Skills Strategy. There were 2,070 apprenticeship starts at all age levels in Central Bedfordshire in 2014/15 academic year. This is an increase of 300 people, or 17% from the previous academic year. The focus on apprenticeships will continue, especially with the introduction of the apprenticeship levy.

1.32 With regard to the skills of the local labour force, 10.5% of people received job related training over a 4 week period in March 2016, a significant increase from 8.1% in March 2013. This shows improving business confidence as more businesses are keen to invest in their employees.

1.33 Although more businesses in Central Bedfordshire deliver job-related training than comparator areas, there is still a gap between the private sector (an average 11% of people receive job related training), and public sector (18.5% receiving job related training)

1.34 29% of businesses cited a skills gap within their current workforce. This is a lower proportion than in 2014 (37%). In terms of the skills that are missing in their existing workforce, advanced IT skills (14%); sales and marketing skills (14%) and job specific skills (11%) are most frequently mentioned, with additional skill gaps summarised in Table 35, page 112. Skills are mentioned by fewer businesses in 2015 compared to 2014, suggesting some success in addressing them.

1.35 A large proportion of businesses who stated that they had vacancies in the last year have had difficulty filling these vacancies (39% of those who

had vacancies). The most frequently cited reasons for difficulties in recruiting to the role are lack of the right skills among applicants (47%, 46% in 2014), and in recruiting for skilled trades (29%) and professional occupations (17%).

Conclusion

1.36 The overriding finding of this Economic Insight is that Central Bedfordshire remains a strong performing economy with expectations that it will continue to grow in future years. Net job numbers are increasing, albeit official data indicates at a slower rate than previous years. However, market intelligence and data from the Council's own services have shown significant jobs' growth over the last few years, with over 2,700 new jobs secured through inward investment activity since 2014-2015, and over 800 in the last year alone. Employment levels are rising and unemployment levels are falling. Local businesses are surviving, staying in the area and performing well, though there may be a need to increase start up rates. Residents continue to have a high level of weekly income, but the difference between resident and work based pay in Central Bedfordshire is almost £100 a week and has risen marginally over the last year, with limited growth in the rates of pay. Although unemployment levels remain significantly lower than comparator areas, and are at a record low, it is notable that the number of people claiming Jobseeker's Allowance for long periods of time is not falling in the same way. 13.8% of claimants have been claiming for over two years. People aged 50-59, and aged 40-44 are the largest age groups within the claimant cohort (in 2014 young people were the largest claimant groups). Similarly, the number of people who have been claiming Incapacity Benefit, Severe Disablement Allowance or Employment and Support Allowance over a long period of time is not reducing.

Despite a highly skilled workforce, helping local people to improve their skills, enabling them to access employment opportunities by meeting the skills needs of businesses, will be required to enable the growth of the Central Bedfordshire economy. Further interventions could also focus on encouraging entrepreneurialism and providing the necessary support and infrastructure to help people start their own businesses. Continuing to ensure that Central Bedfordshire has a prosperous economy and is open to business investment will be critical given the wider uncertainties following the EU referendum.

SWOT analysis

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

Strengths

- A high performing economy, with record levels of employment
- Strategic location with strong connectivity, further enhanced by new road developments and digital connectivity.
- Attractive natural environment, valued by businesses and generating significant opportunity for the Visitor Economy sector, one of our key sectors.
- Above average level of people working in highly skilled managerial and professional occupations.
- The number of people having NVQ 2, 3 and 4 qualifications has increased by a higher number of % points over the last 3 years than the national level.
- The largest number of active enterprises in 2014 out of all Local Authorities across SEMLEP
- World Leading business and institutions, including Cranfield University

Weaknesses

- Some businesses are experiencing difficulties in filling vacancies, especially when recruiting for skilled trades and professional occupations
- Some groups still face barriers to being economically active – for example, ethnic minority groups, especially females.
- In 2015 five LSOAs in Central Bedfordshire were in the 10 to 20% most deprived in England
- Continued high levels of out-commuting have impacted on the GVA of the area, job density and wage levels
- Gap of almost £100 between wage levels for residents and for those working in Central Bedfordshire.
- There remains a significant amount of retail spend leakage from local towns.
- Relatively low level of entrepreneurial activity

Opportunities

- Potential to regenerate and drive growth in the area's market towns in line with the Market Town programme.
- Potential to work with four key sectors to create additional jobs and help promote business and jobs growth. The sectors are Agriculture

and Food; High Performance Technologies, Research and Development; Transport and Logistics; and the Visitor Economy.

- 56% of businesses expect performance to improve in the next year.
- To work to attract new inward investment and greater promotion of the area to attract businesses and visitors.
- To further develop apprenticeships across Central Bedfordshire, maintaining, and expanding, the current growth rate
- Transformational infrastructure investment, such as East West rail, enabling delivering of significant housing and employment growth
- Enabling and accelerating key development sites, such as Cranfield, Millbrook, North Houghton Regis and Stratton Business Park, attracting new business investment to the area
- New Local Plan identifying economic and housing growth.

Threats

- The number of businesses reporting an overall improvement in their business performance in the last 12 months has decreased to 49% in 2015, compared with 57% in 2014
- Businesses cite barriers to growth as being the general economic climate (47%), over regulation / red tape (37%), and weakness in attracting or retaining customers (36%)
- Increased competition locally and globally for business investment
- Availability of funding for public and private investment

Central
Bedfordshire

great
prospects

Introduction

Introduction

2.1 Central Bedfordshire Council's Five Year Plan 2015-2020 includes the key priorities 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 Economic Insight into the local economy (formerly called Local Economic Assessment) that ensures all interventions are evidence based and that they respond to any weaknesses within the current local economy.

2.2 This 2016 Economic Insight therefore provides an overview of the performance of the Central Bedfordshire economy and gives a picture of changes to the economy particularly in the past year.

2.3 Central Bedfordshire Council's Regeneration and Business Team consulted colleagues and partners to shape the development of what was the Local Economic Assessment, and the resulting content reflects the wider economic evidence needs of Central Bedfordshire.

2.4 In addition to Economic Insight, a series of Quarterly Economic Monitoring Reports are produced to provide regular updates on the national and Central Bedfordshire Economy. The Economic Insight, previous Local Economic Assessments and Quarterly Economic Monitoring Reports, are available at <http://www.centralbedfordshire.gov.uk/business/economic/overview.aspx>. Together, these reports provide the necessary information to support economic policy and activity development and to enable Central Bedfordshire to achieve its economic potential.

Comparator Areas

2.5 To place the Central Bedfordshire Economy in context, this Economic Insight 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 Economic Insight 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 Economic Insight.

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 this Economic Insight 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 International Monetary Fund in July 2016 cut its forecast for UK growth in 2017 after warning that the decision to leave the EU had damaged the British economy's short-term prospects. It expects the UK economy to grow by 1.3% in 2017, 0.9 percentage points lower than an estimate made in its World Economic Output in April 2016.

2.10 Gross Domestic Product (GDP) increased by 0.6% in the second quarter of 2016 (Q1 0.4%), a quarter that almost entirely covered the period immediately prior to the EU referendum. The largest contribution came from household final consumption expenditure, 3.0%. This increased from 2.8% in Q1. It was also the largest contributor to the same quarter a year earlier, adding 1.9 percentage points to GDP growth over this period. Household final consumption expenditure (HHFCE) covers services, durable goods, semi durable goods, non durable goods and net tourism.

2.11 PMI (Purchasing Managers Index) data is most often used for future intentions, and the state of the economy. In August 2016 this is showing positive sentiment around economic performance, with the service sector recovering to post referendum levels. A similar picture is true for manufacturing sectors, though while the construction sector improved significantly since July data, it is still below A PMI of 50 and so is technically seen as negative.

2.12 The PMI in August 2016 for the UK Service Sector rose from 47.4 in July 2016 to 52.9 in August 2016. A score above 50 indicates growth. The PMI for the UK Construction Sector rose to 49.2 in August – the index was up from July's figure of 45.9, its lowest for seven years. The PMI for the UK Manufacturing Sector rose to 53.3 in August from July's figure of 48.3.

2.13 The Bank of England cut UK interest rates in August 2016 from 0.5% to 0.25% - a record low and the first cut since 2009. The Bank of England has also signalled that rates could go lower if the economy worsens. The Bank of England announced additional measures to stimulate the UK Economy, including a £100 bn scheme to force banks to pass on the low interest rate to households and businesses.

2.14 The annual rate of UK consumer price inflation (CPI) rose by 0.6% in the year to July 2016, compared with a 0.5% rise in the year to June, and this is the highest since November 2014. The largest downward pull on inflation in July 2016, and for 2016 to date, comes from prices for food and non-alcoholic beverages. Upward pressures come from a variety of categories, most notably restaurant and hotel bills.

Demography

Demography

Key Findings

- Population of Central Bedfordshire in 2015 was 274,000.
- Central Bedfordshire's population increasing at a faster rate than nationally - 7.7% since the 2011 Census. Growth is expected to continue.
- Central Bedfordshire is a 'largely rural' area (*DEFRA, 2011 Rural-Urban Classification*). It is also the 15th largest unitary authority in England by population
- Relatively low levels of diversity – 93.8% of population is White British.
- Increasing numbers of migrant workers, but still relatively low levels with numbers remaining lower than in neighbouring areas.

Population

3.1 The population of Central Bedfordshire was 274,000 in 2015. This is an increase of some 20,000 (7.7%) since the 2011 Census. The rate of growth is greater than the regional (3.9%) and national (3.3%) averages.

Table 1: Population of Central Bedfordshire, estimates by age and gender, 2015

Age	Male	Female	All	Percentage
0-15	27,100	26,200	53,300	19.5%
16-64	86,500	87,100	173,600	63.3%
65+	22,100	25,000	47,100	17.2%
Total	135,800	138,300	274,000	100%

Figures are rounded to the nearest hundred, so may not exactly sum to total.

Source: Office for National Statistics, 2015 Mid Year Estimate.

3.2 Central Bedfordshire is a 'largely rural' area (*DEFRA, 2011 Rural-Urban Classification*). It is also the 15th largest unitary authority in England by population and is similar in size to large cities such as Kingston upon Hull, Plymouth, Derby, Wolverhampton and Southampton. It is larger than the neighbouring local authorities of Bedford, Milton Keynes and Luton.

3.3 The largest towns are Leighton Linlade, Dunstable and Houghton Regis.

Table 2: Largest settlements, Central Bedfordshire

Town	Population Mid-2014 Estimate
Leighton Linlade	40,070
Dunstable	37,880
Houghton Regis	18,180
Biggleswade	18,130

Flitwick	13,180
Sandy	12,210

Source: Office for National Statistics, Mid-2014 population estimates for 2014 wards in England and Wales

3.4 Central Bedfordshire has a very similar percentage of working age people within its population (63.4%) compared to England as a whole (63.3%), and more than the figure for the East of England (61.1%).

3.5 A range of population forecasts are made by the Office of National Statistics and internal Council forecasts. Additional details regarding Central Bedfordshire's population can be found at Key Facts and Figures at:
<http://www.centralbedfordshire.gov.uk/council/census/figures.aspx>

3.6 For the purposes of planning, national policy requires Local Authorities to prepare a Strategic Housing Market Assessment, known as a SHMA. The Luton & Central Bedfordshire SHMA, published in the summer of 2015, helps Central Bedfordshire Council understand how many homes will be needed between 2011 – 2031. It also considers the housing needs of specific groups such as older people, minority groups and people with disabilities. It was specifically written to inform plan-making and the determination of planning applications within Central Bedfordshire, and should be used for any planning related decision-making. The Council is currently in the process of producing a new Local Plan for the area. This will set out plans to meet future population growth. Further information is available at
<http://www.centralbedfordshire.gov.uk/planning/policy/local-plan/shaping-central-beds-consultation.aspx>

Ethnicity

3.7 An estimated 10.3% of people in Central Bedfordshire were from ethnic minority communities in 2011. This 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%) and White Irish (1.2%) part of the "White" band in Table 3 below, and Indian (1.0%) part of the "Asian / Asian British" band.

Table 3: 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/African/ Caribbean/ Black British	3,600	1.4%
Other Ethnic Group	900	0.3%
Total	254,400	

Source : Office for National Statistics, 2011 Census Table QS201EW, Ethnic Group

3.8 Young children (0-9 years), and younger adults (20-39 years) have higher proportions of people from ethnic minority groups, while the proportions for older teenagers (15-19 years) and older adults (40+ years) were lower.

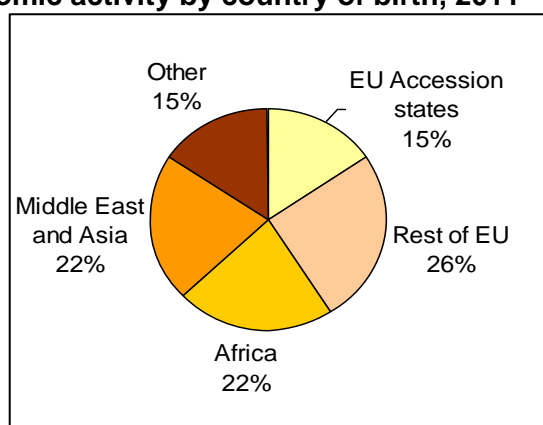
3.9 The wards with the highest proportions of people from minority ethnic groups (groups other than White British) are Parkside (22.3%), Tithe Farm (19.3%), Dunstable Icknield (19.1%), and Cranfield & Marston Moretaine (18.7%).

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%).

Economic activity by country of birth, 2011

At the time of the 2011 Census, there were around 12,100 economically active people in Central Bedfordshire who were born outside the UK. 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.

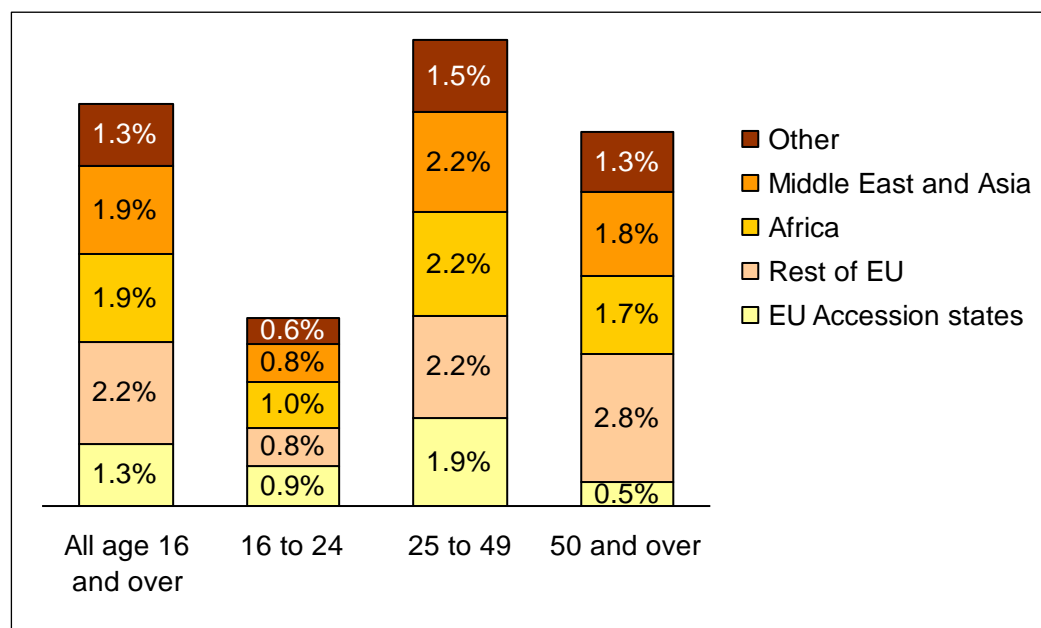
Table 4: Economic activity by country of birth, 2011



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

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

Table 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.

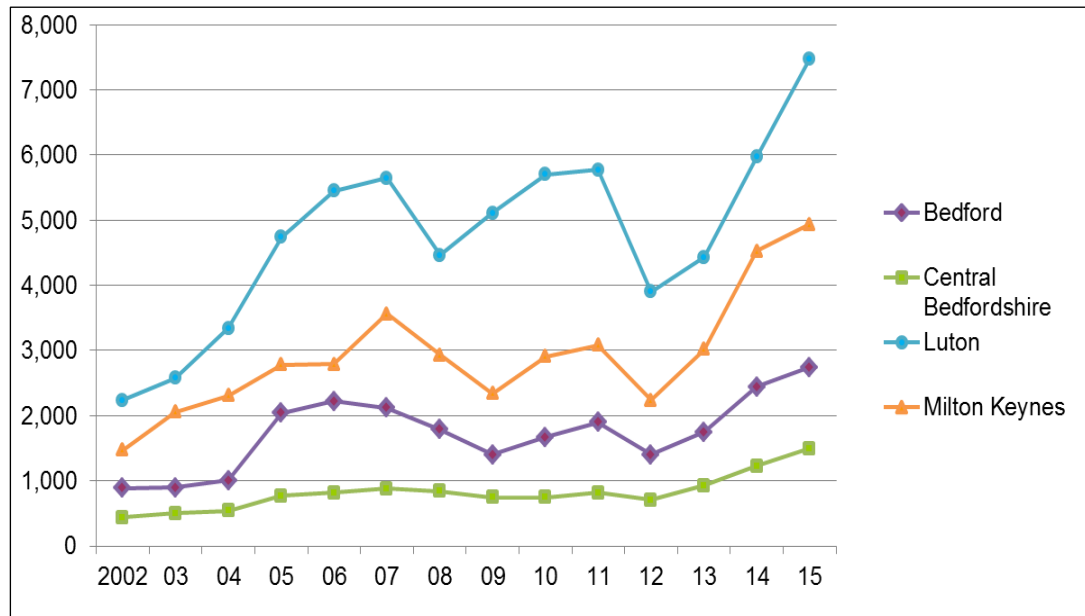
Migrant workers

3.12 Migrant workers from all countries are required to apply for a National Insurance Number (NINo). A NINo is generally required for overseas nationals of any country looking to work or claim benefits or tax credits in the UK, including the self employed or students working part-time. It should be noted that this data only records workers at the time they apply for a NINo, and does not show how many workers stay in an area (or in the UK) after their NINo registration.

3.13 The number of migrant workers applying for a NINo each year in Central Bedfordshire increased from 540 in 2004, to 890 in 2007 and 1,500 in 2015 (this was 0.9% of the mid-2015 working age population).

3.14 Since 2012 the number of new migrant workers has increased greatly each year, primarily driven by increases in the number of EU nationals, particularly those from the EU Accession States (the 12 states that have joined the EU since 2004). Applications from other regions of the world have remained relatively steady. This recent increase has been even more marked in neighbouring authorities, as shown in the chart overleaf.

Figure 1: NINo registrations 2002-2015, Central Bedfordshire and neighbouring authorities



Source:

Department for Work and Pensions, NINo Registrations to Adult Overseas Nationals entering the UK, 2016.

Figures from the 2011 Census via Nomis show that Central Bedfordshire's economically active population consists of:

95.2% EU workers

4.8% of Non EU workers

The EU workers consist of:

- Europe: UK - 91.46%
- Europe: Ireland – 0.74%
- Europe: Other – 3.02%

Place

Place

Key Findings

- Central Bedfordshire has a strategic location in the greater South East with excellent transport links to London and surrounding centres - road, rail and air. The new A5-M1 link road will provide access to significant new employment and housing opportunities.
- The new £550m East-West rail improvement scheme will run through Central Bedfordshire, including delivery of major stopping stations at Ridgmont and Sandy.
- Central Bedfordshire's environment is key to its identity and widely valued by our residents, visitors and businesses, with 61% of businesses rating Central Bedfordshire's location as good as a place to do business. In the uSwitch Better Family Life Index, June 2016, Central Bedfordshire was ranked 3rd out of 138 local authority areas (against a range of measures).
- Businesses rated highly Central Bedfordshire's schools (66%), surroundings (65%), road network (62%), airport access (57%) and rail network (56%). In contrast businesses rated poorly good value rent and rates (32%), public transport (30%), and availability of affordable housing (28%)
- In March 2016 63,300, (60.7%), of Central Bedfordshire residents also worked in Central Bedfordshire. This is an increase from the 2011 Census figure of 50%, but there is still a significant number of people out commuting.
- Tourism spend across Central Bedfordshire has risen from £13 million in 2006-08 to £31 million in 2012-14.
- Over 90% of premises in Central Bedfordshire can access superfast broadband infrastructure, meeting the Council's Adopted Local Broadband Plan target.
- Overall gains in commercial floorspace in 2014/15 were significantly higher than losses, in contrast to the downward trend seen in recent years. Retail gains of employment and leisure floorspace were in excess of losses by 24,852.76sqm and 11,660sqm.
- In 2015 there were 118 commercial property deals completed in Central Bedfordshire. This compares to 121 in 2014, and is a slight decrease of 2.5%.
- In 2015-16, Central Bedfordshire's NNDR was £81,928,543, an increase from 2014-15's £79,927,716
- The highest achievable office rental values in the area are around £16/sqft (£172/sqm). Rental levels remain similar to 2013, and vary across the area, but remain significantly lower than the 2007 £20/sqft received before the recession and property market downturn.
- The area's town centres have a slightly lower vacancy rate than in previous years (7.7%).
- Central Bedfordshire loses a total net £423m a year to centres outside of the region. Milton Keynes accounts for 27% of spend from Central Bedfordshire residents, with both

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 with others
- Local connectivity
- Travel to work
- Digital infrastructure
- Natural environment
- Creating stronger communities
- Change in commercial floorstock
- Commercial property market
- Rental levels
- National non domestic rates
- Non domestic property vacancy rates
- Town centre vacancy rates
- Retail spend and centres
- House prices
- Affordable and private rental market

Connectivity with others

4.3 Central Bedfordshire occupies a strategic location in the greater South East with excellent transport links to London and surrounding centres including Milton Keynes, Bedford, Luton and Hertfordshire. The M1, A1, A5, A6 and A421 all run through Central Bedfordshire providing strategic links to further afield, with the £162.1 million M1 – A5 link due to be completed in June 2017. It is part of the Economic Heartland, vital to the UK's global competitiveness in science and technology based innovation, and also forms the backbone to the Cambridge-Milton Keynes-Oxford "Growth Corridor". This "Growth Corridor" has been specifically highlighted in the 2016 Autumn Statement for infrastructure support, with £27 million funding being allocated for the Oxford to Cambridge expressway. East-west rail links are due to be upgraded, with new services between Bedford and Oxford operating by 2019, and with the line electrified by 2020 as part of a £550m East-West Rail improvement scheme.

4.4 London Luton Airport has a direct connection in under 15 minutes from Dunstable, via the new £90 million Guided Busway. The airport provides international connections to over 100 destinations. Likewise, Cranfield Airpark provides exclusive business travel. Stanstead and Heathrow Airports are all less than an hour's drive.

4.5 In the 2015 Central Bedfordshire Business Survey, respondents were asked to rate aspects of the area as good/poor. The third highest rating was for the area's road network (62%, an increase from the 58% in 2014). Airport access was rated as the forth best aspect of the area, with 57% rating it as good/very good, a fall from the 64% in 2014. 56% rated the rail network as good/very good, a small decrease from the 58% in 2014.

Local connectivity

4.6 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.

4.7 The ability of local employment sites to be accessed by public transport provision is an important measure of connectivity. Transport modelling undertaken by the Council indicates that 86% of households across Central Bedfordshire are within 30 minutes public transport travel time to the nearest employment site by public transport.

4.8 The Central Bedfordshire Council Household Travel Survey 2016 indicates that 27% of residents do not use public transport as the bus and train routes do not go or stop where they want, 19% said that the timing of the bus and train routes does not suit them and 17% cited cost as a barrier. Furthermore, 18% of people said that they are not interested in using public transport, which suggests amongst some residents there is simply a lack of propensity to use public transport.

4.9 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. Despite this, health and environmental reasons are still not a high consideration for people's decision to use public transport. In the Survey only 5% cited this as a reason for using public transport in 2016, compared with 1% in 2014.

4.10 In the 2015 Central Bedfordshire Business Survey, there was a fall in the number of businesses rating the area's public transport as good/very good – 30%, compared to 42% in 2013, but this was more in line with the rating of 34% in 2013.

Travel to work

4.11 In terms of travelling to work, the 2016 Central Bedfordshire Householder Travel Survey found that 80% of working residents drive to work and 3% travel by car/van as a passenger, 7% walk, 7% travel by train and 1% travel by bus. The number of people driving a car or van to work has increased, while the number of people travelling by train and bus has decreased.

4.12 When comparing statistics with previous years' surveys it can be seen that in 2016 an increasing majority of residents are travelling to work by car - the Central Bedfordshire Council Household Travel Survey 2016 suggests that reasons for this can be that:

- The majority of working residents have access to free parking at work, while only a minority of employers, less than in 2014, offer travel incentives to travel to work by means other than a car.
- More residents have their own cars, and many households have multiple cars

Table 6: Mode of transport used to travel to work

Mode of Transport	2010	2012	2014	2016
By car/van as driver	75%	71%	69%	80%
Walking	11%	11%	11%	7%
Train	6%	6%	10%	7%
Bus	2%	6%	4%	3%
By car/van as passenger	2%	5%	2%	1%
Bicycle	3%	1%	2%	1%
Motorbike	N/A	N/A	2%	1%

Source: Central Bedfordshire Council: Householder Travel Survey 2016

In-out commuting

4.13 Data obtained from the Annual Population Survey is able to measure the number of people who both work and live in Central Bedfordshire. In March 2016, 63,300, (60.7%), of Central Bedfordshire residents also worked in Central Bedfordshire. This is an increase from the 2011 Census figure of 50%.

4.14 Data from the 2011 Census showed that 66,440 (50%) Central Bedfordshire residents travelled outside of the area to work, while 32,535 people travelled to work in Central Bedfordshire from other areas. This means that there was a net out-commuting level of 33,905.

4.15 In 2011 of the Central Bedfordshire residents who commuted out of Central Bedfordshire, 14.4% commuted to Hertfordshire; 9.6% to Luton and 7.3% to London, with people commuting in to Central Bedfordshire from mainly Luton, Bedford, Milton Keynes and North Hertfordshire.

Figure 2: Location of usual residence and place of work



Source: ONS, 2011 Census - Location of usual residence and place of work by sex

Table 7: Commuting Patterns - destinations having 1,000 plus workers from Central Bedfordshire, from 2011 Census

Destinations having 1,000+ workers from Central Bedfordshire	Outflow
Luton	12,780
Milton Keynes	8,061
Bedford	6,986
North Hertfordshire	5,726
Westminster, City of London	3,314
Dacorum	3,094
Stevenage	3,085
St Albans	2,468
Welwyn Hatfield	2,285
Aylesbury Vale	2,159
Camden	1,162
Huntingdonshire	1,012

Source: ONS, Census - Location of usual residence and place of work by sex

Digital Infrastructure

4.16 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. Delivery enhanced digital infrastructure is a priority in the Council's medium term plan.

4.17 The Council through its Local Broadband Plan has the aim of ensuring access to superfast broadband (defined as being at least 24 megabits per second) to 90% of all premises, with the aim to ensure that all premises in Central Bedfordshire have access to infrastructure able to provide at least 2 megabits per second.

4.18 The Council through a joint project with Broadband Delivery UK (BDUK) and BT has upgraded 16,422 premises to receive superfast broadband services in Central Bedfordshire. This brings superfast coverage in Central Bedfordshire to over 90% of premises, meeting the Council's Adopted Local Broadband Plan target. In addition to supporting the rollout of superfast broadband, the Council, working with the Government, has introduced a 'Better Broadband' scheme to ensure all premises have access to infrastructure that can provide speeds of at least 2 megabits per second.

4.19 To achieve the Council's goal of ensuring superfast broadband access for all, a second contract for the deployment project has now started. A further 8,247 premises will be supported in Central Bedfordshire resulting in over 96.5% coverage. Further to this the Council continues to work with Government, BT and commercial providers to identify new sources of funding and innovative deliver models to increase coverage further and ensure access for all.

Full details can be found at www.centralbedfordshire.gov.uk/broadband.

Natural Environment

4.20 Central Bedfordshire's environment is key to its identity and widely valued by our residents, visitors and businesses. The varied and contrasting landscape, ecology and settlement pattern contributes to the much valued character and nature of the area.

4.21 Supporting this data, The Great Britain Tourism Survey shows that tourism spend across Central Bedfordshire has increased considerably over the past seven years, rising from £13 million in 2006-08 to £31 million in 2012-14.

4.22 The Central Bedfordshire Environmental Framework found at <http://www.centralbedfordshire.gov.uk/environment/natural/environmental-framework.aspx> highlights that as well as location, the quality of the environment also plays an important role regarding the types of businesses that take an active part in the local Green Economy. This is further discussed in the business chapter of this document.

4.23 Local Nature Partnerships are a government initiative to drive positive change on the local natural environment. The Bedfordshire Local Nature Partnership has

jointly produced 'It's the economy, naturally', a document highlighting the importance of the natural environment. One of the aims of the Local Nature Partnership is promoting the natural environment as a critical factor in underpinning the local economy.

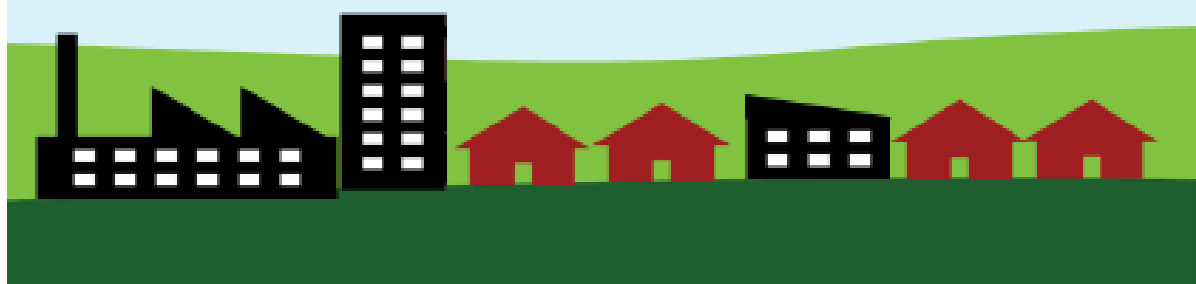
4.24 The Local Nature Partnership and its members are involved in promoting and delivering a range of environmentally led regeneration projects, including the Forest of Marston Vale, and the proposed Bedford to Milton Keynes Waterway Park, and rural economic development programmes such as the Greensand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

4.25 In the uSwitch Better Family Life Index, June 2016, Central Bedfordshire was ranked 3rd out of 138 local authority areas (within England, Wales, Scotland and Northern Ireland) against a range of measures. It was noted that Central Bedfordshire has "a high proportion of its young people in education, employment and training, and a relatively low crime rate (49 crimes per 1,000 residents)".

4.26 The Great Britain Tourism Survey shows that tourism spend across Central Bedfordshire has increased considerably over the past seven years, rising from £13 million in 2008 to £31 million in 2014. This data is before the opening of Center Parcs Woburn Forest.

4.27 The 2015 Central Bedfordshire Business Survey asked local businesses to list the best things about the area as a business location. Attractive surroundings ranked second, behind good quality schools / colleges, an improvement on the third ranking of 2014 and 2013. This highlights the continued importance that businesses place on the natural environment of Central Bedfordshire.

Businesses cite a 'nice area / surroundings / environment' as the third most positive thing about a Central Bedfordshire location, above ease of access to customers, convenience for employees, or proximity to other businesses or clients.



Creating Stronger Communities

4.28 One of the key outcomes in the Council's emerging Five Year Plan is for our towns and villages to be sustainable and resilient places where people are supported to help themselves and others; where people of all ages will be encouraged to volunteer; and where residents, community organisations and town and parish councils will have opportunities to do more in and for their communities.

4.29 Central Bedfordshire has a well established Community Engagement Strategy that sets out 5 key principles for community engagement:

- Supporting local people to engage, inform and influence decisions to help shape their communities
- Enabling ward councillors to be leaders in, and for, their communities
- Enhancing the role of town and parish councils
- Enabling more services to be delivered locally
- Enabling employers to thrive and play an active role in their communities

4.30 Central Bedfordshire Council also has a Volunteering Strategy, an Advice Strategy and a Framework to Devolve Services to Town and Parish Councils. It is recommended that there should be 5 pillars to the strategy:

- Volunteering and building social capital
- Participatory and local decision making
- Communities doing more for themselves
- Community assets and facilities
- Organisation and culture / making it happen

The Council is working together and collaboratively with partners, towards these desired outcomes. An example of this is the Market Town Regeneration Fund that was launched by the Council in October 2015 with the aim of making market towns more vibrant and even better places to visit, live and do business in.

Change in Commercial Floorstock

4.31 Overall gains in commercial floorspace in 2014/15 were significantly higher than losses, in contrast to the downward trend seen in recent years. Despite a net loss of retail floorspace of 8,803.51sqm, gains of employment and leisure floorspace were in excess of losses by 24,852.76sqm and 11,660sqm respectively. There was however a net loss in B2 (industrial) floorspace of 9,650sqm, potentially reflecting changing market conditions and demand for differing types of floorspace.

4.32 The largest contributors to this were developments at Boscombe Road, Dunstable (28,805sqm storage and distribution) and Center Parcs, Millbrook (18,218sqm mixed retail, employment and leisure uses).

4.33 Whilst losses of both retail and employment floorspace remain high, a large proportion of this is as part of redevelopment schemes that will deliver additional floorspace gains in future years such as London Road Trading Estate, Biggleswade (a loss of 10,677sqm of A1 in 2014/15) which will see a net increase in retail floorspace of 10,431sqm overall.

4.34 37% of commercial floorspace losses were to residential developments, continuing at a similar level to previous years (31% in 2013/14 and 43% in 2012/13). The relative increase over the previous year may in part be the result of the increased number of prior approvals for change of use of offices under increased permitted development rights.

4.35 Extant permissions for commercial developments continue to maintain a high level with 207,294.49sqm of floorspace permissions outstanding on 1st April 2015

Table 8: Changes in Commercial Floorspace 2014 to 2015.

Changes in Commercial Floor Space (SQM) 2014 15 Use Class	Gains (Sqm)	On Brownfield (Sqm)	Losses (Sqm)	Losses to residential (Sqm)	Net (Sqm)
A1	3,087.4	1,343.4	14,390.5	2,501.3	-11,303.1
A2	85	85	369.2	320.5	-284.2
A3	3,895.11	537.11	0	0	3,895.11
A4	155	155	1,505	1,065	-1,350
A5	278.68	278.68	40	0	238.68
A+	0	0	0	0	0
Retail Total	7,501.19	2,399.19	16,304.7	3,886.8	-8,803.51
B1a	6,995.13	3,347.2	4,692.9	3,728.8	2,302.23
B1b	0	0	3,087	0	-3,087
B1c	1,580	1,512	1,174.17	565.5	405.83
B2	3,024.56	2,672.56	12,675	3,148	-9,650.44
B8	36,913.4	35,371.4	1,360	200	35,553.4
B+	3,040	3,040	3,711.26	2,360	-671.26
Employment Total	51,553.09	45,943.16	26,700.33	10,002.3	24,852.76
D2	11,939.8	2,833.8	279	279	11,660.8
Assembly & Leisure Total	11,939.8	2,833.8	279	279	11,660.8
Grand Total	70,994.08	51,176.15	43,284.03	14,168.1	27,710.05

A+ and B+ are used for sites that have a combination of uses, such as B1/B8.

Source: Central Bedfordshire Council July 2016

4.36 Retail Uses

Significant gains of retail floorspace in 2014/15 included:

- Center Parcs, Millbrook (5,102sqm mixed A1/A5)

Significant losses of retail floorspace in 2014/15 included:

- Demolition of 3 units at London Road Trading Estate, Biggleswade as part of a larger redevelopment for retail (10,677sqm A1)
- Demolition of Harper Food's former premises at Bell Farm, Studham, as part of a residential development (2,081sqm A1)

Overall 3,886.8sqm of retail floorspace was lost to residential developments in 2014/15

4.37 Employment Uses

Significant gains of employment floorspace in 2014/15 included:

- New Distribution Centre at Boscombe place, Dunstable (28,805sqm B8)
- Center Parcs, Millbrook (3,548sqm B1a, 911sqm B8)
- 3 new industrial units, Stratton Business Park, Biggleswade (2,547sqm mixed B1/B2/B8)
- New office premises at former Wyevale Garden Centre, Dunstable Road, Caddington (1,440sqm B1a)
- Station Road, Ampthill – 2 new workshops and office (1,013sqm mixed B1a/c)

Significant losses of employment floorspace in 2014/15 included:

- Unit N, Montgomery Way, Biggleswade – demolition of industrial building (9,297sqm B2)
- Crossways Park, Biggleswade – redevelopment for residential (2,360sqm B8)
- Kingswood works, Heath & Reach – redevelopment for residential (1,532sqm B2)
- Greenhill Farm, Tilsforth – redevelopment of commercial buildings for residential (1616sqm B2)
- Sovereign House, Leighton Buzzard – change of use of offices to residential (1,102sqm B1a)

Overall 10,002.3sqm of employment floorspace was lost to residential developments in 2014/15

4.38 Assembly and Leisure

Significant gains to assembly and leisure floorspace in 2014/15 included:

- Center Parcs, Millbrook (8,657sqm D2)

In addition a total of 18.18ha of formal and informal outdoor sports and leisure permissions were implemented in 2014/15

Commercial Property Market

4.39 Data from the Estates Gazette property database highlights that in 2015 there were 118 commercial property deals completed in Central Bedfordshire. This compares to 121 in 2014, and is a slight decrease of 2.5%. The majority of deals took place in Dunstable, followed by Leighton Buzzard, and then Biggleswade.

Table 9: Commercial property deals location

Location	% of Commercial Property Deals 2014	% of Commercial Property Deals 2015
Arlesey & Stotfold	2%	1%
Aspley Guise & Ridgemont	4%	1%
Barton	1%	0%
Biggleswade	2%	15%
Blunham & Sandy	14%	5%
Dunstable	45%	40%
Flitton, Pulloxhill & Westoning	1%	1.5%
Flitwick & Ampthill	7%	6%
Leighton Buzzard	16%	28%
Shefford	3%	1%
Silsoe & Clophill	5%	1.5%

Source: EGI database August 2016

Of the deals completed for premises in Central Bedfordshire in 2015, 38% were industrial and distribution (40% in 2014), 13% were for offices (20% in 2014) and 32% were for retail (33% in 2014). 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

4.40 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. The table overleaf indicates the differing levels of expected rental costs throughout Central Bedfordshire.

Table 10: Central Bedfordshire rental rates by Town 2016

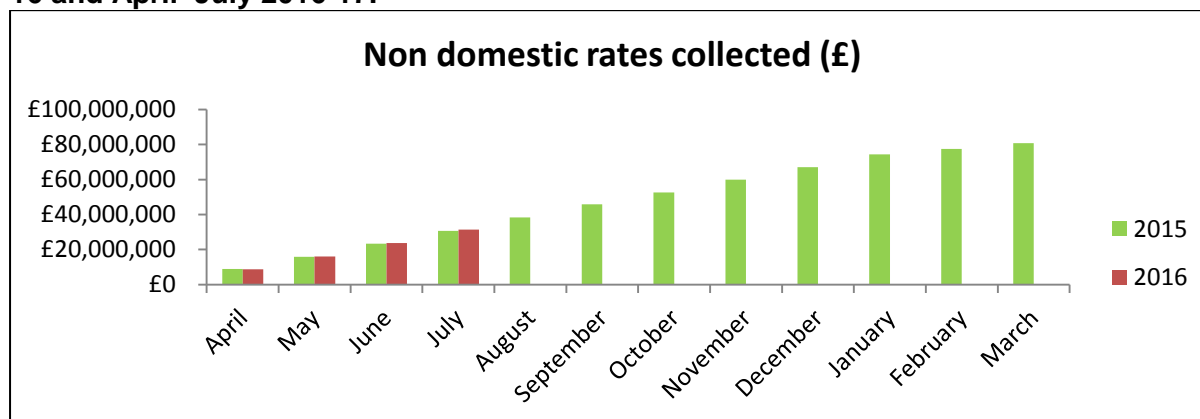
Location	Office - £ per sqft)	Industrial - £p per sqft)
Ampthill	£16	£8
Flitwick	£14	£8
Cranfield Tech Park	£16	-
Biggleswade	£10 -12	£6.75
Sandy	£10	£4.00 -£7.00
Leighton Buzzard	£7.50	£5.50 - £6.50
Dunstable	£6-£13.75	£5.75 - £7.50

Source: Central Bedfordshire Council

National Non Domestic Rates

4.41 National Non Domestic Rates (NNDR) on business premises is another indicator of local commercial activity. In 2015-16, Central Bedfordshire's NNDR was £81,928,543 and for 2016/17 the income is forecast to be £85,699,728 (as at August 2016).

Figure 3: NNDR received by Central Bedfordshire in £ sterling for financial year 2015-16 and April–July 2016-17.



Source: Central Bedfordshire Council

The NNDR that Central Bedfordshire has received over the last three financial years has increased year on year.

Table 11: NNDR received by Central Bedfordshire in £ sterling for financial years 2013-14, 2014-15 and 2015-16

Financial Year	NNDR received	Trend
2015/2016	£81,928,543	↑
2014/2015	£79,927,716	↑
2013/2014	£76,528,085	↑

Source: Central Bedfordshire Council

Non Domestic Property Vacancy Rates

4.42 Data on the level of vacancies for non domestic rates (August 2016) indicates a vacancy rate for Central Bedfordshire of 8.9%. This is a 1.7% point reduction from the level reported in the 2014 Local Economic Assessment.

Town Centre Vacancy Rates

4.43 As part of the ongoing monitoring of the Economic Development Plan the Council is monitoring the level of high street vacancies in 'A' class premises in Central Bedfordshire's town centres. The overall vacancy rate within town centres is 7.7% in August 2016. This has increased from 7.3% in August 2015 due to increases in Biggleswade, Shefford and Stotfold. Dunstable remains the town with the most vacancies, 38 or 15.4% of all premises (the fall in Dunstable's vacancy rate in August 2016 is partially due to some retail units being amalgamated into others), followed by Biggleswade, with 14 or 6.9%. Flitwick has no vacancies. Central Bedfordshire's vacancy rate is lower than the national rate of 10.1% in July 2016 (Source:Springboard).

Table 12: Town centre vacancies %, August 2015 to August 2016

Town	Aug 15	Nov 15	Feb 16	May 16	Aug 16
Amphill	0	2.2	2.2	0	1.1
Arlesey	6.7	6.7	6.7	6.7	6.7
Biggleswade	2.8	3.5	6.9	7.6	6.9
Dunstable	18.8	17.7	17.7	18.8	15.4
Flitwick	2.6	2.6	2.6	0	0
Houghton Regis	7.1	3.6	3.4	3.4	3.4
Leighton Buzzard	2	3.4	5.4	6.9	6.4
Sandy	6.1	4.5	4.5	6	4.5
Shefford	0	2.5	2.5	2.5	2.5
Stotfold	0	5.6	5.6	5.6	5.6
Central Bedfordshire vacancy rate	7.3%	7.6%	8.6%	9.1%	7.7%

Source: Central Bedfordshire Council

Retail Spend and Centres

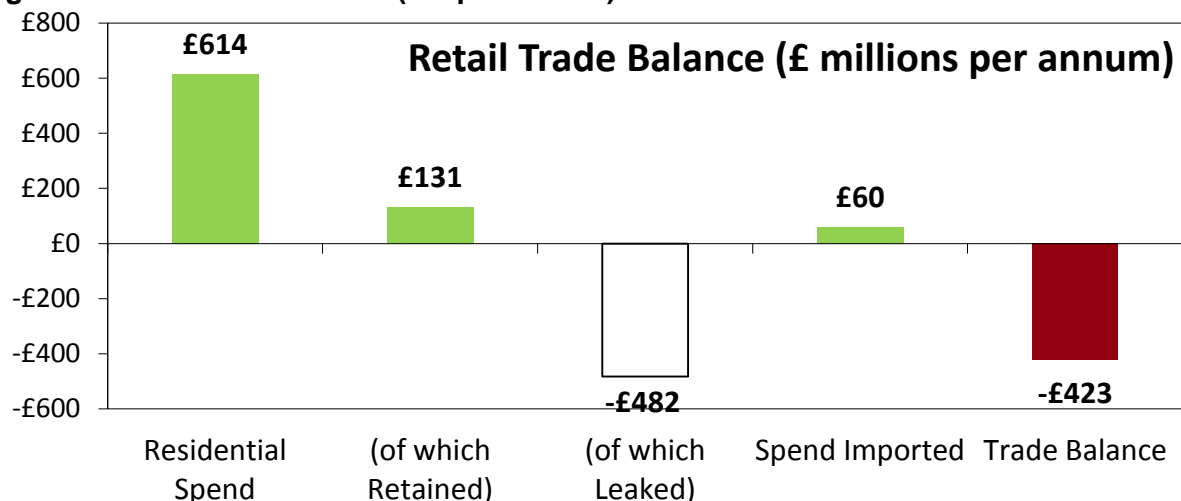
4.44 Central Bedfordshire has a mixture of market towns, retail centres and rural retail centres, offering a range of leisure and retail facilities. It is a Council priority to support the area's centres to thrive, and the Council is working on a range of masterplans, site development briefs and town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

4.45 According to CACI's Balance of Trade Report for Central Bedfordshire 2015, when considering retail spend, £131m is spent by Central Bedfordshire residents on comparison goods (high order goods such as electrical items) in centres within Central Bedfordshire. This compares to £482m in centres outside the area. This

gives a leakage of 79%. This has risen from the 77% in 2014. £60m is spent within Central Bedfordshire on comparison goods by residents from outside the area. This has risen from £53m in 2014. The main centres benefiting from this £60m spend are Dunstable and the Dunstable-Luton Road area, receiving £41.25m, Biggleswade and the Biggleswade Retail Park, receiving £10m and Leighton Buzzard receiving £5.9m.

4.46 The balance of trade in Central Bedfordshire on comparison goods spend is -£423m, an increase from the -£387m in 2014 with seven times as much money leaving Central Bedfordshire, than coming into the area.

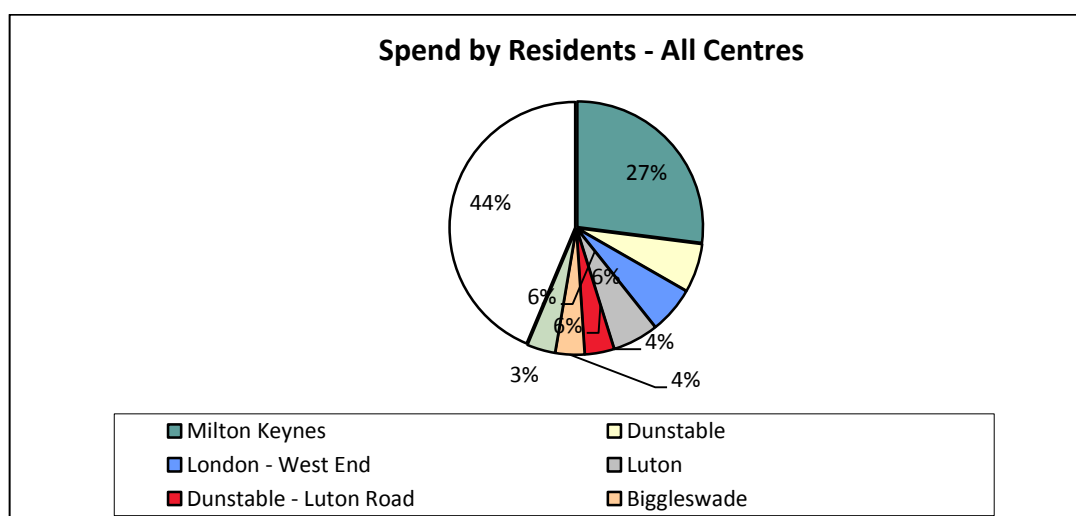
Figure 4: Retail trade balance (£m per annum) 2015



Source: CACI Balance of Trade Report, Central Bedfordshire, 2015

4.47 Central Bedfordshire loses a total net £423m a year to centres outside of the area. This indicates that there are many strong centres just outside Central Bedfordshire, which are attracting residents of the area. Milton Keynes accounts for 27% of the spend from Central Bedfordshire residents, with both London and Luton accounting for 6% of spend.

Figure 5: Spend by residents



Source: CACI Balance of Trade Report, Central Bedfordshire, 2015

4.48 Centres within Central Bedfordshire attract only £60m from residents outside the region. Dunstable and Dunstable-Luton Road Retail Park contribute to the vast majority of this, with £41m spend by residents outside the region.

4.49 Central Bedfordshire is characterised by a range of market towns. The largest is Dunstable which takes £63m per year in terms of the local expenditure, or 6.3%. Dunstable is a Large Local Centre, and is ranked 484th, out of 4,304 in the UK¹. The retail offer with retailers is split roughly evenly between mass and value.

4.50 Biggleswade town centre, classified as a Regional Town, is the second strongest retail centre in the area in terms of the local expenditure it attracts £27.5m or 3.7% of the total available local expenditure.

4.51 Leighton Buzzard is the third strongest retail centre in Central Bedfordshire at attracting local expenditure, with £25.1m, or 3.1%, 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 1040th.

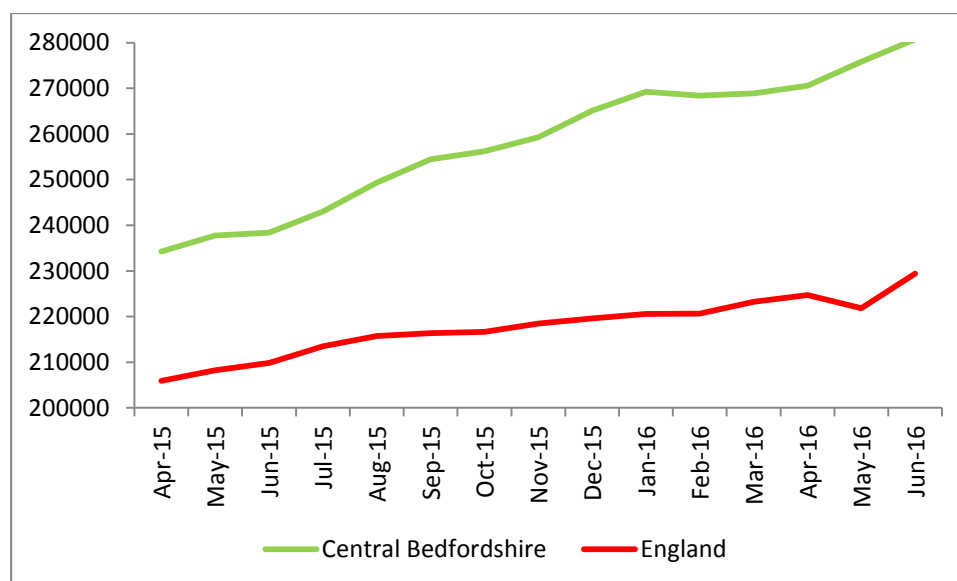
4.52 Biggleswade Retail Park and Dunstable-Luton Road are both Retail Parks. They each have relatively large catchments (serving 300k and 600k people respectively) and have the second and fifth highest spend of overall centres within Central Bedfordshire. They each attract just over £19m and £40m of total expenditure per annum, although Dunstable-Luton Road obtains a much higher proportion of its expenditure from outside the area (42%) than Biggleswade Retail Park (27.8%).

House Prices

4.53 The average house price in Central Bedfordshire in June 2016 was £280,737. (*Source: ONS House Price Index*). This has increased by £42,353 or 17.8% since June 2015. The average June 2016 house price in Central Bedfordshire was £51,354 higher than the average for England overall and has increased by a higher rate between June 2015 and June 2016 (England rate 9.3%).

¹ GB Centre Ranking

Figure 6: Change in house price, April 2015 – June 2016



Source: ONS House Price Index, August 2016

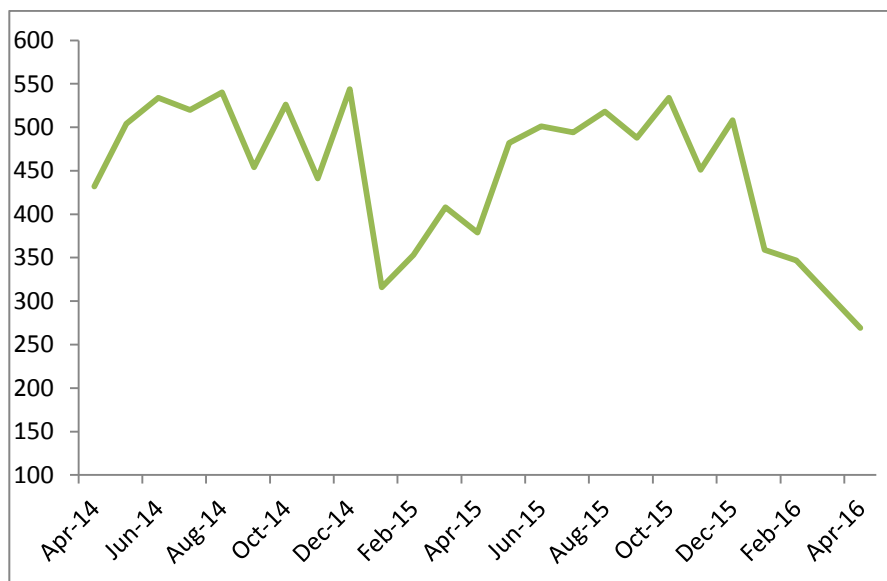
Table 13: Average price of property type in Central Bedfordshire, June 2015 - 2016

House type	Price £ June 2015	Price £ June 2016
Detached	386,828	453,124
Semi Detached	240,613	285,593
Terraced	202,671	238,964
Flat/ Maisonette	138,135	161,582

Source: HM Land Registry, October 2016

4.54 When considering the volume of house sales in Central Bedfordshire, there has been considerable variation in month by month figures, with figures falling in recent months. The most recent data, April 2016, shows 269 sales - the lowest number of monthly sales over the last two year period.

Figure 7: Volume of house sales April 2014 - April 2016



Source: HM land Registry

4.55 With regard to the number of new houses built in Central Bedfordshire, in 2015/16 there were 1,625 completions. This is 103 more than the previous year when 1,522 dwellings were completed, and 361 more than in 2013 .

4.56 The target for the year 2016/17 is now 1,475 new dwellings per year based on the Objectively Assessed Need which is 29,500.

4.57 For the period 2011-31 the figure for new dwellings is published in Central Bedfordshire's Strategic Housing Market Assessment (Summer 2015) found at <http://www.centralbedfordshire.gov.uk/housing/strategic/needs.aspx>

Affordable and Private Rental Market

4.58 The 2010 spending review introduced Affordable Rent for Registered Providers (RPS), changing the way in which new social housing is funded through the Homes and Communities Agency (HCA). The Affordable rent is subject to rent controls that require the rent to be at no more than 80% of the local market rent.

Rent Levels

4.59 The following tables show the current market rents and the 80% market rent levels. The tables have been broken down into three areas; West, East and South. The market rent levels are an average of rented houses advertised on rightmove.com and zoopla.com. The 80% market rent levels will be reviewed every 6 months to ensure that we can set rent levels to be affordable and attainable for clients.

Table 14: Current market rents across west, east and south of Central Bedfordshire

West (Monthly) - Ampthill, Cranfield, Flitwick, Marston Moretaine, Toddington

Number of bedrooms	Open Market Rent	Social Rent	Affordable Rent	Local Housing Allowance
1	684	410.4	547.2	485.38
2	826	495.6	660.8	617.15
3	1134	680.4	907.2	723.45
4	1,512.00	907.2	1209.6	920.36

East (Monthly) - Arlesey, Biggleswade, Henlow, Potton, Sandy, Shefford, Stotfold

Number of bedrooms	Open Market Rent	Social Rent	Affordable Rent	Local Housing Allowance
1	635	381	508	488.32
2	797	478.2	637.6	625.47
3	1095	657	876	742.82
4	1,285	771	1028	970.36

South (Monthly) - Dunstable, Houghton Regis, Leighton Buzzard

Number of bedrooms	Open Market Rent	Social Rent	Affordable Rent	Local Housing Allowance
1	633	379.8	506.4	504.88
2	796	477.6	636.8	636.87
3	1020	612	816	746.37
4	1233	739.8	986.4	927.59

Source: Central Bedfordshire Rent Strategy 2016/2017

Business

Key Findings

- Central Bedfordshire remains a high performing economy, with record levels of employment.
- Jobs created, a growth of 0.54% – a smaller percentage growth in jobs than SEMLEP's growth of 1.6% and England's 2.4% - though growth of 13.4% seen between 2010-2015. This low job growth is subject to variables and data will be monitored as revisions are made. Furthermore, it does not reflect the local market intelligence, or the record levels of market interest and investment seen, with Central Bedfordshire's investment services creating 2,700 new jobs alone.
- GVA growth in Central Bedfordshire has increased faster than the national level – this is a new trend.
- Central Bedfordshire's economy grew by almost £300 million between 2013 and 2014, generating £5.4 billion GVA in 2014.
- Central Bedfordshire had the largest number of active enterprises in 2014 out of all Local Authorities across SEMLEP.
- Central Bedfordshire's four key sectors of Agriculture and Food; High Performance Technologies, Research and Development; Transport and Logistics; and the Visitor Economy all continue to show good strength.
- Survival rates for new enterprises in Central Bedfordshire were above the national and comparator areas averages in 2014, at 95% after one year and 47% after five years.
- There has been a decrease in the number of businesses reporting an overall improvement in their business performance in the last 12 months – 49% in 2015, compared with 57% in 2014, with just 5% (compared with 10% in 2013) reporting deterioration.
- Businesses cite barriers to growth as being the general economic climate (47%, compared with 52% in 2014), over regulation / red tape (37%, 42% in 2014), and weakness in attracting or retaining customers (36%, 33% in 2014).
- 89.8% of businesses in Central Bedfordshire are micro, this is a higher percentage than the East of England (83.8%), SEMLEP (83.5%) and national (82.9%) levels.
- Self-employment in Central Bedfordshire is falling, with the number of new businesses remaining static.

Key Findings

- With a growing population, Central Bedfordshire's entrepreneurial activity level has fallen by 1%, making Central Bedfordshire out of kilter with trends seen nationally and across the SEMLEP (South East Midlands Local Economic Partnership) area.
- In Central Bedfordshire, 3% (6% in 2014) of businesses are Minority Ethnic Group (MEG) led. This proportion is significantly lower than the South East Midlands average of 10%, although the overall level of minority ethnic groups within Central Bedfordshire is lower than across the SEMLEP area.

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
- Innovation
- Rural businesses

Number of Businesses

5.3 In 2015 there were 11,570 active enterprises in Central Bedfordshire. This level has increased by 710 enterprises (6.5%) since 2014 (source: ONS UK Business Activity, Size and Location 2015). This is a higher growth rate than the 3.9% growth (370 new businesses) seen in 2014.

Table 15: Number of active enterprises in Central Bedfordshire

	2010	2011	2012	2013	2014	2015
Central Bedfordshire	10,235	10,065	10,345	10,455	10,860	11,570

Source: ONS UK Business Activity, size and Location 2015²

5.4 All comparator areas also saw a higher rate of growth in 2015 than in 2014. The number of active enterprises increased by 8.5% in England, by 9.0% in South East Midlands Local Economic Partnership (SEMLEP) and by 7.1% in the East of England.

5.5 In the SEMLEP area, Central Bedfordshire had the largest number of active enterprises in 2015, however the highest growth rates were in Corby (18.7%), Northampton (15.5%) and Luton (13.5%).

5.6 Another measure of the number of businesses is the number of local units. There were 12,675 local units in Central Bedfordshire in 2015, an increase of 715 units

from 2014. The industries in Central Bedfordshire with the greatest number of 'local units' in 2015 (similar to workplaces) are Professional, Scientific & Technical (2,100), Construction (1,885), Information & Communication (1,020), and Business Administration (1,005).

Business Size

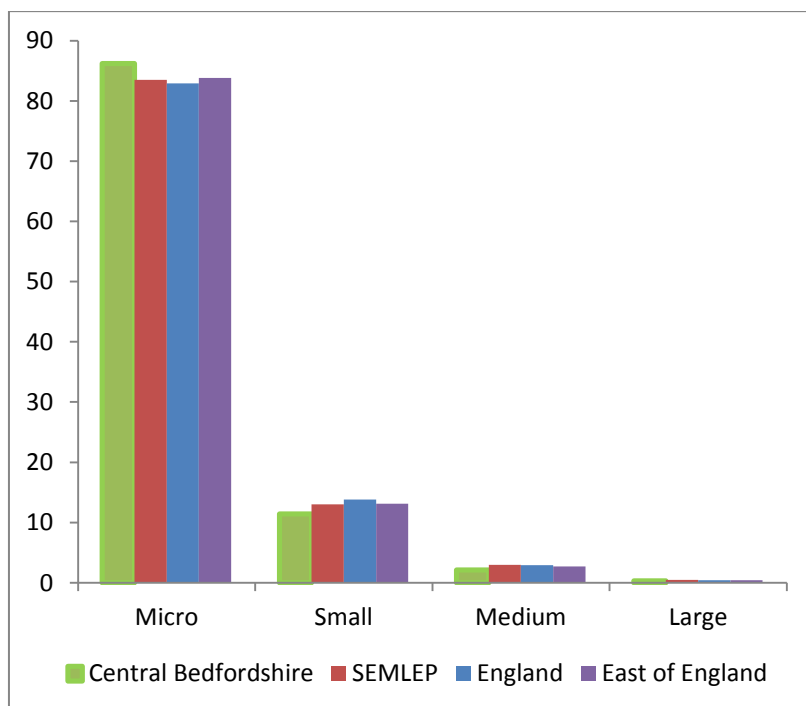
5.7 The number of employees is most often used to define business size. A small enterprise is defined as one with fewer than 50 employees, with micro-enterprises having fewer than 10 employees. A medium enterprise is defined as one with 50 or more employees, but fewer than 250, and a large enterprise as one having 250 or more employees. Small and medium sized enterprises (SMEs) are often used to classify businesses eligible for support and attention and are of great importance to the local economy. These are classed as all businesses with up to 250 employees.

Table 16: Number of businesses in each size band in Central Bedfordshire 2015

Number of employees	Business Size	Number of businesses	% of all businesses
0-4	Micro	9,135	79.0
5-9	Micro	1,260	10.9
10-19	Small	630	5.4
20- 49	Small	345	3.0
50-99	Medium	115	1.0
100-249	Medium	40	0.3
250 -499	Large	15	0.1
500-999	Large	10	0.09
1000+	Large	15	0.1
Total		11565	

Source: Office for National Statistics, UK Business Activity, Size and Location 2015. 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

Figure 8: Percentage of Central Bedfordshire businesses in each size band in 2015



Source: Office for National Statistics, UK Business Activity, Size and Location 2015

5.8 In total, 98.2% of businesses in Central Bedfordshire employ fewer than 50 people. The balance of micro and small businesses in Central Bedfordshire changed in 2014, and there are now fewer small businesses and more micro businesses than in 2014.

Business Ownership and Leadership

5.9 The 2015 Business Survey-Central Bedfordshire, prepared by BMG Research found that more than half of businesses in Central Bedfordshire (57%) are family businesses, being majority owned by members of the same family. This is slightly lower than the SEMLEP average of 61%. Family-owned businesses form a significantly higher proportion of businesses that have been established for more than 10 years (64%), compared with younger businesses (47%).

5.10 More than one in five businesses (20%) in Central Bedfordshire are women-led (more than 50% owned or managed by women). Although this is a slightly lower proportion than the 22% of women-led businesses across SEMLEP, it is an increase from 15% in 2014. This is similar to the UK figure of 21% (from the Longitudinal Small Business Survey – LBBS), which also shows that women-led businesses are particularly prevalent in urban areas (23%) and are more likely to be non-family owned than family-owned business (26%).

5.11 In Central Bedfordshire in 2015, 3% (6% in 2014) of businesses are Minority Ethnic Group (MEG) led; defined as at least 50% owned or managed by individuals from an ethnic minority group. This proportion is significantly lower than the South East Midlands average of 10%. The LSBS reported that 5% of SME employers across the UK were MEG-led.

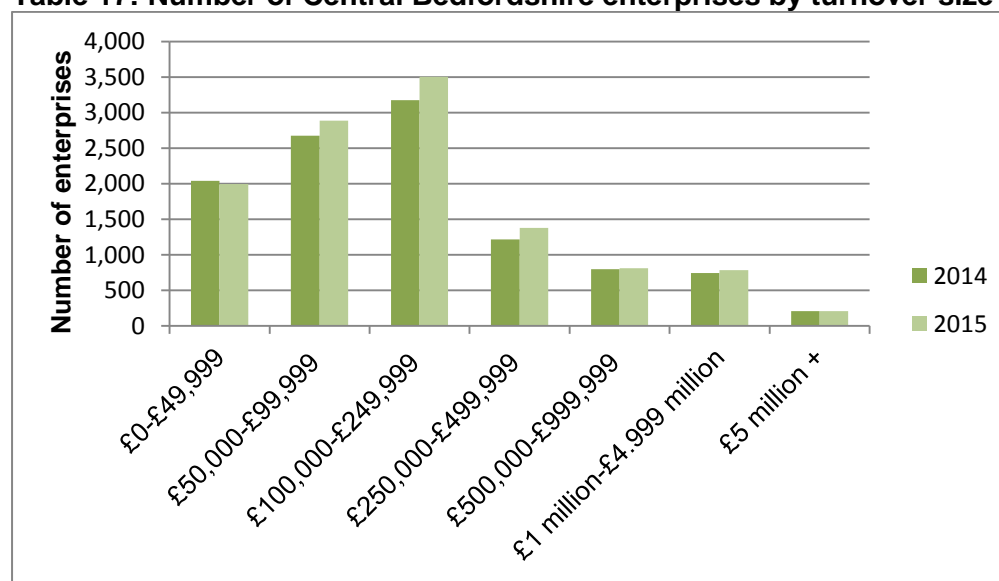
5.12 Just over one in twenty businesses in Central Bedfordshire (7%) is led by an individual or individuals with a long standing illness or disability. This is a similar proportion to the South East Midlands area average (5%).

Business Turnover

5.13 In 2015 there was an increase in the number of businesses in all turnover size bands, apart from the £0 to £49,999 size band, which had a reduction of 45 businesses.

The £100,000 to £249,999 size band had the largest increase in total number of businesses between 2014 and 2015, 330. Most enterprises (30.8%) were in the £100,000 - £249,000 turnover band in 2015. This percentage had increased from 29.3% in 2014.

Table 17: Number of Central Bedfordshire enterprises by turnover size bands



Source: Office for National Statistics, Table UKBAF01, August 2016

Business Sectors and Job Growth

5.14 Central Bedfordshire is home to world leading companies such as B/E Aerospace, Lockheed Martin, Nissan Technical Centre Europe, Cranfield University, Whitbread, Amazon and The Jordan and Ryvita Company. The largest employer in the area is Central Bedfordshire Council, when taking into account all education / school based employment.

5.15 The main industries in Central Bedfordshire, in terms of employee numbers, according to the 2015 Business Register and Employment Survey (BRES), are Wholesale and Retail Trade (17,100), Professional, Scientific and Technical (9,400) and Manufacturing (9,300 jobs).

5.16 Between 2010 and 2015, Central Bedfordshire experienced a 13.4% increase in jobs, or 2,180 new jobs per annum. The rate of job growth slowed with 0.54% growth in 2015, compared to 2.4% nationally. As can be seen in Table 17, in 2014-15 Central Bedfordshire saw a lower percentage growth in jobs than SEMLEP and England. This low job growth is subject to variables and data will be monitored as revisions are made. Furthermore, it does not reflect the local market intelligence, or

the record levels of market interest and investment seen, with Central Bedfordshire's investment services creating 2,700 new jobs alone.

Table 18: Number of jobs and net annual change

	Jobs 2015	Number of new jobs 2014-15	% growth 2014-15	% growth 2013-14
Central Bedfordshire	92,300	500	0.54%	3.8%
SEMLEP	827,100	12,700	1.6%	3.4%
England	24,866,600	580,800	2.4%	3.1%

Source: Business Register and Employment Survey 2015

5.17 With regard to growth in specific sectors, as can be seen from the table below, the best performing sectors in 2015 were Administration & Support Services (700 new jobs) and Other Services (1000 new jobs). The sectors in which job numbers fell most significantly in 2015 were Manufacturing (1,100 fewer jobs), Information and Communication (300 fewer jobs) and Arts, Entertainment & Recreation (300 fewer jobs).

Table 19: Sector growth in 2015

	Number of jobs 2015	Percentage of total 2015 jobs	Change in number 2014-2015	% Change
Agriculture, forestry & fishing	300	0.3%	-200	-40%
Manufacturing	9,300	10.1%	-1,100	-10.6%
Water supply; sewerage, waste management & remediation	600	0.7%	200	50%
Construction	6,400	6.9%	400	6.7%
Wholesale and retail trade; repair of motor vehicles and motorcycles	17,100	18.5%	300	1.8%
Transportation & storage	4,600	5.0%	100	2.2%
Accommodation & food services	7,700	8.3%	-200	-2.5%
Information & communication	3,100	3.4%	-300	-8.8%
Financial & insurance	800	0.9%	-200	-20.0%
Real estate	1,900	2.1%	0	0%
Professional, scientific & technical	9,400	10.2%	400	4.4%
Administration &	7,200	7.8%	700	10.8%

support services				
Public administration & defence	2,600	2.8%	0	0%
Education	9,400	10.2%	-200	-2.1%
Human health & social work	6,300	6.8%	-100	-1.6%
Arts, entertainment, & recreation	2,300	2.5%	-300	-11.5%
Other service activities	3,200	3.5%	1000	45.5%
Total	92,300	100%	500	0.5%

Source: Business Register and Employment Survey 2015

5.18 Although not a specific sector the 2015 Confederation of British Industry study “The Colour of Growth: Maximising the Potential of Green Business” highlights that there are a number of significant businesses which have a vested interest or operate within the green economy. In total, 224 companies were identified by WSP / Parsons Brinckerhoff, the study team, employing over 7,500 people with a combined total turnover of £1.3 billion. In our area the Green Economy is diverse, encompassing a wide range of businesses across a range of sectors, with education and research and development being key areas. The proportion of the range of sectors, together with employee numbers, can be found in Central Bedfordshire’s Environmental Framework document at:

<http://www.centralbedfordshire.gov.uk/environment/natural/environmental-framework.aspx>.

Sector Specialism

5.19 Central Bedfordshire Council is committed to identifying and developing business sectors with existing or potential comparative advantages as part of delivering new employment opportunities and building on the area’s assets.

5.20 Economic analysis has been carried out to identify key growth sectors in Central Bedfordshire. These sectors provide large numbers of jobs and growth. Sector identification is based on national statistics and local intelligence regarding business prospects and development, including areas where Central Bedfordshire has a competitive advantage, through factors such as business clusters, academic expertise or the existence of specialist facilities or sites.

Location quotients

5.21 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.

5.22 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 England as a whole.
- If it is greater than 1 then the area is relatively specialised in that sector.

The following table shows the location quotients for Central Bedfordshire industries between 2014 and 2015.

Table 20: Central Bedfordshire Location Quotients 2014 – 2015

SIC 2007 Industry Sections	2014 CB LQ	2015 CB LQ
Agriculture, forestry & fishing	0.92	0.46
Manufacturing	1.36	1.24
Water supply; sewerage, waste management & remediation	0.67	0.95
Construction	1.50	1.56
Wholesale and retail trade; repair of motor vehicles and motorcycles	1.15	1.18
Transportation & storage	1.07	1.06
Accommodation & food services	1.22	1.18
Information & communication	0.85	0.76
Financial & insurance	0.30	0.24
Real estate	1.23	1.17
Professional, scientific & technical	1.16	1.17
Administration & support services	0.80	0.86
Public administration & defence	0.66	0.68
Education	1.12	1.11
Human health & social work	0.54	0.54
Arts, entertainment, & recreation	1.16	1.06
Other service activities	1.21	1.68

Source: Analysis of BRES 2014

5.23 The four key sectors across Central Bedfordshire have been identified as being:

- Agriculture and Food
- High Performance Technologies, Research and Development
- Transport and Logistics
- Visitor Economy

Agriculture and Food

5.24 Locally, in 2015 there were 160 businesses in the Agriculture and Food sector, employing 1,900 people. The sector has decreased by 29.6% in terms of the number of employees since 2014, with only a small decrease of 3.03% in the number of businesses, and has a Location Quotient of 0.83.

Specific strengths can be found in:

- Research and experimental development on natural sciences and engineering (LQ 1.17)
- Support activities to agriculture and post harvest crop activities (LQ 2.6)

Key businesses in this sector are Aryzta, Jordans and Ryvita Company Ltd, Parripak Foods Ltd, Signature Flatbreads (UK) Ltd, Jas Bowman and Sons Ltd and Frontier Agriculture Ltd.

High Performance Technologies, Research and Development

5.25 This sector is closely aligned to the university strengths as outlined in Sir Andrew Witty's 2013 review of Universities and Growth. Locally, in 2015 there were 110 businesses in the sector, employing 3,300 people, a 10% increase from the 2014 employee figure of 3,000, and a small increase of 0.92% in the number of businesses. The sector has retained a strong specialism over recent years, with a 2014 Location Quotient of 1.89.

Specific strengths can be found in:

- Architectural and engineering activities and related technical consultancy (LQ 1.10)
- Technical testing and analysis (LQ 3.50)
- Manufacture of air and spacecraft and related machinery (LQ 2.11)

Key local businesses include Nissan Motor Manufacturing (UK) Ltd, Lockheed Martin UK, Insys Ltd, Millbrook Proving Ground Ltd, B/E Aerospace (UK) Ltd, Cranfield University, Liebherr (Great Britain) Ltd, Vauxhall Motors Ltd, Vinci Plc.

Transport and Logistics

5.26 The transport and logistics sector has 540 businesses in Central Bedfordshire, employing just over 8,500 people in 2015, no change from the 8,500 employees in 2014, but an increase in the number of businesses of 6.7% since 2014, having a Location Quotient of 1.24.

Specific strengths can be found in:

- Freight transport from road and removal services (LQ 2.50)
- Wholesale of other office machinery, equipment and supplies (LQ 2.31)
- Other specialised wholesale (LQ 1.55)

Key local businesses include Amazon, Mini Clipper Service Ltd, Bibby Distribution Ltd, ML Accessories Ltd, Superdrug Stores Plc, Yusen Logistics UK Ltd.

Visitor Economy

5.27 The visitor economy has 730 businesses in Central Bedfordshire, employing just over 10,200 people in 2015. This sector has grown by 13.5% in the number of businesses but decreased by 4.67% in the number of employees since 2015, having a Location Quotient of 1.09.

Specific strengths can be found in:

- Libraries, archives, museums & other cultural activities (LQ 3.03)
- Amusement and recreation activities (LQ 1.16)
- Beverage serving activities (LQ 1.24)

Key local businesses include Center Parcs Woburn Forest, Jordan's Mill, Whitbread Plc, Woburn Enterprises Ltd, ZSL Whipsnade Zoo and the Headquarters of the

RSPB. The attractive countryside and historic towns, villages and country houses also bring many visitors to the area each year.

5.28 Table 19 highlights that Central Bedfordshire has a number of specialisms, at broad industrial level. In particular Construction (LQ 1.56), Manufacturing (LQ 1.24) and Other Services (LQ 1.68).

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

Construction

- Construction of other engineering projects (LQ 1.82)
- Construction of roads and railways (LQ 1.91)
- Building completion and finishing (LQ 2.33)

Retail

- Retail sale in non-specialised stores (LQ 1.22)
- Retail trade not in stores, stalls or markets (LQ 3.22)

Other specialisms

- Manufacture of articles of concrete, cement and plaster (LQ 7.43)
- Repair of personal and household goods (LQ 5.28)
- Manufacture of articles of paper and paperboard (LQ 3.84)
- Renting and leasing of personal and household goods (LQ 3.56)
- Retail trade not in stores, stalls or markets (LQ 3.22)
- Sewerage (LQ 3)
- Manufacture of plastics products (LQ 2.19)
- Sale of motor vehicle parts and accessories (LQ 2.13)
- Veterinary activities (LQ 2.18)
- Activities of head offices (LQ 2.98)

Public Sector Employment

5.30 The Office for National Statistics (ONS) uses the Annual Population Survey (APS) to determine the public / private sector employment split at a local level. As this is based on individual people's responses, it does come with the 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, for example, cleaners or security guards employed by a contractor to work at public sector premises.

5.31 In March 2016, the APS found that 17.9% of all people employed in Central Bedfordshire (25,500) are employed in the public sector. This is below the national figure of 21.4%.

5.32 With regard to gender, just 10% of all males in employment in Central Bedfordshire work in the public sector, compared to 27.5% of all females in employment.

Business Performance

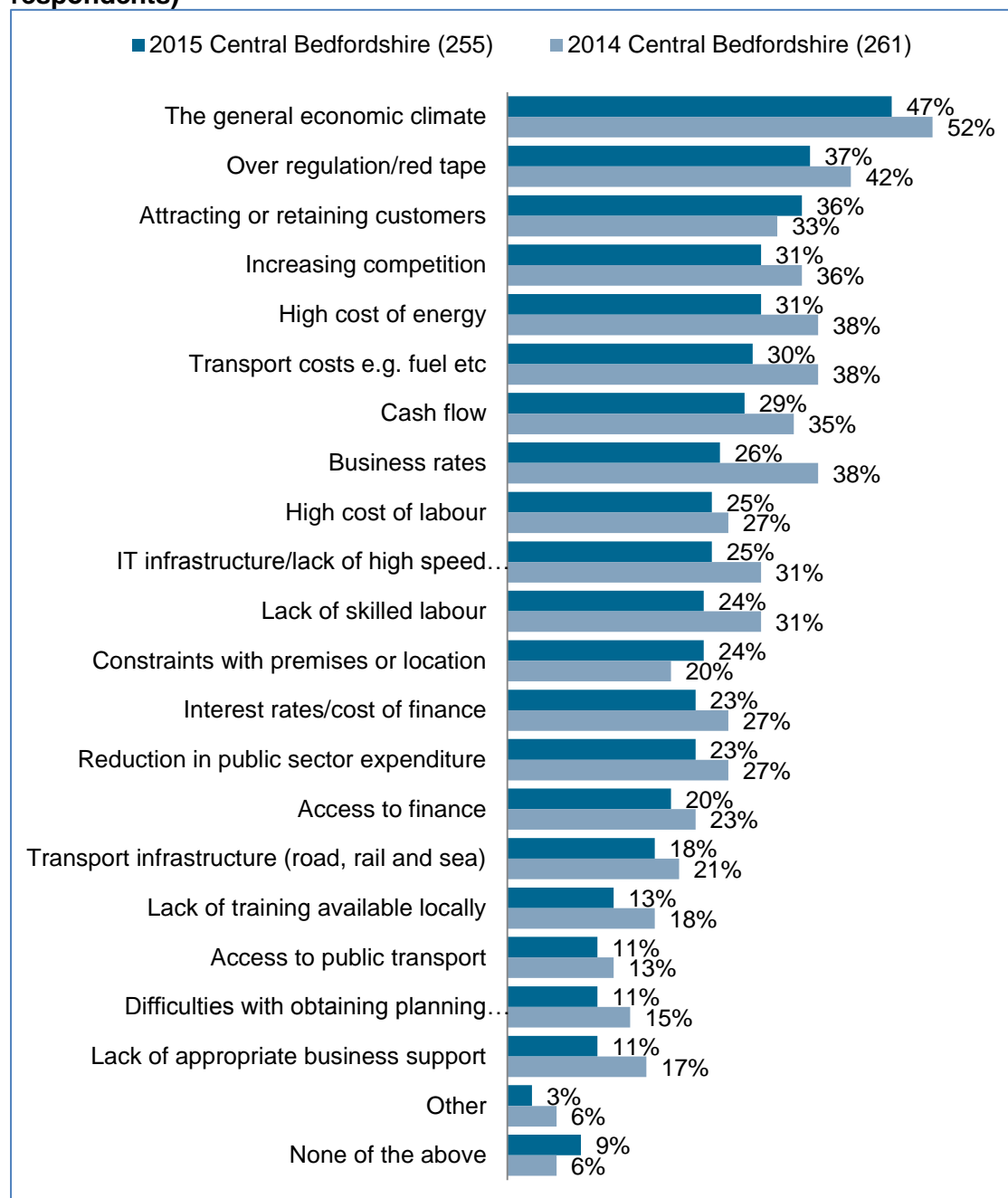
5.33 Although business performance in Central Bedfordshire is showing some positive traits, there are some areas for concern. In the 2015 Business Survey, 49% of businesses report an overall improvement in their business performance in the last 12 months, a decrease from the 57% in 2014, with just 5% of businesses (10% in 2013) reporting deterioration. This still compares positively with the South East Midlands overall, where 50% reported improvement and 11% reported deterioration. Businesses in the professional, scientific and technical activities sector in Central Bedfordshire reported higher improved performance than the average (65%), as did businesses in the cultural and creative sub-sector (64%).

5.34 The 2015 Business Survey showed that businesses are positive when looking forward to the next 12 months. More than half of the businesses (56%) anticipate an improvement in business performance. Just 3% anticipate a downturn and the remainder (41%) do not expect things to change. Compared to 2014, fewer Central Bedfordshire businesses expect an improvement in business performance in the next 12 months (56% compared to 65% in 2014), and a similar proportion expect deterioration (3% in both 2014 and 2015).

5.35 This positivity is not reflected in the more recent national Federation of Small Businesses (FSB) Voice of Small Business survey, quarter 2, 2016, which reports that 58.2% of small businesses advise that the domestic economy is a barrier to achieving their growth aspirations. It also advises that only 12.2% of firms report that they anticipate increasing capital investment over the next 12 months.

5.36 In the 2015 Business Survey businesses in Central Bedfordshire cite the general economic climate, over regulation / red tape, and weakness in attracting or retaining customers as the main constraints to business growth. Whereas, the national FSB survey indicates that 46.7% businesses advise that increased labour costs are the main contributing factor in increasing business costs.

Table 21: Perceived constraints to business growth – prompted, multiple response (all respondents)



Source: Central Bedfordshire Business Survey 2015

Productivity

5.37 Central Bedfordshire's economy grew by almost £300 million between 2013 and 2014 and generating £5.4 billion Gross Value Added (GVA) in 2014.

Table 22: GVA (Income Approach) at current basic prices in £ million

GVA (Income Approach) at current basic prices in £ million	2010	2011	2012	2013	2014
Central Bedfordshire	4,250	4,470	4,740	5,170	5,440

Source: ONS – Regional Gross Value added (Income Approach) reference tables, August 2016

Table 23: Percentage growth in GVA (Income Approach)

Percentage growth in GVA (Income Approach)	2010	2011	2012	2013	2014
Central Bedfordshire	1.4	5.3	5.9	9.0	5.2
England	4.0	3.1	3.5	4.2	4.6
East of England	3.5	2.0	2.9	3.6	5.3

Source: ONS – Regional Gross Value added (Income Approach) reference tables, August 2016

5.38 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. To produce comparative measures, it is commonly expressed as a value for each member of the resident population, called GVA per capita. This is regarded as the main indicator of economic performance across regions and local areas.

Table 24: GVA (Income Approach) per capita

GVA (Income Approach) per capita - £	2010	2011	2012	2013	2014
Central Bedfordshire	16,830	17,500	18,230	19,530	20,200

Source: ONS – Regional Gross Value added (Income Approach) reference tables, August 2016

5.39 Central Bedfordshire's GVA per capita in 2014 was £20,200 which is significantly below the national level of £25,367, indicating that the local economy is operating at a level equivalent to 79.6% of the national average performance.

5.40 When looking at GVA per capita growth, a slightly more positive picture is seen, with Central Bedfordshire's growth only slightly behind the national figure.

Table 25: Percentage GVA (Income Approach) per head growth

Percentage GVA (Income Approach) per head growth	2010	2011	2012	2013	2014
Central Bedfordshire	0.5	4.0	4.2	7.1	3.4
England	3.1	2.2	2.7	3.5	3.7
East of England	2.5	1.0	2.1	2.8	4.2

Source: ONS- Regional Gross Value Added (Income Approach) tables, August 2016

5.41 Looking solely at GVA per capita would give the impression that Central Bedfordshire is a low GVA economy. As this Economic Insight shows, however, 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.

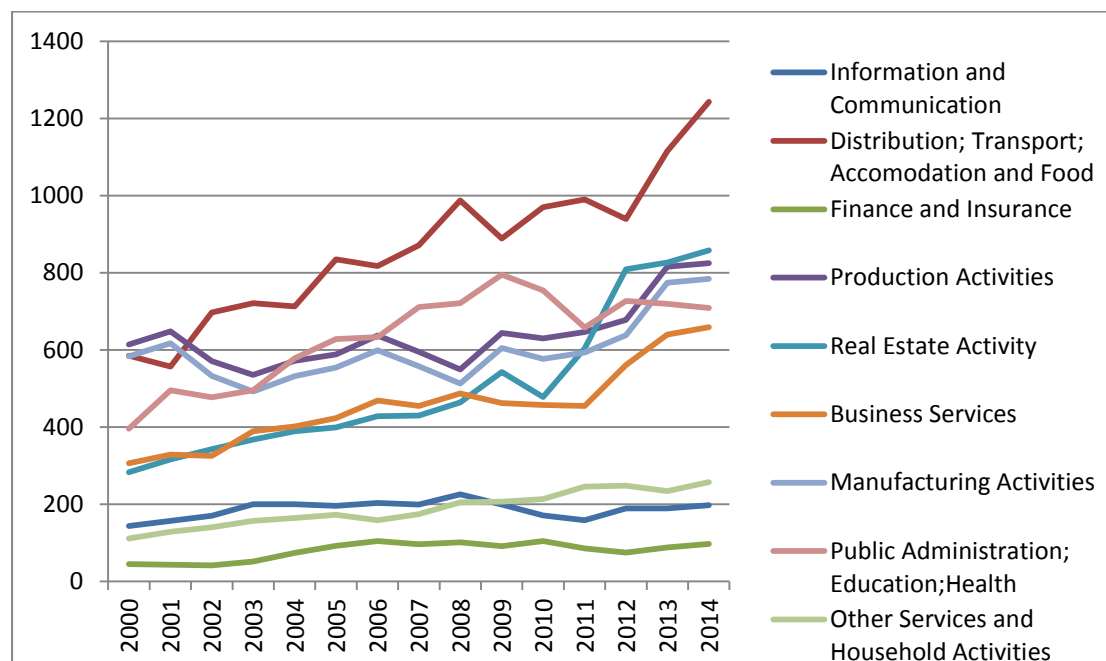
5.42 The ONS GVA figures are workplace based, rather than residency based. Therefore areas with high levels of out-commuting will have their “true” GVA per head understated in these figures.

5.43 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. This issue was analysed in detail in the 2014 Local Economic Assessment: highlighting that the level of out-commuting was indeed a key driver for lower GVA per capita figures rather than structural economic weaknesses.

5.44 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 have not.

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 weaknesses include the general trend of lower employment densities through higher proportions of smaller sized businesses and self-employment in the area. These types of businesses and forms of economic activity tend to be relatively less productive. Whilst the local economy has strengths in a number of sectors (see Figure 9, below), it has relatively lower levels of employment and businesses in the high GVA sectors (financial and insurance services, ICT and business / professional services).

**Figure 9: Gross Value Added by Component and Industry in £ millions
2000 – 2014 Central Bedfordshire**



Source: ONS, August 2016

Business Births and Deaths

5.45 In 2014, according to ONS Business Demography, there were 1,550 business 'births' in Central Bedfordshire. A business 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 10 more births than in 2013, or a growth of 0.6%. This is below the high growth rate in 2013 of 25.2%, the SEMLEP rate of 8%, and the national rate of 1.4%, but is higher than the East of England growth rate of 0.1%.

Table 26: Business births 2009-2014

Count of births of new enterprises for 2009 - 2014	2009	2010	2011	2012	2013	2014
United Kingdom	236,030	235,145	261,370	269,565	346,485	350,585
England	209,035	207,520	232,460	239,975	308,770	313,200
East Region	23,535	22,580	24,930	25,335	32,570	32,595
SEMLEP	6,990	6,965	7,360	7,890	10,275	11,100
Central Bedfordshire	1,055	1,010	1,095	1,150	1,540	1,550

Source: Business Demography 2014, ONS

5.46 The ONS Business Demography also measures the number of business deaths in an area. In 2014 there were 1,030 business 'deaths'. A 'death' is a business that was active in the reference year, but no longer active in either of the next two years.

5.47 The number of business deaths in Central Bedfordshire decreased by 5.1% in 2014 to 1,030. This decrease is not in line with the number of business deaths witnessed in regional and national comparators, who all saw increases (UK increase of 3.44%, England 3.68% and East region 1.27%).

5.48 Taking the number of deaths from the number of births gives new business stock of 520 in Central Bedfordshire. This compares to 455 in 2013. 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 9.0% for the past six years.

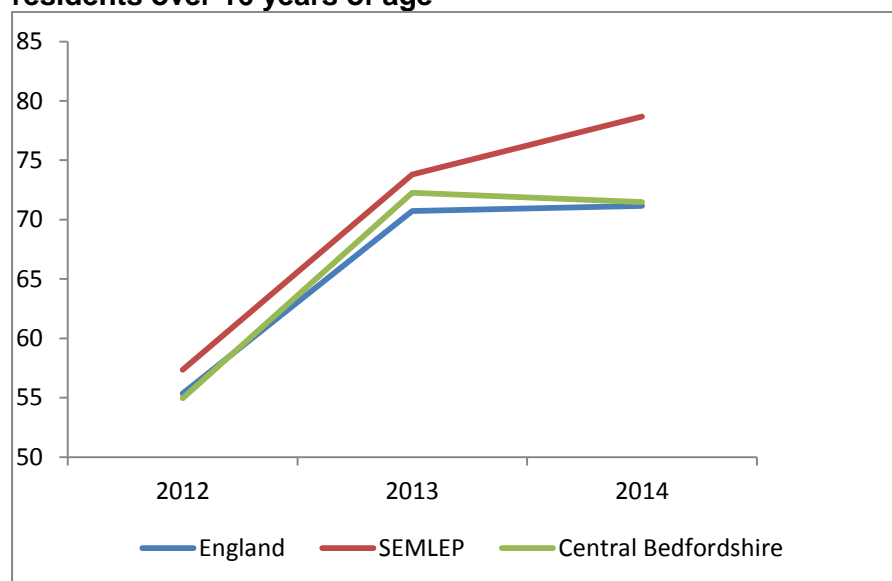
Table 27: Business deaths 2009-2014

Count of deaths of enterprises for 2009 - 2014	2009	2010	2011	2012	2013	2014
United Kingdom	277,435	248,595	229,525	252,810	237,660	245,835
England	247,150	219,030	202,365	222,115	209,465	217,175
East Region	28,475	24,030	22,660	24,555	23,285	23,580
Central Bedfordshire	1,360	1,050	1,010	1,060	1,085	1,030

Source: Business Demography 2014, ONS

5.49 The number of business births per 10,000 residents aged over 16 years of age is often used as a measure of entrepreneurial activity levels (EAL) in an area. In 2014 the number of births in Central Bedfordshire equates to 71.47 new businesses per 10,000 residents aged over 16. Central Bedfordshire levels have increased greatly since 2012 (59.94 per 10,000 in 2012, 72.27 in 2013) (Source: Office for National Statistics, Business Demography, 2014). In part this is explained by the national return to growth and increase in confidence following the recession, and an increase in availability of credit.

Figure 10: Entrepreneurial activity level – number of business births per 10,000 residents over 16 years of age



Source: *Business Demography 2014*, ONS

5.50 Although businesses in Central Bedfordshire are doing well and are continuing to grow in number, with 1,550 new businesses in 2014, the growth rate for new businesses in Central Bedfordshire has slowed down from the rapid increase since 2012. The entrepreneurial activity level (EAL) for Central Bedfordshire has fallen slightly to 71.47, a -1.1% decrease in the rate of growth in 2014, whereas both England and SEMLEP have seen an increase in entrepreneurial activity level of 0.6% and 6.6% growth rates respectively. It must be noted that this decline is only for 2014, with rates being fairly static since 2010. Despite this slight decline in EAL in 2014 across Central Bedfordshire, more businesses are being born each year, with the number of business deaths decreasing.

Table 28: Growth in entrepreneurial activity level (EAL)

	2012 - 2013	2013 – 2014
England	27.8%	0.6%
SEMLEP	28.6%	6.6%
Central Bedfordshire	31.6%	-1.1%

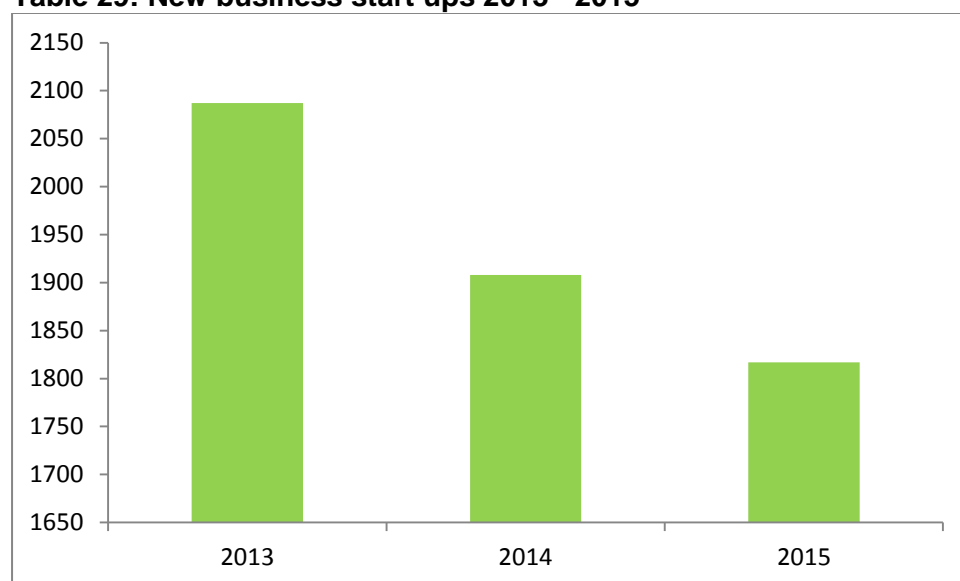
Source: *Business Demography 2014*, ONS

5.51 A more recent picture of business start ups can be taken from Banksearch data, collected from the main suppliers of business banking services: Barclays, Co-operative Bank, HSBC, Lloyds Banking Group, Royal Bank of Scotland Group and

Santander. 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 excludes businesses operating through personal accounts, those without banking relationships or those banking with other institutions. It includes not-for-profit businesses.

5.52 The Banksearch data shows that there were 1,817 start ups in Central Bedfordshire in 2015, a decrease of 4.8% on the 1,908 start-ups in 2014, with an overall decrease of 12.9% since 2013.

Table 29: New business start ups 2013 - 2015

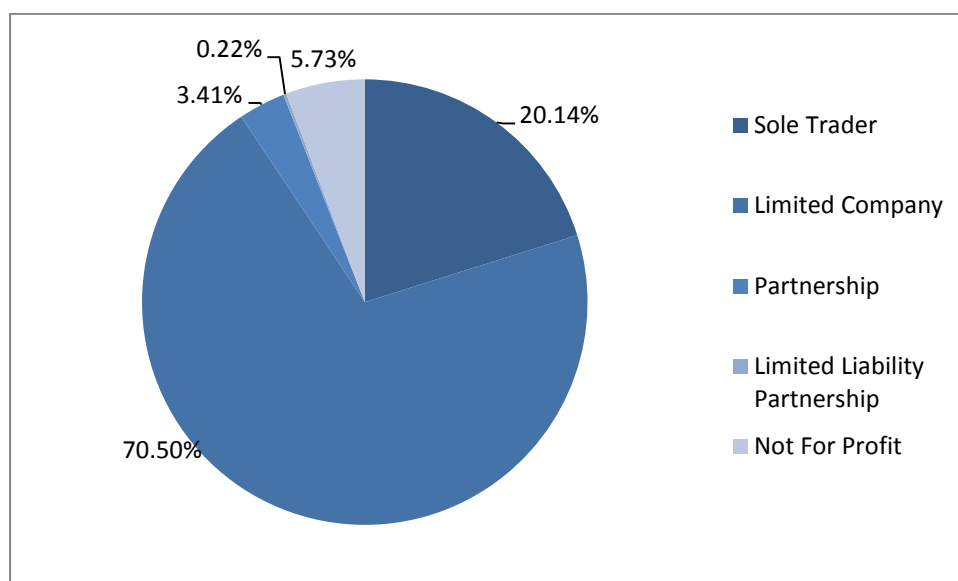


Source: Banksearch Consultancy July 2016

5.53 Of the Central Bedfordshire start ups in 2015:

- 104 (5.7%) were classed as not-for-profit businesses (6.1% in 2014)
- 366 (20.1%) were sole traders (25.4% in 2014)
- The percentage of start ups classed as Limited Companies has increased further between 2014 from 65.3% to 70.5%.
- The number of sole traders continues to fall from 33% in 2013, 25.4% in 2014, to 20.1% in 2015.

Figure 11: Start ups by business type, 2015



Source: Banksearch Small Business Start Ups Survey, 2015

5.54 According to Banksearch, the industry having the most start ups in 2015 was Real Estate, Professional Services and Support Activities with 590 start ups. This was followed by Construction (253) and Recreational, Personal and Community Service (232). These were the top three industries in both 2011, 2012 and 2013, 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 industries having no start ups in 2015 were Mining and Quarrying, and Fishing.

5.55 Start up businesses in 2015 were predominantly located in the least deprived parts of Central Bedfordshire – 977 start ups (53.8%) 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).

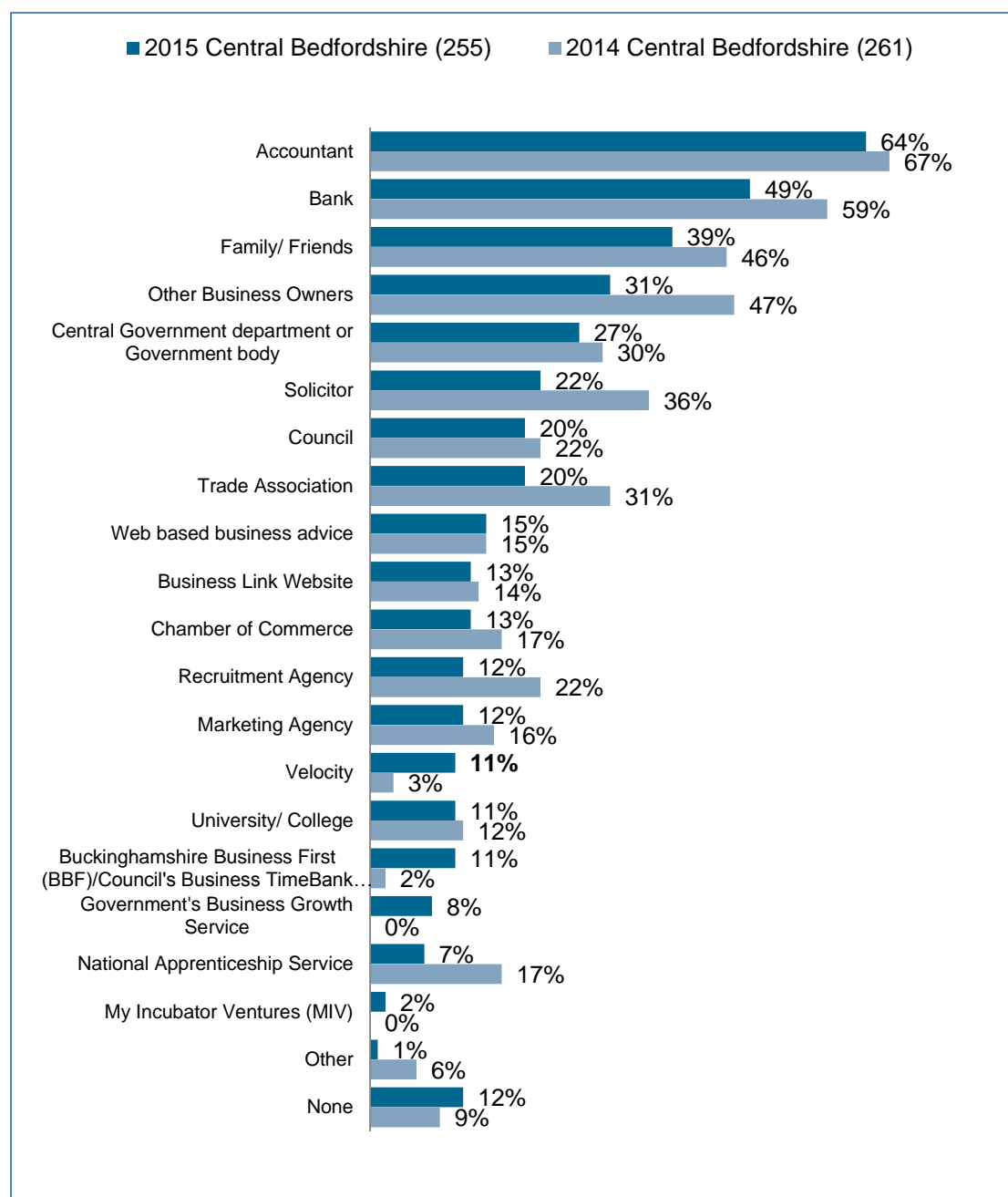
Business Support

5.56 All respondents to the 2015 Business Survey were asked about sources of business advice or support they used in the last 12 months.

5.57 While a slight fall from 2014 (91%), the majority (88%) used some form of business advice or support, although this is likely to have been general and/or informal support from an accountant (64%), a bank (49%), other business owners (31%) or family/friends (39%) rather than a dedicated business advice and support resource such as the Business Timebank service, the Business Link website or National Apprenticeship Service. One in nine businesses (11%) used the Velocity Growth Hub for business support, delivered by SEMLEP.

5.58 Compared to 2014, businesses are less likely to have used support from other business owners (- 6%) and family/friends (- 7%), however they are more likely to have used the Velocity programme (+8%).

Table 30: Sources of advice used in the last 12 months – prompted, multiple response (all respondents)



Source: Central Bedfordshire Business Survey 2015

Business Survival Rates

5.59 The total count of active enterprises in Central Bedfordshire increased from 11,395 to 12,030 between 2009 and 2014. This is an increase of 635 active enterprises between 2013 – 2014, an increase of 5.57%.

5.60 In 2014 the five year survival rate for new business (ie. those that started in 2009) was 46.9%. This compared with a five year survival rate of 48.6% in 2012. The one year survival rate in 2014 was 94.8%, a decrease from 98.1% in 2012. In both cases the figures are above the national and comparator survival rates.

Table 31: Business Survival Rates, 2014

	One Year Survival rate %	Two Year Survival rate %	Three Year Survival rate %	Four Year Survival rate %	Five Year Survival rate %
Central Bedfordshire	94.8	76.5	61.6	51.0	46.9
England	90.9	73.9	59.7	48.9	41.8
East Of England	92.5	76.6	62.6	51.3	44.3

Source: Office for National Statistics, Business Demography, 2014

5.61 The 2015 Central Bedfordshire Business Survey asked businesses about the length of time they have been in operation. Nearly two thirds of businesses in Central Bedfordshire (64%) have been trading for more than 10 years. This compares to 60% in the wider SEMLEP area. One in eight is a start-up (12%), having traded for less than 3 years, similar to the South East Midlands area average (13%).

Self-Employment

5.62 The Annual Population Survey (APS) in March 2016 showed that 19,200 people aged over 16+ in employment were self-employed. This is similar in number to the 20,200 in March 2014, but lower than the 23,300 in March 2015.

5.63 The rate of self-employed in Central Bedfordshire is 13.5%, below the national rate of 15.% and East of England rate of 14.4%, but comparable with the SEMLEP rate of 13.4%.

Looking at the gender split, 15,300 of these people are male and 3,900 are female. Since March 2014, there are 1,500 fewer self-employed males and 2,500 fewer self-employed females.

5.64 Over the last two years data would seem to indicate that Central Bedfordshire consistently has lower levels of people over 64 years of age in self-employment, and that the rate of those who are self-employed across Central Bedfordshire has fallen faster than nationally and across the SEMLEP area. In part this can be explained by the higher levels in employment, with people changing employment status from self-employed to employed.

Table 32: Percentage in employment aged 16 and over, who are self-employed

	March 2014	March 2015	March 2016	Percentage point change 2014 - 2016
Central Bedfordshire	14.8	16.6	13.5	-1.3%
SEMLEP	13.9	14.3	13.4	-0.5%
East of England	15.5	14.8	14.4	-1.1%
England	15.0	15.0	15.1	0.1%

Source: Annual Population Survey, via Nomis July 2016

Innovation

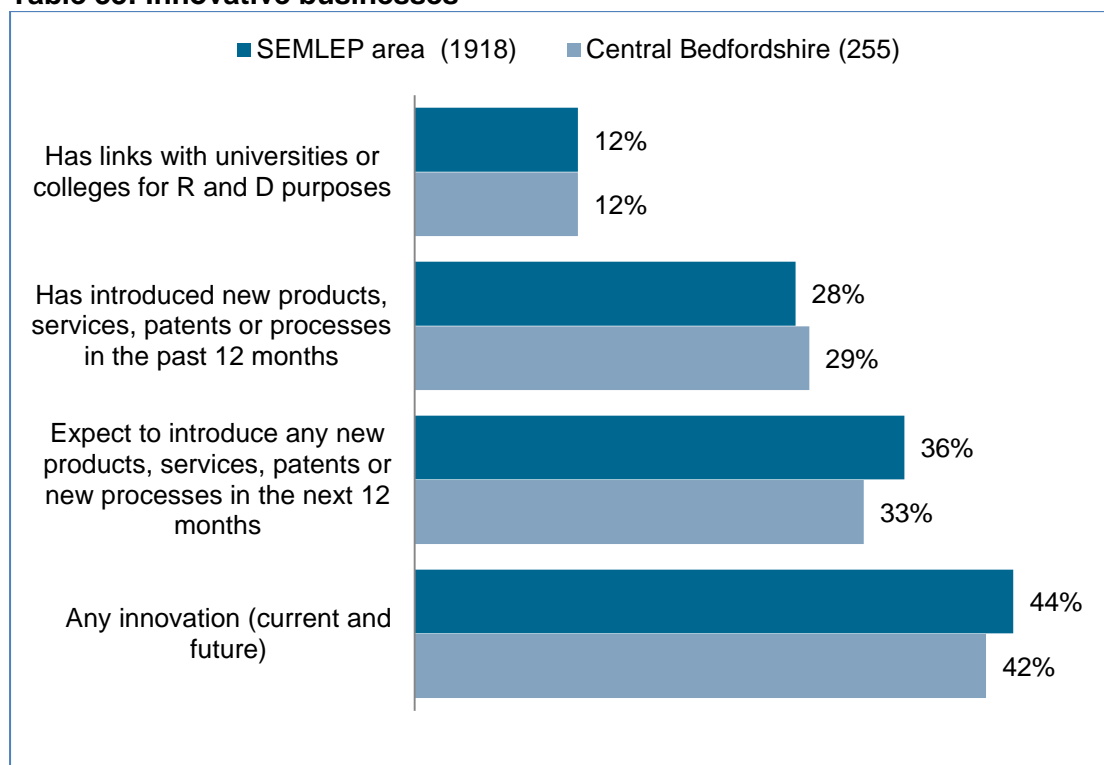
5.65 The 2015 Business Survey explored the extent to which businesses are innovators, i.e. introducers of new products, services, patents or processes. One in eight businesses in Central Bedfordshire (and across the South East Midlands area) has links with universities or colleges for research and development purposes (12%). This represents a slight increase since 2014 (10%).

5.66 Around three in ten businesses in the district (29%) have introduced new products, services, patents or processes in the last 12 months; the same proportion as in 2014 and similar to the South East Midland area average (28%). The proportion increases to more than half the businesses with 50 or more employees (55%).

5.67 A third of Central Bedfordshire businesses (33%) expect to introduce new products, services, patents or new processes in the next 12 months. This compares with 36% in 2014 and 36% across the South East Midlands area.

5.68 Overall, more than two fifths of businesses in Central Bedfordshire (42%) are innovators, based on having links with universities or colleges for research and development purposes or hoping to introduce new products, services, patents or processes. The proportion is similar to the South East Midlands area average (44%).

Table 33: Innovative businesses



Source: Central Bedfordshire Business Survey 2015

Rural Businesses

5.69 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.

5.70 The 2015 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.

5.71 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:

- Be women-led (23% vs.13% of rural businesses).
- Provide positive ratings of the area in terms of public transport (39% vs.16%);
- Be satisfied with Central Bedfordshire Council (33% rating vs. 22%);
- Consider increasing competition (35% vs. 22%) as a constraint on growth
- Consider offering a young person a work experience placement (61% vs. 43%).
- Consider taking on an apprentice (48% vs. 30%).
- Innovate in any way (47% vs. 32%).

In contrast, rural businesses are more likely to:

- Be Minority Ethnic Group (MEG) – led (6% vs. 1%).
- Rate the area as a very / quite good place to do business (68% vs. 56%).

- Provide positive ratings of the area in terms of attractive surroundings (75% vs. 58%), road network (71% vs. 55%), airport access (64% vs. 50%), the local supply chain (64% vs. 44%), availability of suitable premises (45% vs. 25%) and proximity to universities (40% vs. 28%).
- Consider over regulation/red tape (52% vs. 30%) and IT infrastructure / lack of high speed broadband (38% vs. 19%) as constraints on business growth.
- Suggest that the Council and other support organisations should improve non-transport infrastructure, such as broadband (10% vs. 3%).
- To have an environmental policy (41% vs. 28%).

Labour Market

Labour Market

Key Findings

- The labour market in Central Bedfordshire in 2016 remains in a positive position. In March 2016 137,300 people were in employment in Central Bedfordshire, 78.6% of the total working age population. This is higher than all comparator areas and although the rate has remained static compared to March 2015 levels, there are 2,300 more people in employment, with a higher population growth.
- The number of people in employment has grown by 13,600, or 9.9%, since March 2013.
- 5,200 people aged over 65 remain in employment in Central Bedfordshire in March 2016. This is similar to the March 2015 figure.
- In March 2016, the economic activity rate in Central Bedfordshire was 80.6% of working age population, or 140,800 people.
- The largest single reason for economic inactivity is being retired. This accounts for 9,700, or 28.6% in 2016.
- Groups who continue to face barriers to being economically active are ethnic minority groups, particularly females, who still tend to have a lower economic activity rate than the general population, as do those aged over 50 and those aged under 24 years.
- In March 2016, 21.3% of all people aged 16-64 in employment worked part time (29,300 people). Central Bedfordshire has a lower proportion of people in part time employment than comparator areas.
- Although Central Bedfordshire's job density at 0.66 is the highest since 2004, it is still much below comparator areas – reflecting the high levels of out-commuting to potentially high value jobs elsewhere
- Within Central Bedfordshire the majority of people are employed in managerial, professional, or skilled occupations. This is higher than national and regional levels. In March 2016, 63.1% of people were employed in these categories, representing a high level of skills and productivity. This is above regional (55.9%), SEMLEP (55%) and national levels (55.3%) and is evidence of Central Bedfordshire's strong and skilled workforce, and is an increase from the 58.8% in March 2014.
- The most frequently advertised occupation type in the first half of 2016 (January to June) was "Other administrative occupations", with 197 job postings. This was also the most frequently advertised occupation in 2015 (309 postings). The second and third most frequently advertised occupations were also in the top three in the last two years – "Programmers and software development professionals", and "Care workers and home carers". There appears to be broad alignment between the occupations sought by Jobseeker Allowance claimants and advertised job occupations, although there may be location variations and exact job requirements may not match staff availability.
- In Central Bedfordshire there were 1,200 Jobseeker's Allowance (JSA) claimants in June 2016 (0.7%). This is a fall of 330 people – or 21.6% since June 2015. The fall may be due to more people claiming Universal Credit.

Key Findings

- In terms of out of work benefits, in February 2016 there were 9,170 people claiming out of work benefits in Central Bedfordshire. This equates to 5.4% of the working age population and has fallen by over 3,070 people since February 2013.
- In February 2016 6,190 people of working age (16-64 years old) were claiming Incapacity Benefit (IB), Severe Disablement Allowance (SDA) or Employment and Support Allowance (ESA), equating to 3.7% of the area's working age population or 49.5% of all those claiming a benefit
- Unemployment in Central Bedfordshire remains significantly lower than comparator areas and in March 2016 the rate for people aged 16-64 was 2.5% or 3,500 people compared to 5.2% in England, 3.6% in SEMLEP and 4.0% in the East of England.
- The gross average weekly income of Central Bedfordshire residents in 2015 was £574.80, no increase from the 2014 figure, and in line with 0% inflation rate for 2015. In comparison England had a 1.7% increase and the East of England had a 2.2% increase. The total average earnings remain above all comparator areas: England is £533 and the East of England is £551.
- The average earnings for people working in Central Bedfordshire, but who may be resident elsewhere, are significantly lower (£478.50) per week, reflecting the fact that higher paying jobs outside of the area is still an issue. There has been no increase in the past year. The gap in earnings between those who work in Central Bedfordshire and those who live in Central Bedfordshire has also fallen slightly and now stands at £96.50 per week.
- Although Central Bedfordshire is relatively affluent, there are some pockets of deprivation. In 2015, 5 Lower Layer Super Output Areas (LSOAs) in Central Bedfordshire were in the 10 to 20% most deprived in England, and 8 were in the 20 to 30% most deprived. Deprivation has increased since 2010, when 3 LSOAs were in the 10 to 20% most deprived in England, and 6 were in the 20 to 30% most deprived.
- As at August 2013, in Central Bedfordshire 12.1% of all children were in low-income families. This compares to 18.0% in England.
- The ability of local employment sites to be accessed by public transport provision is vital and feedback from partners indicates that lack of public transport is a threat to future workforce availability.

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.

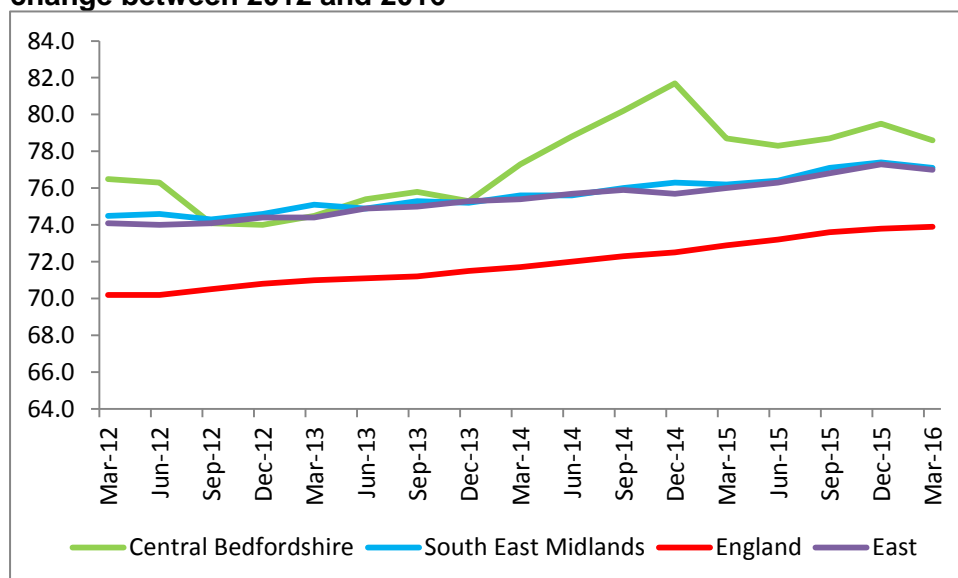
6.2 The indicators examined in this chapter are:

- Employment
- Economic activity
- Unemployment
- Jobseeker's Allowance
- Youth unemployment
- Out-of-work benefit claimants
- Work Programme
- Job density
- Job vacancies
- Occupation
- Indices of Deprivation
- Income
- Poverty

Employment

6.3 In March 2016 there were 137,300 people in employment in Central Bedfordshire of a total working age population (aged 16-64) of 174,800 – 78.6%. This is higher than all comparator areas – England 73.9%, East of England 77%, and SEMLEP 77.1%. The rate has remained static since March 2015 (78.7%) although the actual number of people in employment has increased by 2,300. The rate remaining static is explained by increased population over the period.

Figure 12: Employment rate as a percentage of working age people (aged 16-64), change between 2012 and 2016

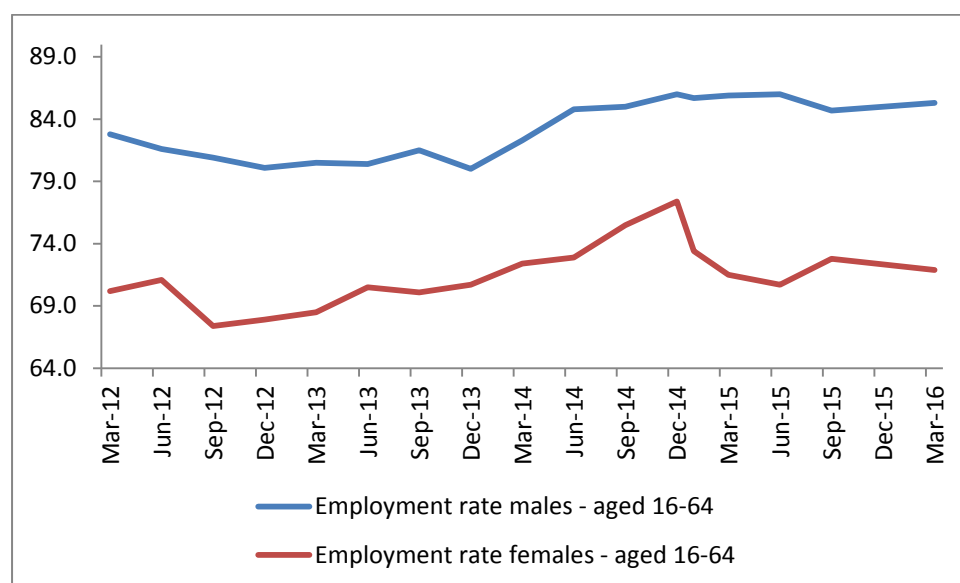


Source: ONS Annual Population Survey July 2016, via Nomis

6.4 In terms of gender, there is a large difference between the 85.3% of males aged 16 to 64 who were employed in March 2016, compared with the 71.9% of females aged 16 to 64 who were employed. Whereas the male employment rate has been

increasing gradually over recent years, the female employment rate has remained static, with even the decrease of 1.5 percentage points between December 2015 and March 2016. This is not in line with national trend, as nationally both the male and female employment rate have increased at the same rate over recent months, albeit at different levels.

Figure 13: Female and Male employment rate as a percentage of working age people (aged 16-64), change between 2012 - 2016



Source: ONS Annual Population Survey July 2016, via Nomis

6.5 In March 2016 there were 5,200 aged over 65 who remain in employment. This is 300 more people than in March 2015, although a similar percentage figure. This has been affected by both the removal of the default retirement age, and the rising state pension age for both men and women.

6.6 The employment rate can be further split into full-time and part-time employees. In March 2016 21.3% of all people aged 16-64 in employment worked part time (29,300 people). This is similar to the figure of 21.9% in March 2014. Central Bedfordshire has a lower proportion of people in part time employment than England (25.2%), SEMLEP (22.2%).

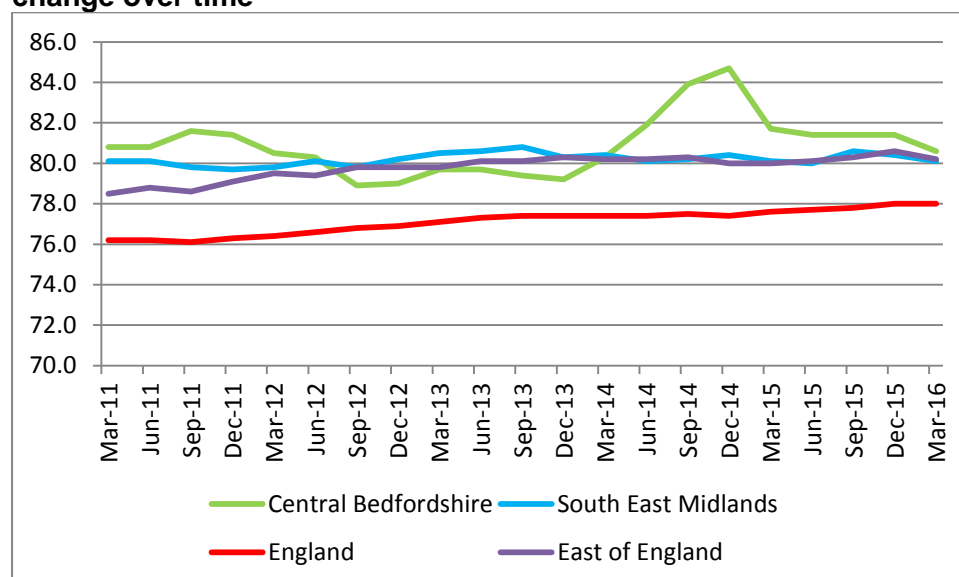
6.7 The percentage of males in employment working part time in March 2016 was 8.8%, or 6,500 people. This was similar to the 2014 figure. The female part time employment rate is 36%, (22,700 people), and has fallen by 11.3% points since March 2011. The male rate is similar to the SEMLEP and East of England figures, but below England. In contrast, the female rate is below all comparator areas: SEMLEP 38.2%, England 41.2% and East 43.2%. It should be noted that the Central Bedfordshire data for 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%.

Economic Activity

6.8 A person is defined as economically active if they are either employed, or unemployed but seeking work. 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 2016, the economic activity rate in Central Bedfordshire was 80.6% of working age population, or 140,800 people. This is a decrease from the 81.7% in March 2015. 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 (78%) and is in a similar position to SEMLEP (80.1%) and the East of England (80.2%).

Figure 14: Economic Activity rate as a percentage of working age people (16-64) change over time



Source: Annual Population Survey March 2016, ONS via Nomis

6.9 The economic activity rate of males and females in Central Bedfordshire varies, with the male rate (87.8% in March 2016) consistently higher than the female rate (73.4%). This is also true at regional, national and SEMLEP levels. The female economic activity rate is higher than the national rate (72.5%), but slightly lower than SEMLEP (74.2%) and East of England (74.3%), however the male rate is above all comparator areas (national 83.6%, SEMLEP 86%, East of England 86.2%).

6.10 When considering reasons for economic inactivity, the largest single reason given is being retired. This accounts for 9,700, or 28.6% in 2016, a large increase compared with 5,600, or 17.7% in 2015. It must be stressed that all the reasons for inactivity have a high confidence rating, figures must be considered with this variability in mind.

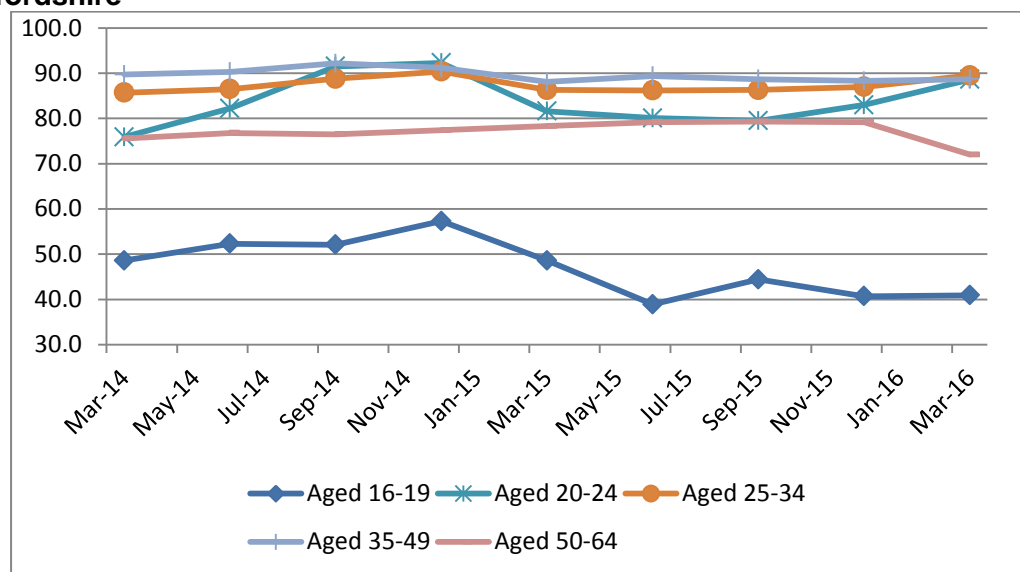
6.11 The second most common reason for economic inactivity in 2016 is looking after family/home. This accounted for 8,500 people, or 25% of the economically inactive (compared to 28.2% in March 2014). 79% of these people are females, a reduction from the 90% in 2014. The percentage of economically inactive looking after family/home in Central Bedfordshire is similar to March 2014.

6.12 In March 2016 the third most common reason is due to being a student. 19.6% of economically inactive people were students in March 2016, a rise of 1,500 or 29.4% in one year, but an overall decrease of 1,200 since the March 2014 figure of 7,800, 23.6%.

6.13 There has been a significant fall in the number of people economically inactive because they are long term sick. 15.1% of all economically inactive people, 5,100, consider themselves to be long term sick, a decrease from 23.4% in March 2014.

6.14 The economic activity rate of individual age groups in Central Bedfordshire highlights that those aged 50 to 64 years old witnessed the biggest decrease in numbers of economically active by 10,600 people between March 2015 and March 2016, a 14.7% fall. The groups which witnessed the biggest increase are those aged 20-24 and 25-34, an additional 6,700 people were economically active in these groups – a 14.6% increase.

Figure 15: Economic activity rate by age band over time in Central Bedfordshire



Source: Annual Population Survey March 2016, ONS via Nomis

6.15 With the relatively high rates of economic activity in Central Bedfordshire, good increases have been seen by four groups who face barriers to the labour market, see Table 34 below for details. There are still several groups who continue to face barriers, these are ethnic minority groups, females in particular, who still tend to have a lower economic activity rate than the general population of Central Bedfordshire as a whole. As do those aged over 50 and under 24 years of age.

Table 34: Economic activity rates among the most disadvantaged groups in Central Bedfordshire

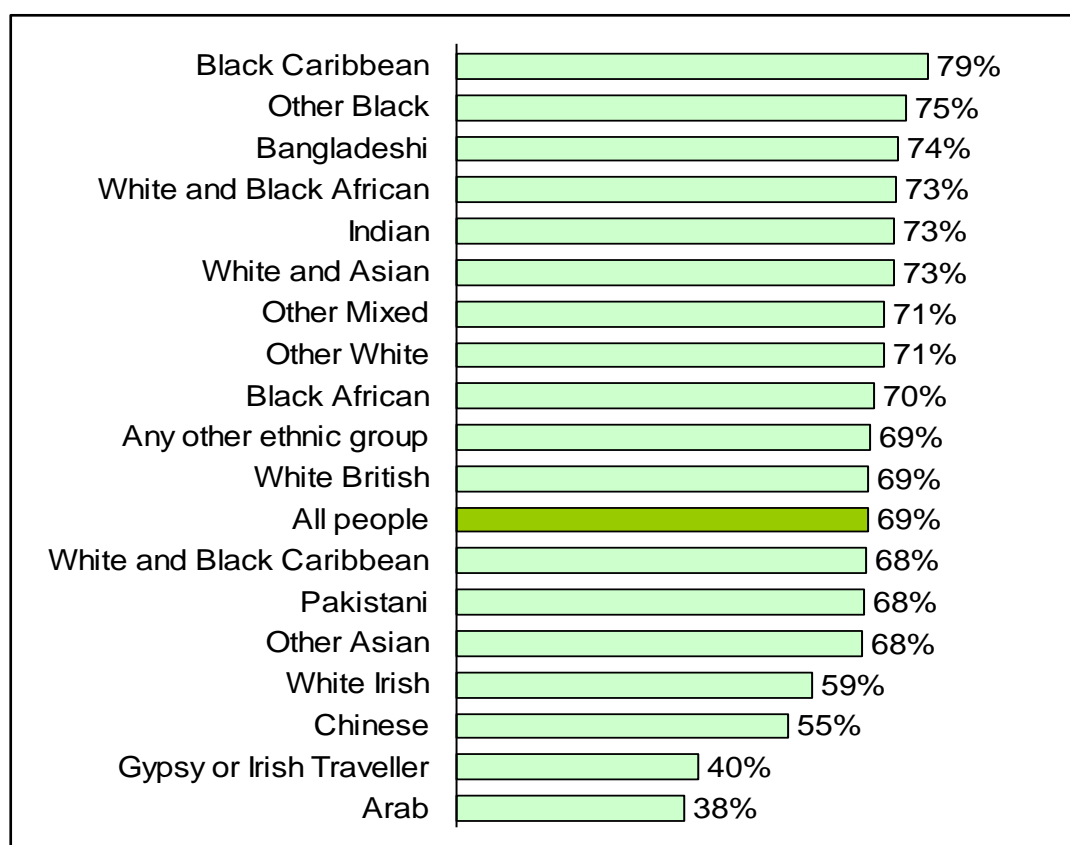
Group	Employment Rate (%)	Change from 2014
All working age people	80.6	↑
All people 50-64	72.0	↓
Ethnic minorities	70.0	↑
Ethnic minority males	77.7	↓
Ethnic minority females	61.4	↑



Source: Annual Population Survey March 2016, ONS via Nomis

6.16 Detailed data on economic activity by ethnic group is only available from the 2011 Census. It must be noted 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 (80.6% in March 2016). This is because the Annual Population Survey is for people of working age only (16-64), while the 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.

Figure 16: 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

6.17 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)

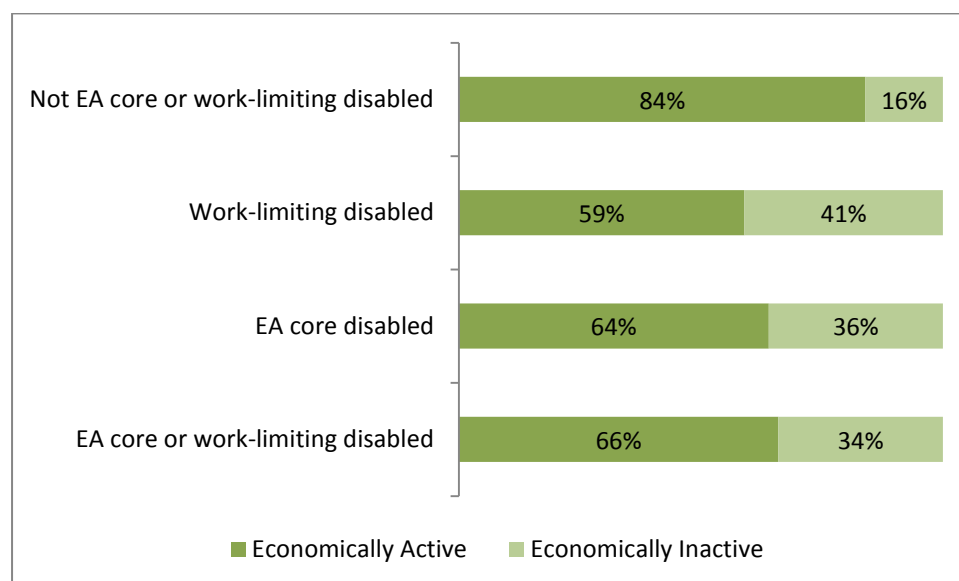
6.18 Further analysis of the Census data by age and gender shows that:

- 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).

6.19 Disabled people also frequently face difficulties entering the labour market. The Equality Act 2010 defines “disabled” as being anyone who has a physical or mental impairment that has a ‘substantial’ and ‘long-term’ negative effect on the ability to do normal daily activities.

6.20 The economic activity of those who are aged 16-64 and who are not core (as defined in the Equality Act) or work-limiting disabled is 84%. This compares to 59% who are work-limiting disabled, and economically active; 64% who are Equality Act core disabled and economically active; and 66% who are Equality Act core or work-limiting and are economically inactive.

Figure 17: Economic activity by long term health problem or disability, all people aged 16-64



Source: Annual Population Survey March 2016, ONS via Nomis

Volunteers

6.21 Volunteers of all ages add great value to the delivery of many local services across Central Bedfordshire (delivered by the public, voluntary and community sectors), which many vulnerable people are dependant upon. Their economic value to Central Bedfordshire is vital, whilst the volunteers themselves also gain value from their volunteering experience, which is often a progression route towards securing employment.

6.22 The Council has a Volunteering Strategy, Advice Strategy and a 'Framework to Devolve Services to Town & Parish Councils'. The strategy has 5 pillars, ensuring that everyone working with volunteers understands the desired outcome:

- Volunteering and building social capital
- Participatory and local decision making
- Communities doing more for themselves
- Community assets and facilities
- Organisation and culture / making it happen

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 2016 the rate for people aged 16-64 was 2.5% or 3,500 people, compared to 5.2% in England, 3.6% in SEMLEP and 4.0% in the East of England.

6.25 The rate is the second lowest it has been since December 2004 (with a 2.3% low in December 2015) and has fallen by 1.2 percentage points since March 2015. 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 13.3%, the East by 20% and SEMLEP by 26.5%.

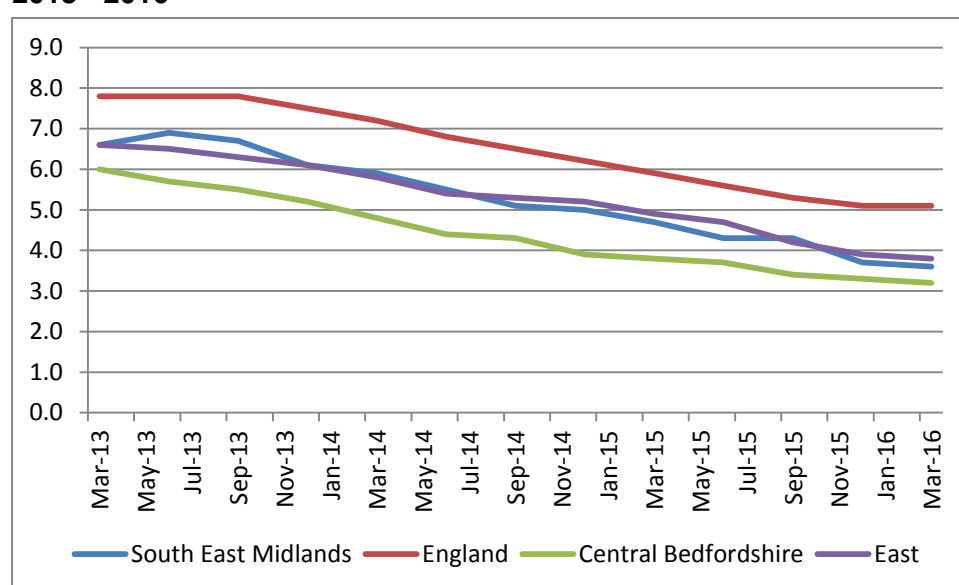
6.26 The standard measure of unemployment looks at those aged 16-64 and can be analysed using age and gender splits. It is, however, subject to confidence intervals of around 1.5 - 2 percentage points.

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 measures all people aged 16+ without a job who were available to start work in the two weeks following their interview and who have either looked for work in the four weeks prior to interview or are waiting to start a job they have already obtained. It should be noted that this measure only covers all people aged 16+, and no age or gender breakdowns are produced.

6.28 The model-based estimate of unemployment for Central Bedfordshire in March 2016 was 3.2%, or 4,700 people. This estimate has fallen by 2,100 people since March 2014, and 1,300 since March 2015. Comparator rates based on this model are: SEMLEP 3.6%, East 3.8% and England 5.1%. Some caution needs to be heeded with these figures due to a high confidence interval.

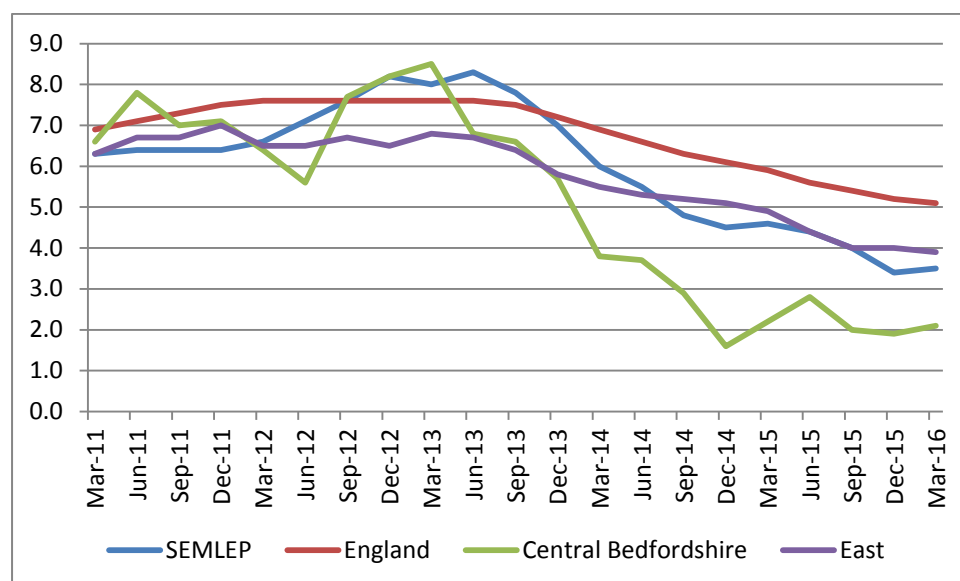
Figure 18: Unemployment rate for population aged 16+, modelled based 2013 - 2016



Source: ONS Annual Population Survey, July 2016, via Nomis.

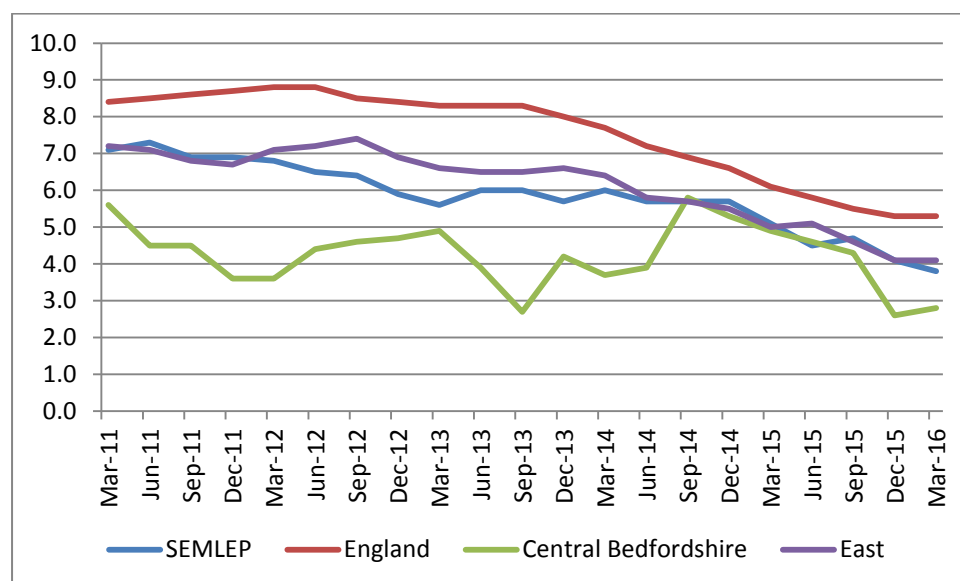
6.29 The unemployment rate varies between males and females in Central Bedfordshire and in recent years the female rate has been significantly higher than the male rate. In the year to March 2016, however, the female rate has fallen to 2.1% from a high of 8.5% in March 2013, a fall of 3,900 people. The male rate has also fallen to 2.8% from the 5.8% high in September 2014, a fall of 2,300 people.

Figure 19: Female unemployment rate as a percentage of female working age population 2011 - 2016



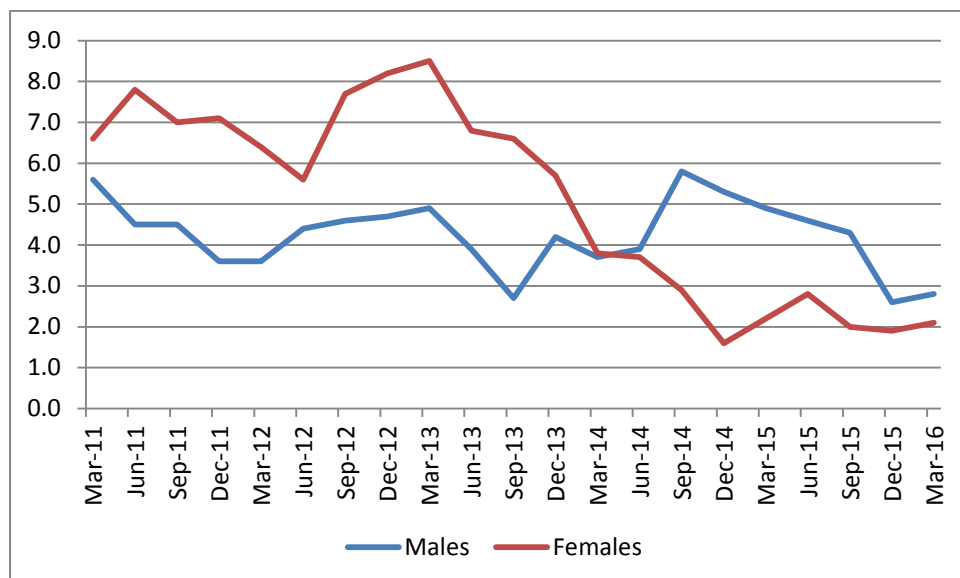
Source: ONS Annual Population Survey, July 2016, via Nomis.

Figure 20: Male unemployment rate as a percentage of male working age population 2011 - 2016



Source: ONS Annual Population Survey, July 2016, via Nomis.

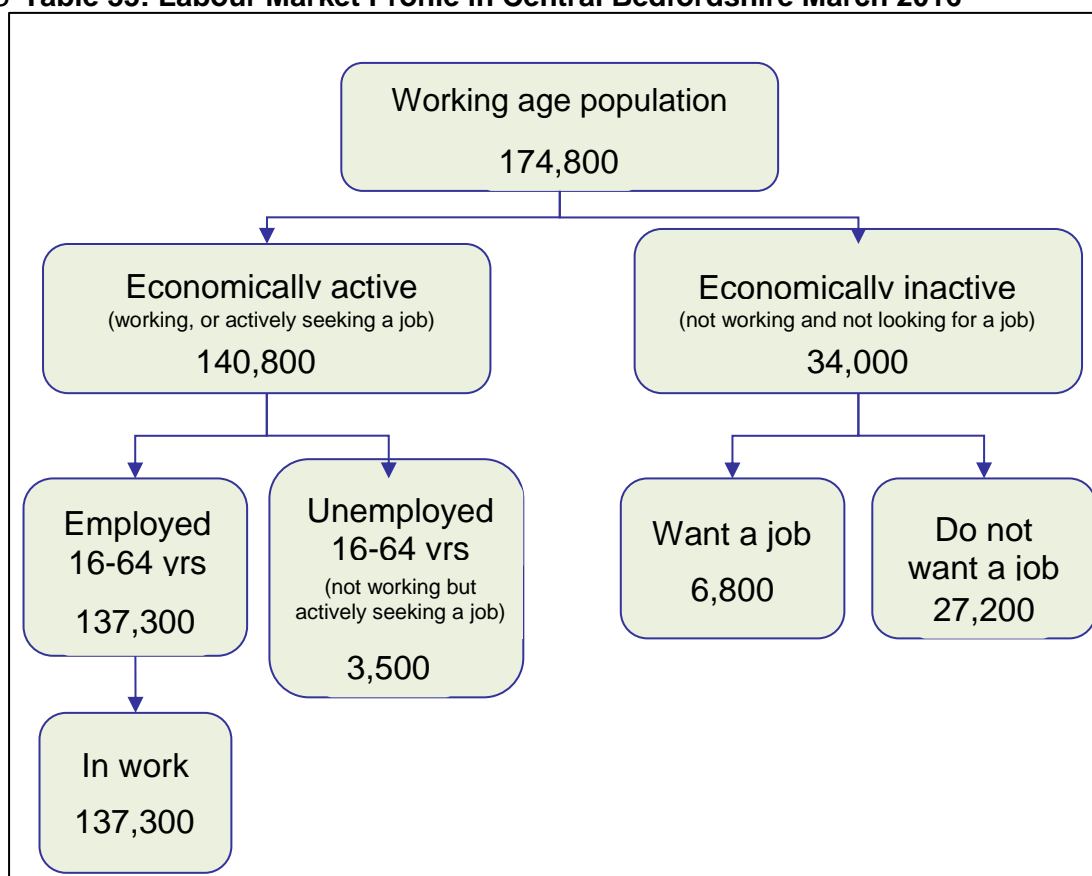
Figure 21: Male and female unemployment rate as a percentage of working age population in Central Bedfordshire 2011 - 2016



Source: ONS Annual Population Survey, July 2016, via Nomi

6.30 A note of caution should be attached to the female and male unemployment rate in recent years owing to a small sample size when data collection takes place.

6.23 Table 35: Labour Market Profile in Central Bedfordshire March 2016



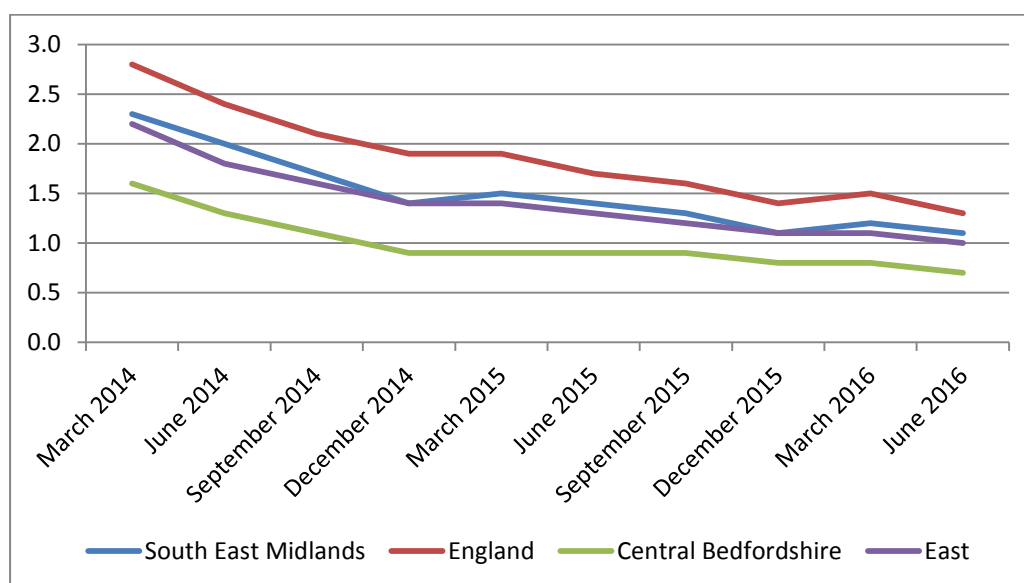
Source: Annual Population Survey July 2016, ONS via Nomis.

Jobseeker's Allowance

6.31 The ONS has recently introduced the new experimental statistic, Claimant Count. This is the number of people claiming benefit principally for the reason of being unemployed. This is measured by combining the number of people claiming Jobseeker's Allowance (JSA) and National Insurance credits with the number of people receiving Universal Credit principally for the reason of being unemployed. Claimants declare that they are out of work, capable of, available for and actively seeking work during the week in which the claim is made. The measure of the number of people receiving Universal Credit principally for the reason of being unemployed is still being developed by the Department for Work and Pensions. Consequently this component of the total Claimant Count does not yet correctly reflect the target population of unemployed claimants and is subject to revisions. For this reason the Claimant Count is currently designated as Experimental Statistics and has not been used within the 2016 Economic Insight. Once designated as a national statistic the Claimant Count will be used for future Quarterly Monitoring Reports by the Council.

6.32 In Central Bedfordshire there were 1,200 Jobseeker's Allowance (JSA) claimants in June 2016 (0.7%). This is a fall of 330 people, or 21.6%, since June 2015, and a fall of 965 people, or 44.6%, since June 2014. The rate remains below comparator areas – England (1.3%), SEMLEP (1.1%) and East of England (1.0%). The number of people claiming JSA is at its lowest rate and number of people since October 2004.

Figure 22: JSA claimant count as a % of resident workforce, 2014 - 2016

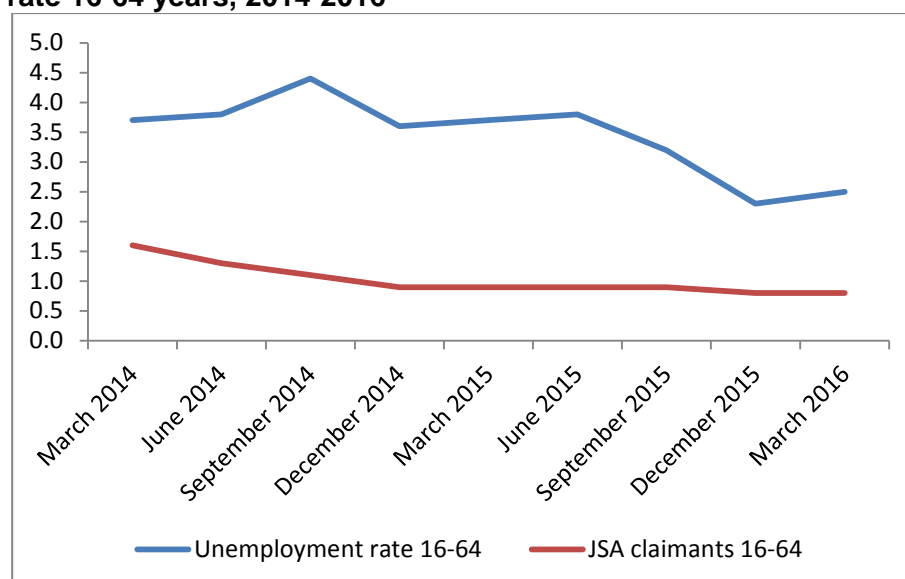


Source: Department of Work and Pensions, via Nomis, August 2016

6.33 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.

6.34 Central Bedfordshire Council works closely with the providers of these programmes and supports jobseekers through the Work Clubs operating from four of our library bases at Leighton Buzzard, Biggleswade, Dunstable and Houghton Regis.

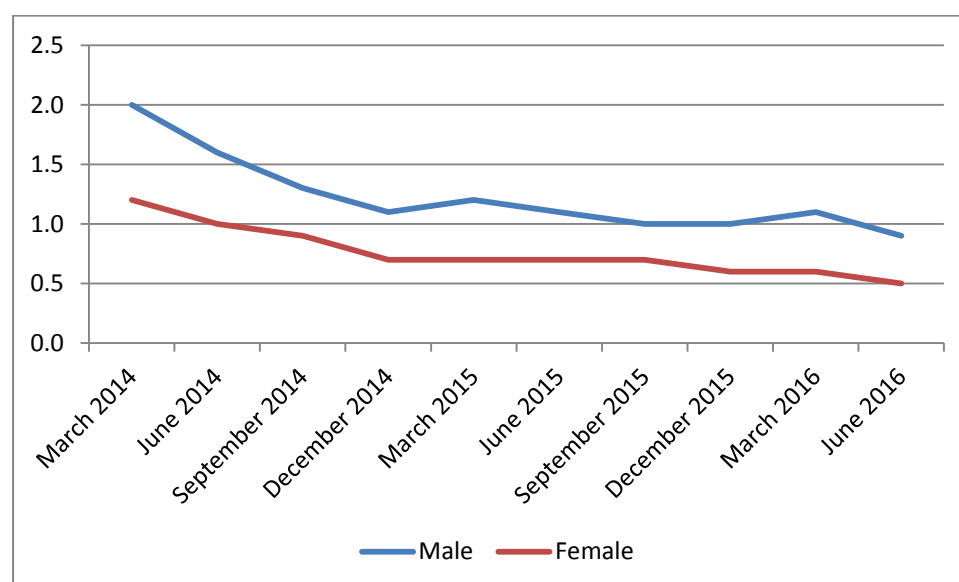
Figure 23: JSA claimants aged 16-64 years, compared with unemployment rate 16-64 years, 2014-2016



Source: ONS Annual Population Survey and DWP, July 2016, via Nomis.

6.35 A breakdown of JSA claimant count by gender consistently shows a higher proportion of male claimants than females over time. In June 2016, the male claimant count rate was 0.9%, or 734 males, compared to 0.5%, or 464 females.

Figure 24: JSA claimant count by gender as a percentage of working age population, 2014-2016

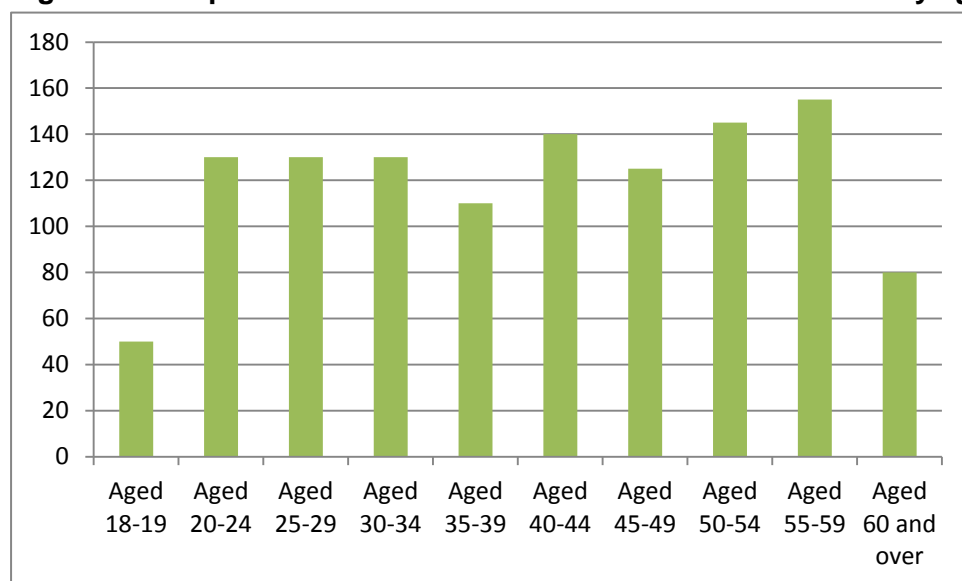


Source: Office for National Statistics via Nomis, August 2016

6.36 People in the 55-59 years old aged band are the largest proportion of all JSA claimants in Central Bedfordshire. In June 2016, this accounted for 12.9% of all JSA

claimants, or 155 people. In contrast the 18-19 age band had the fewest number of JSA claimants, 50 people or 4.1% of all JSA claimants.

Figure 25: Proportion of JSA claimants in Central Bedfordshire by age band, 2016



Source: Office for National Statistics via Nomis, August 2016

6.37 The distribution of total JSA claimants aged 16-64 across Central Bedfordshire shows that some wards have a higher claimant count than the Central Bedfordshire average. JSA in these wards have fallen significantly in recent years, in line with the overall rate. Those wards listed in the table below, however, are all above the average rate of 0.7% JSA claimant count in June 2016.

Table 36: JSA Claimant Count by ward

Ward	%
Tithe Farm	1.8
Dunstable-Manshead	1.7
Parkside	1.6
Houghton Hall	1.2
Biggleswade North	1.1
Dunstable-Northfields	1.1
Sandy	1.1
Dunstable-Central	1.0
Dunstable-Watling	0.8
Potton	0.8
Central Bedfordshire	0.7

Source: Office for National Statistics via Nomis, August 2016 (2015 electoral wards)








6.38 Following Central Bedfordshire Council's work with the 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.

6.39 Conversely, some areas in Central Bedfordshire have a very low JSA claimant count rate. Westoning, Flitton and Greenfield; and Heath and Reach have a rate of 0.2%; Aspley and Woburn; and Linslade each have a rate of 0.3%; and Leighton Buzzard South; and Silsoe and Shillington both have a rate of 0.4%

6.40 JSA claimant count can be analysed by the ethnicity of the claimant. In May 2016, the majority of claimants (80.0%, 82.9% in 2014) in Central Bedfordshire are white, of which most are of White British origin. 9.3% (9.2% in 2014) of Central Bedfordshire's claimants are from ethnic minority groups, compared to 21.9% in England, 20.9% in SEMLEP and 11.6% in the East of England. It is notable that the percentage of Asian / Asian British JSA claimants has increased from 1.4% in 2014 to 1.9% in 2016, and the percentage of Black or Black British JSA claimants has not changed from 2014's 3.9%. The number of JSA claimants who prefer not to give their ethnicity has increased from 6.9% to 9.9%.

6.41 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.

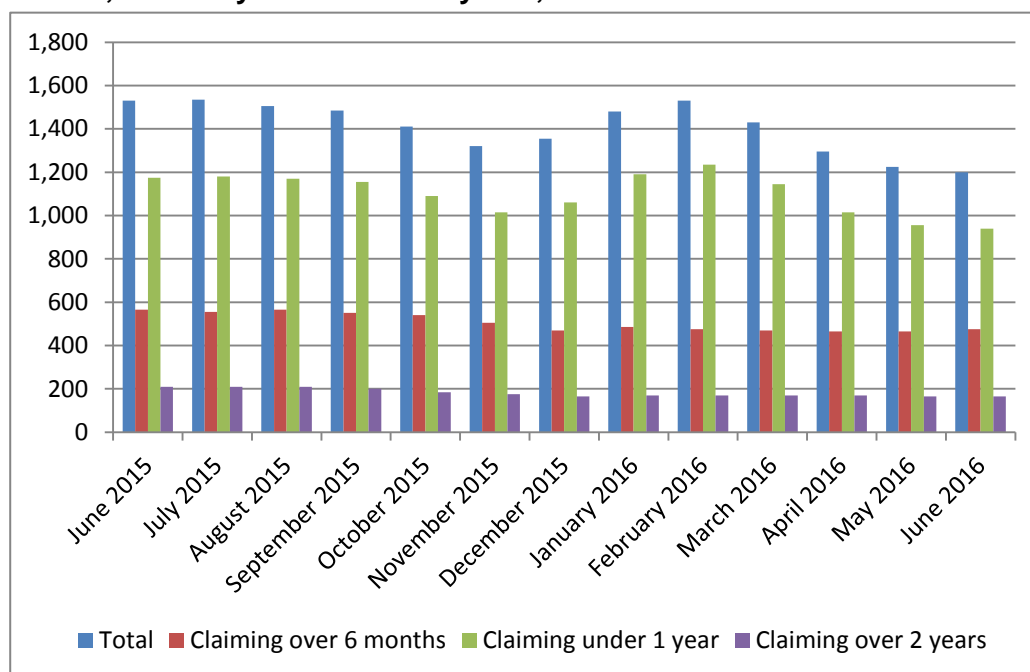
Table 37: JSA claimant count by ethnicity as % of all claimants

Ethnicity	Change from 2014 JSA for Central Bedfordshire	Central Bedfordshire JSA claimants	Central Bedfordshire population by ethnic group 2011	England	SEMLEP
White		80.1%	93.8%	72.1%	71.9%
Mixed		1.6%	1.9%	2.4%	2.5%
Asian or Asian British		1.9%	2.5%	7.1%	8.2%
Black or Black British		3.9%	1.4%	9.4%	8.4%
Chinese or Other Ethnic Group		1.9%	0.3%	3.0%	1.8%
Prefer not to say		9.9%		4.5%	6.1%
Unknown		0.7%		1.5%	1.1%

Source: Department for Work and Pensions via Nomis, August 2016

6.42 With regard to the length of time claimants have been claiming JSA, in the year from June 2015 to June 2016 the percentage of claimants who claim for over six months has increased slightly from 36.9% to 39.6% of all claimants (an increase of 90 people), similarly those who claim for under one year has increased slightly from 76.8% to 78.5% (an increase of 235 people). The percentage of claimants claiming for over two years has also increased slightly from 13.7% to 13.8% of all claimants (an increase of 45 people).

Figure 26: Number of all claimants claiming JSA and for longer than 6 months, under 1 year and over 2 years, June 2015 – June 2016



Source: Department for Work and Pensions claimant count, ONS via Nomis, June 2016

Youth unemployment

6.43 Figures for JSA claimant count show that in June 2016, there were 180 16-24 year olds (0.7%) in receipt of JSA, which has reduced from 280 in June 2015 to 180 in June 2016. This is below England (1.0%), SEMLEP (0.9%) and the East of England (0.8%). The rate of male JSA claimant count in this age group is higher than the female rate, 0.8% compared to 0.5%.

Out of work benefit claimants

6.44 There are a significant number of people in Central Bedfordshire who are economically inactive as a result of a work-limiting illness. In February 2016, 6,190 people of working age (16-64 years old) were claiming Incapacity Benefit (IB), Severe Disablement Allowance (SDA) or Employment and Support Allowance (ESA), equating to 3.7% of the area's working age population or 49.5% of all those claiming a benefit. This is significantly higher than the number of people claiming unemployment benefit.

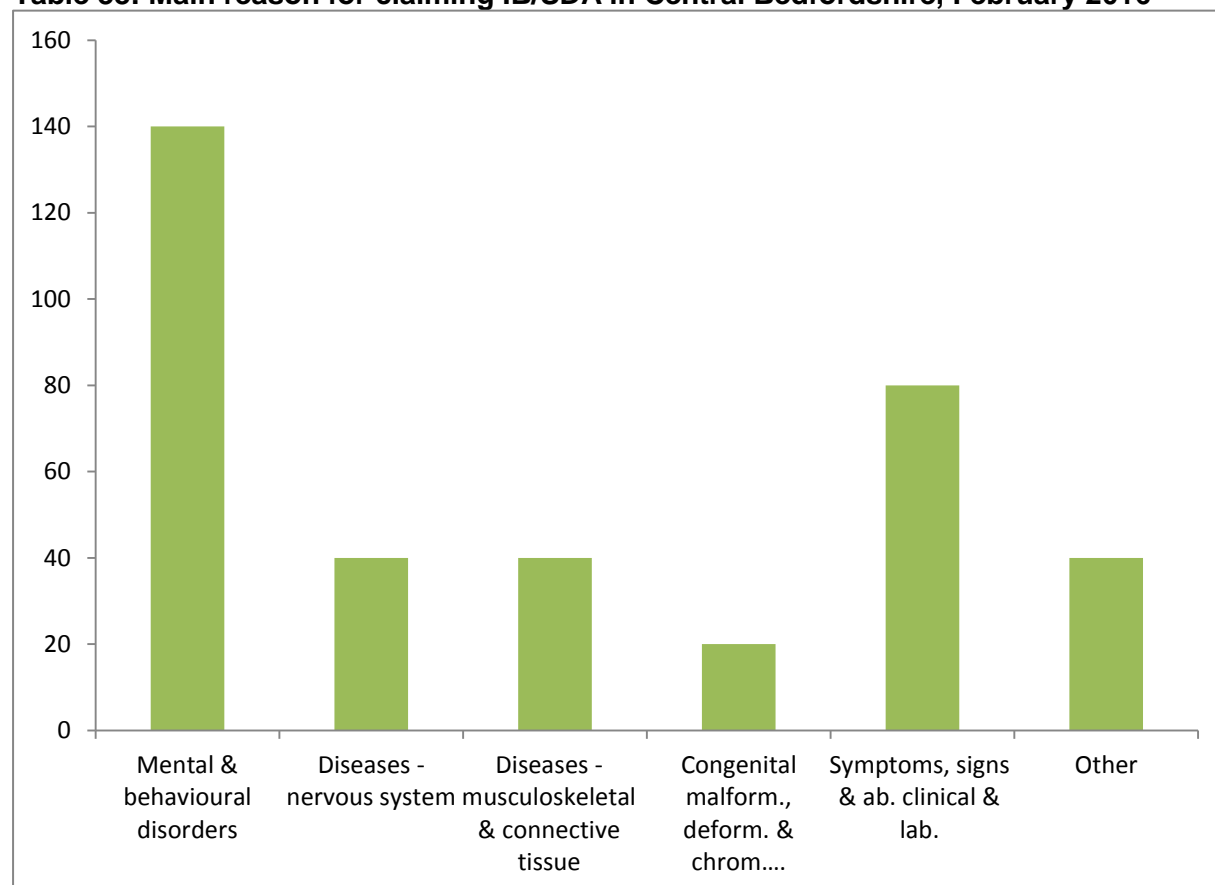
6.45 The number of out of work benefit claimants increased between February 2014 and February 2015 by 570 working age people, with a reduction of 360 seen between February 2015 and February 2016. This highlights that the number of people claiming IB/SDA/ESA remains an issue in Central Bedfordshire.

6.46 The majority of IB/SDA/ESA claimants are long term claimants, with 97.2% of those claiming IB/SDA having claimed for five years and over; and 50.4% of claimants of ESA having claimed between two and five years.

6.47 The age group with the highest number of ESA and IB/SDA claimants is the 35-44 year old band – with those claiming ESA in this age band totalling 17.9% of all claims, and those claiming IB/SDA in this age band totalling 19.4% of all claims.

6.48 The main reason for claiming IB/SDA is due to claimants having mental and behavioural disorders (44.6%). Half of these people claimed IB/SDA for between two and five years.

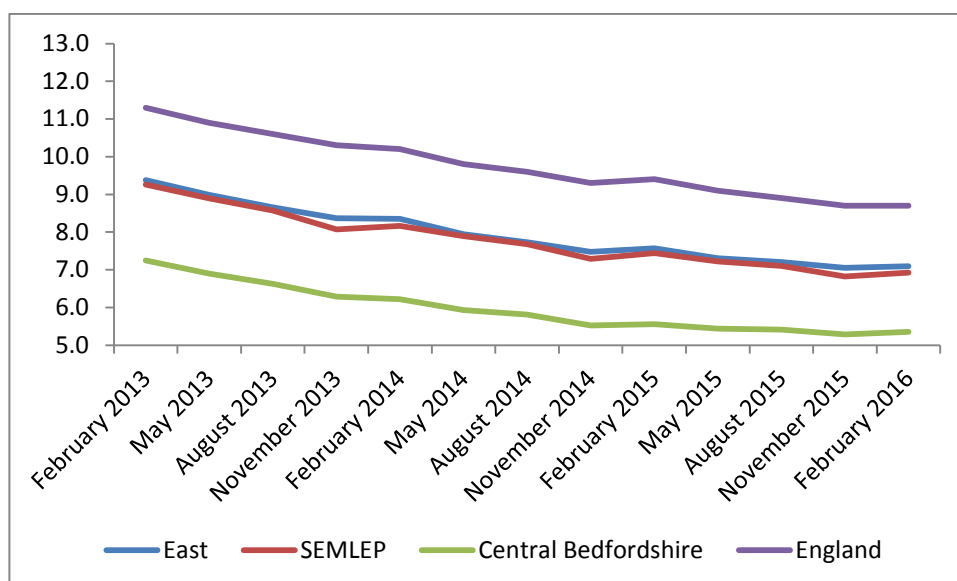
Table 38: Main reason for claiming IB/SDA in Central Bedfordshire, February 2016



Source: Department for Work and Pensions, via Nomis, February 2016

6.49 In terms of all out of work benefits in February 2016 there were 9,170 people claiming out of work benefits in Central Bedfordshire. This equates to 5.4% of the working age population. The level of out of work benefits has been falling steadily over each year and has fallen by over 3,070 people since February 2013. Central Bedfordshire compares well to the national picture of 8.7% claiming out of work benefits, and also to SEMLEP (6.9%) and the East of England (7.1%).

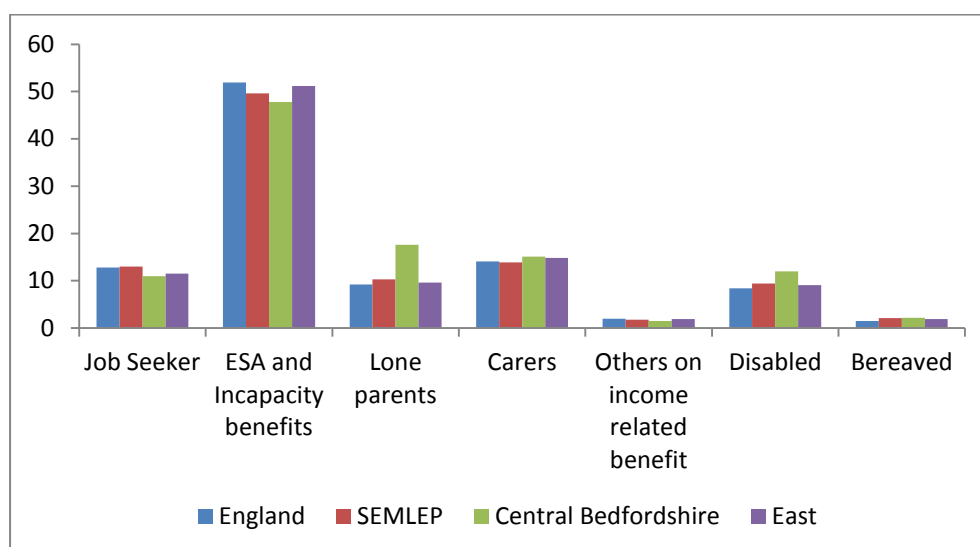
**Figure 27: Percentage of working population claiming out of work benefits
2013-2016**



Source: Department for Work and Pensions, via Nomis, February 2016

6.50 In Central Bedfordshire, there were 12,960 working age people claiming a benefit from the Department of Work and Pensions in February 2016. This includes all people in and out of work who are receiving a benefit of any kind and equates to 7.6% of the total resident population of the area aged 16-64. This is much lower than the national rate of 11.4% and also below SEMLEP, 9.3%, and the East of England, 9.6%. The benefit most frequently claimed across all areas is IB /ESA. The proportion of each type of benefit claimed can be seen in the figure below.

Figure 28: Types and proportion of all benefits claimed (%), February 2016



Source: Department for Work and Pensions, via Nomis, February 2016

6.51 With regard to the split between male and female benefit claimants, a higher proportion of all benefits claimants are female – 7,440 or 57.4% of all claimants, compared to 5,520 or 42.6% for males. With regard to type of benefit, more females

than males in February 2016 were claiming lone parent, carer and bereavement benefits than males, with a similar number of both females and males claiming disabled benefits and ESA and IB benefits. 97.8% of all lone parent benefit claimants are female in February 2016.

The table below shows the age bands that out of work benefit claimants fall into, with decreases seen in the under 25s, and increases seen in the 55-59 age band.

Table 39: Number of people claiming out of work benefits by age band, February 2015 - February 2016

	Feb-15	Nov-15	Feb-16	Feb 16 % of all benefits	Change Feb15 to Feb 16	% Change Feb 15 to Feb 16
aged under 25	1,910	1,790	1,810	14.0	-100	-5.2
aged 25-34	2,400	2,340	2,340	18.1	-60	-2.5
aged 35-44	2,450	2,370	2,380	18.4	-70	-2.9
aged 45-54	3,350	3,240	3,260	25.2	-90	-2.7
aged 55-59	1,690	1,700	1,740	13.4	+50	+3.0
aged 60-64	1,420	1,410	1,420	11.0	0	0

Source: Department for Work and Pensions Out of Work Benefit claimants via Nomis, February 2016

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. There are plans to replace the Work Programme and Work Choices (which supports disabled people securing jobs), with the Work and Health programme, bringing the two funding streams together.

6.53 Between June 2011 and March 2016 4,090 people have been referred to the Work Programme in Central Bedfordshire. Of these 1,220 achieved a job outcome, 29.8%, compared with 32.2% across the East of England.

Job Density

6.54 Job density reflects the degree to which employment opportunities are available locally. In 2014 the job density in Central Bedfordshire was 0.66, meaning that there were 0.66 filled jobs for every working age resident. This is the highest it has been since 2004 but it is still below comparator areas, as can be seen in Table 40 overleaf. This shows the highly mobile nature of the Central Bedfordshire labour

market in terms of out-commuting to potentially high value jobs elsewhere, and this is discussed in more depth in the chapter on Place.

Table 40: Job Density, 2004-2014

Area	2007	08	09	10	11	12	13	2014
Central Bedfordshire	0.64	0.65	0.60	0.65	0.65	0.62	0.64	0.66
SEMLEP	0.82	0.81	0.79	0.79	0.80	0.80	0.82	0.83

Source: Office for National Statistics, Job Density, via NOMIS August 2016

Job Vacancies

6.55 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

6.56 Data from Labour Insight shows that the most frequently advertised occupation in the first half of 2016 (January to June) was “Other administrative occupations”, with 197 job postings. This was also the most frequently advertised occupation in 2015 (309 postings). The second and third most frequently advertised occupations were also in the top three in the last two years – “Programmers and software development professionals”, and “Care workers and home carers”.

6.57 The top twenty advertised occupations from 2014, 2015 and the first half of 2016, with corresponding numbers of vacant posts, can be seen in Table 41 below.

Table 41: Top occupations listed in Central Bedfordshire

2014		2015		2016 (January to June)	
Occupation	No	Occupation	No	Occupation	No
Care workers and home carers	206	Other administrative occupations	364	Other administrative occupations	197
Programmers and software development professionals	204	Care workers and home carers	307	Programmers and software development professionals	175
Other administrative occupations	194	Programmers and software development professionals	255	Care workers and home carers	170
Business sales executives	164	Business sales executives	194	Engineering technicians	145
Large goods vehicle drivers	154	Large goods vehicle drivers	189	Large goods vehicle drivers	144
Nurses	135	IT business	174	Business sales	140

		analysts, architects and systems designers		executives	
Sales related occupations	128	IT user support technicians	170	Secondary education teaching professionals	121
Production managers and directors in manufacturing	125	Design and development engineers	167	Sales accounts and business development managers	104
Sales and retail assistants	113	Sales related occupations	167	IT business analysts, architects and systems designers	103
IT user support technicians	112	Engineering technicians	160	Sales related occupations	95
IT business analysts, architects and systems designers	111	Customer service occupations	143	Vehicle technicians, mechanics and electricians	95

Source: Burning Glass/Labour Insight, August 2016

6.58 In England in the first half of 2016, the top occupations were “Other administrative occupations”, “Programmers and software development professionals”, followed by “Care workers and home carers”. These were the same top occupations in both 2015 and in 2014.

6.59 At a more local level, the top occupations advertised in Dunstable, Biggleswade and Leighton Buzzard over the same time periods were:

Dunstable

- 2014: Programmers and Software Development Professionals (79)
- 2015: Other Administrative Occupations (100)
- 2016 (Jan-Jun): IT Business Analysts, Architects and System Designers (75)

Biggleswade

- 2014: Authors, Writers and Translators (47)
- 2015: Care Workers and Home Carers (59)
- 2016: (Jan-Jun): Care Workers and Home Carers (33)

Leighton Buzzard

- 2014: Other Administrative Occupations (76)
- 2015: Large Goods Vehicle Drivers (84)
- 2016: (Jan-Jun): Large Goods Vehicle Drivers (64)

Vacancies advertised and occupations sought by Jobseekers

6.60 There is a general balance between the vacancies advertised by businesses and the occupations sought by Jobseeker Allowance claimants. As of June 2016, 48.3% (1,200) of the JSA claimants resident in Central Bedfordshire were looking for work in sales and customer services. 64% of JSA claimants are looking for work in low or relatively low skills (Sales and Customer Service and Elementary Occupations). The data is summarised in the table below.

Table 42: JSA claimants by sought occupation

Occupation (SIC2000 group)	June 2014	June 2015	June 2016
Occupation unknown	45	85	105
Managers and Senior Officials	85	70	65
Professional Occupations	35	25	10
Associate Professional and Technical Occupations	110	50	30
Administrative and Secretarial Occupations	265	155	105
Skilled Trades Occupations	125	75	40
Personal Service Occupations	105	55	35
Sales and Customer Service occupations	815	615	580
Process, Plant and Machine Operatives	125	60	35
Elementary Occupations	455	350	190
Column Total	2,165	1,530	1,200

*Source: Source: Office for National Statistics via Nomis, August 2016
Data rounded to the nearest 5*

Local considerations

6.61 Information obtained from local JobCentre Plus (JCP) advisors 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:

6.62 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 essential to access the growing number of job opportunities in this sector
- Vacancies in the Retail sector are being seen following the commencement of the construction phase of the London Road Development in Biggleswade. JCP are engaging national employers to support recruitment of local people and applicants from disadvantaged groups.

6.63 JobCentre Plus Leighton Buzzard

- The number of 18-24 year old unemployed people on Jobseekers Allowance is at a record low, almost in single figures currently.
- Strengthening links in neighbouring towns such as 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 some 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. Working with provider networks to strengthen the support offer for the most disadvantaged unemployed people.

6.64 Most of these issues cited by JobCentre Plus are similar to those reported in the 2013 and 2014 Local Economic Assessments. It is clear that in 2016 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.










6.65 The ability of local employment sites to be accessed by public transport provision is an important measure of connectivity and is discussed further in the Place chapter.

Occupation

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

6.67 In March 2016, 63.1% of people were employed in these categories, representing a high level of skills and productivity. This is above regional (55.9%), SEMLEP (55%) and national levels (55.3%) and is evidence of Central Bedfordshire's skilled workforce, and is an increase from the 58.8% in March 2014.

Table 43: Occupational structure (%)

Industry	Change from 2014 for Central Bedfordshire	Central Beds.	England	SEMLEP	East
Managers & senior officials		9.6	10.6	10.3	10.3
Professional occupations		23.1	20.0	19.9	19.0
Associate prof & tech occupations		17.1	14.3	14.2	14.7
Administrative & secretarial occupations		9.4	10.6	11.2	11.2
Skilled trades occupations		13.3	10.4	10.6	11.3
Caring, leisure & other service occupations		6.3	9.1	8.4	9.0
Sales & customer service occupations		6.8	7.5	7.7	7.2
Process, plant & machine operatives		5.9	6.4	7.3	6.5
Elementary occupations		8.4	10.7	10.4	10.6

Source: ONS Annual Population Survey, August 2016

Indices of Deprivation

Source: DCLG, *Indices of Deprivation – Index of Multiple Deprivation, 2015*.

6.68 The English Indices of Deprivation 2015 are based on 37 separate indicators, organised across seven distinct domains of deprivation which are combined, using appropriate weights, to calculate the Index of Multiple Deprivation 2015 (IMD 2015). This is an overall measure of multiple deprivation experienced by people living in an area and is calculated for every Lower layer Super Output Area (LSOA), or neighbourhood, in England. Every such neighbourhood in England is ranked according to its level of deprivation relative to that of other areas.

6.69 Central Bedfordshire has 157 LSOAs, each containing around 1,600 people. In 2015, 5 LSOAs in Central Bedfordshire were in the 10%-20% most deprived in England, and 8 were in the 20%-30% most deprived.

Deprivation has increased since 2010, when 3 LSOAs were in the 10%-20% most deprived in England, and 6 were in the 20%-30% most deprived.

Central Bedfordshire LSOAs in the most deprived 10%-20% in England, 2015 (identified using ward name and 3 digit code, and in ranked order of highest deprivation index)

Parkside (602).
Dunstable Manshead (594).
Parkside (601).
Houghton Hall / Tithe Farm (618).
Sandy (433).

Central Bedfordshire LSOAs in the most deprived 20%-30% in England, 2015 (identified using ward name and 3 digit code, and in ranked order of highest deprivation index)

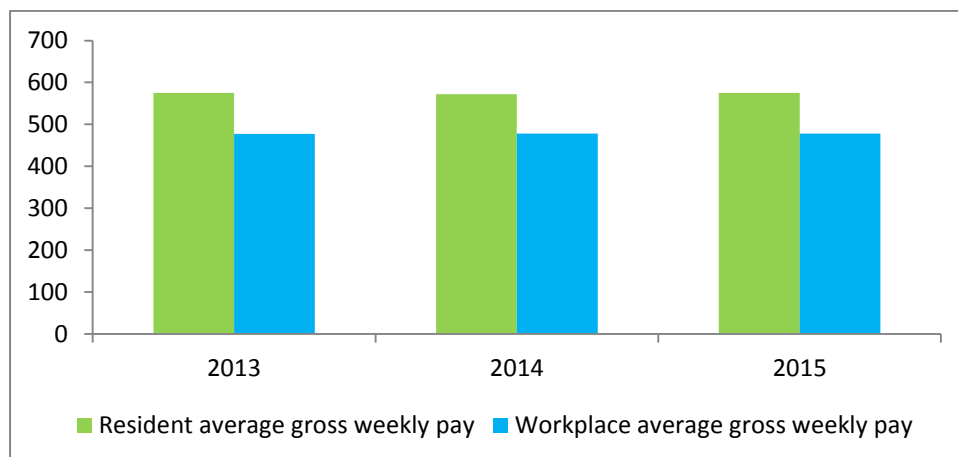
Tithe Farm (619).
Leighton Buzzard North (609).
Flitwick (400).
Leighton Buzzard North (605).
Dunstable Central / Dunstable Northfields (568).
Houghton Hall (580).
Caddington (562).
Dunstable Northfields (596).

Income and Earnings

6.70 The gross average weekly earnings of Central Bedfordshire residents in 2015 was £574.80, a marginal increase of 0.45% from 2014. In comparison England had a 1.6% increase, being £531.90, and the East of England had a 2.1% increase, being £550.60. The gross average weekly earnings of Central Bedfordshire residents remains above all comparator areas: England is £533 and the East of England is £551. (There is no data available at SEMLEP level).

6.71 The average earnings for people working in Central Bedfordshire, but who may be resident elsewhere, are significantly lower (£478.50) per week, reflecting the fact that there are higher paying jobs outside of the area. There has been no increase in the rate of work based pay in the past year. The gap in earnings between Central Bedfordshire residents and those who work (but may not live) in Central Bedfordshire has also risen slightly and now stands at £96.30 per week, compared to £93.70 in 2014.

Table 44: Central Bedfordshire Resident and Workplace gross weekly pay in £ sterling 2013-2015



Source: Annual Survey of Hours and Earnings (ASHE), via NOMIS, August 2016

6.72 The difference between the top and bottom percentiles of the gross average weekly income of Central Bedfordshire residents in 2015 was £846. The gap has decreased by £4.20 since 2014, a larger decrease than the national decrease of £2.70.

Table 45: Gross weekly earnings of Central Bedfordshire residents, 2015, full-time workers only (includes overtime), £

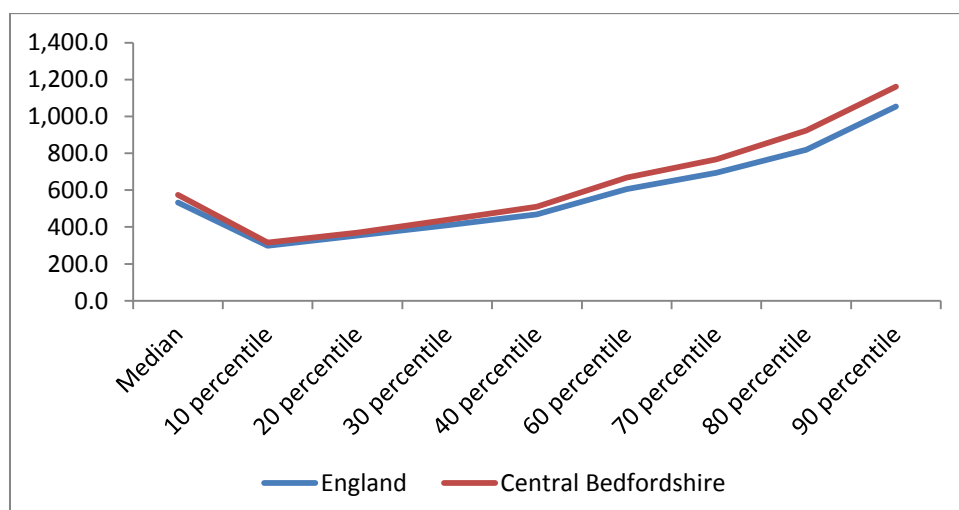
Percentile	Male	Female	All
10 percentile	350	272	316
20 percentile	418	326	369
30 percentile	474	369	439
40 percentile	561	441	510
60 percentile	734	557	669
70 percentile	849	649	768
80 percentile	984	766	924
90 percentile	Not available	Not available	1,162

Source: Annual survey of hours and earnings 2016 ONS via Nomis. Earnings by percentile (10%, 20% etc) show the earnings figure below which that proportion of employees falls. For example, the 10% decile will give the earnings figure below which the 10% of the lowest earners fall

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

6.74 At every percentile point, Central Bedfordshire residents earn more than the national average, as can be seen in Figure 29 overleaf. It must be noted that the confidence interval for the Central Bedfordshire earnings are quite high, especially those in the upper percentiles.

Figure 29: Gross weekly earnings 2015, £s



Source:

Annual Survey of Hours and Earnings 2015, Resident Analysis, ONS via Nomis

6.75 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.

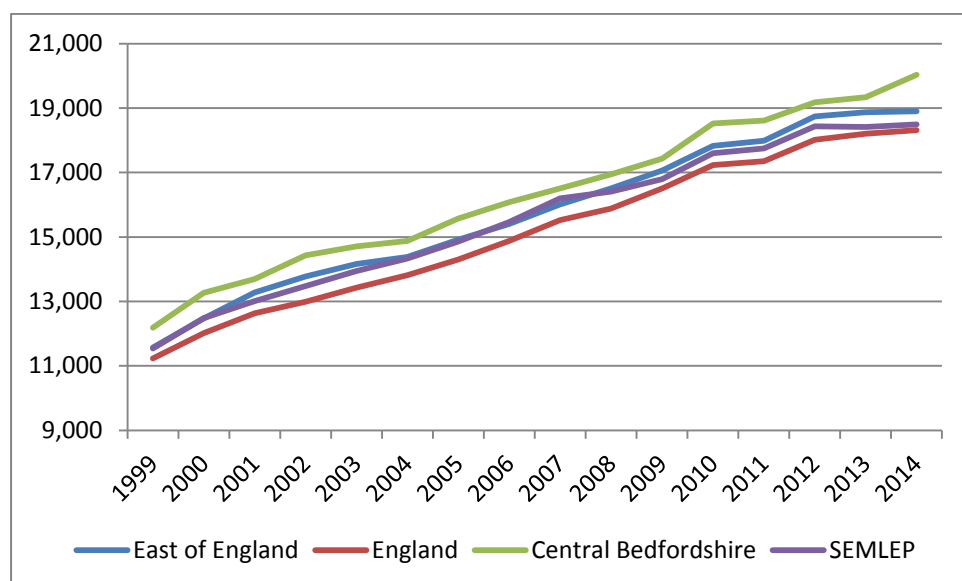
6.76 In December 2014, individuals in Central Bedfordshire had an annual disposable income of £20,036 (Source: Regional Gross Disposable Household Income (GDHI) NUTS3 tables, ONS, August 2016). This has risen every year since 1997 (when records began), and rose above £20,000 for the first time this year. This was a 3.6% increase from the December 2013 figure of £19,336 per person. The GDHI for Central Bedfordshire individuals is consistently above the national level (£18,315 in 2014), the East of England level (£18,897 in 2014) and above the SEMLEP level (£18,491 in 2014). Table 46 below shows how the GDHI for Central Bedfordshire is also higher than its neighbouring local authorities.

Table 46: Gross Disposable Household Income – £ per head of population

Local Authority	GDHI 2013	GDHI 2014	Growth
Central Bedfordshire	19,336	20,036	3.6%
Bedford	18,223	18,495	1.5%
Luton	14,153	13,775	-2.7%
Milton Keynes	17,620	17,518	-0.6%
SEMLEP	18,411	18,491	0.4%

Source: ONS, Annual survey of hours and earnings, resident and workplace analysis, August 2016, via Nomis

Figure 30: Gross Disposable Household Income over time (£ per head) at current basic prices



Source: *Regional Gross Disposable Household Income (GDHI) NUTS3 tables*, ONS, August 2016

Poverty

6.77 As at August 2013, in Central Bedfordshire 12.1% of all children were in low-income families. This compares to 18.0% in England (*source: HMRC, Child poverty statistics, December 2015*).

6.78 Although Central Bedfordshire compares favourably to the rest of England for children living in poverty, when looking at individual areas, there are two LSOAs (small areas) that are among the worst 10% in England and Wales for deprivation affecting children. These were in Houghton Hall and Dunstable Northfields wards. A further six LSOAs were among the worst 10-20% of areas in England and Wales for deprivation affecting children. These were in Houghton Regis, Dunstable, and Leighton Buzzard. (*Source: Department for Communities and Local Government, Income Deprivation Affecting Children Index, 2015*).

6.79 Poverty does not just affect children; the Department for Communities and Local Government, *Indices of Deprivation, 2015* indicates that two LSOAs in Central Bedfordshire were among the 10-20% worst areas in England and Wales for deprivation affecting older people. These were in Sandy and Dunstable Manshead wards.

6.80 Poverty can also be measured in terms of those living in fuel poverty. This is measured using a “Low Income High Cost” definition. This means that the required fuel costs are above the national median level, and were the household to spend that amount, they would be left with a residual income below the official poverty line. In 2014, 7.3% of households in Central Bedfordshire experienced fuel poverty. This is lower than the England average of 10.6%.

6.81 Fuel poverty tends to be more of an issue in rural areas, and in those areas with high levels of private rented accommodation. In Central Bedfordshire, 10 small areas

(LSOAs) are in the worst 30% in England for fuel poverty – three of these were in the worst 10% in England.

Table 47: Central Bedfordshire LSOAs having highest % of fuel poverty households 2014

LSOA name*	% of fuel poor households
Northill 412	28.6%
Woburn 451	26.8%
Potton 425	17.0%
Shefford 441	14.4%
Cranfield 194	13.0%
Woburn 379	12.9%
Houghton Conquest 410	12.6%
Sandy 423	12.4%
Dunstable Northfields 568	12.0%
Potton 426	11.9%

*LSOA names are a combination of the ward they are in and a three digit code. Note that LSOAs in rural areas cover more than one parish, while those in urban areas cover only part of the ward (s) names above.

Source: Department of Energy and Climate Change. Fuel poverty statistics 2014.

Skills

Skills

Key Findings

- The number of people in Central Bedfordshire in December 2015 having NVQ 2 + qualifications has increased by a higher number of % points over the last 3 years than the national rate. The rate for those having no qualifications remains lower than the national level.
- In Central Bedfordshire 38.6% of the working age population were qualified to NVQ Level 4 (degree equivalent) or above in December 2015; 56.9% to NVQ Level 3+; 75.4% to NVQ Level 2+, and 88.1% of the working age population is qualified to NVQ Level 1+.
- Key Stage 4 results show that in 2015 58.3 % of young people achieved 5 or more A* - C grades at GCSE or equivalent including English and Maths, an increase from 57.1% in 2014. This is above the national average of 53.8%, but below the Statistical Neighbour average of 59.3%.
- The gap between disadvantaged and other pupils (30.5 percentage points) is wider than the national average (28.2 ppts) average, but below the Statistical Neighbour average (32.0 ppts).
- In April 2016, 3.1% of young people in the academic years 12-14 were not in education, employment or training (NEET) – a reduction from the 3.8% in April 2015 (down to 253 young people - a reduction of 66).
- The Business Survey highlighted that 39% of businesses have experienced difficulties in filling vacancies, a decrease from 46% in 2014. Hard-to-fill vacancies are most likely to have been experienced when recruiting for skilled trades (29%), followed by professional occupations (17%).
- 29% of businesses cited a skills gap within their workforce. This is a lower proportion than in 2014 (37%). In terms of the skills that are missing in their workforce, advanced IT skills (14%), sales and marketing skills (14%), job specific skills (11%) are most mentioned. Skills are mentioned by fewer businesses in 2015 compared to 2014, suggesting some success in addressing them.
- Data on advertised local job vacancies over the last year highlights that the skills most often required are 'communication skills' in over 3,000 of the 13,211 jobs advertised. This was followed by 'organisational skills' then 'planning' and 'detail orientated' skills.
- The specialised skill most often required was 'Microsoft Excel' in over 3,090 of the 13,211 jobs advertised over the last year. This was followed by 'customer service' then 'building relationships' and 'Microsoft Office' skills.
- In March 2016, the Annual Population Survey stated that 10.5% of working age people in Central Bedfordshire reported having job related training in the past four weeks, an increase from the 8.1% seen in March 2013. The figure is above East of England (10.3%), national (9.6%) and SEMLEP (8.9%) level.
- Although more businesses in Central Bedfordshire deliver job-related training than comparator areas, there is still a gap between the private sector (an average 11% of people receive job related training), and public sector (18.5% receiving job related training).
- In the 2014 / 15 academic year there were 2,070 apprenticeship starts at all age levels in Central Bedfordshire. This is an increase of 300 people, or 17% from the previous academic year. This rate of growth is higher than the region at 13.3% and nation at 13.7%. The highest number of apprenticeships in Central Bedfordshire by type are: Business Administration and Law, Engineering and Manufacturing Technologies, Retail and Commercial Enterprise and Health, Public Services and Care.

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.

7.1 The indicators examined in this chapter are:

- Skills levels
- Employment, skills gaps and shortages
- Training and Development
- GCSEs
- NEET
- Apprenticeships

Skills Levels

Source for this section: Annual Population Survey, April 2016, ONS via NOMIS.

7.2 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.

7.3 The percentage of people in Central Bedfordshire having NVQ level 2+ qualifications, has increased by a higher number of % points over the last 3 years than the national rate. The rate for those having no qualifications being lower than national level.

7.4 In Central Bedfordshire, 38.6% of the working age population were qualified to NVQ Level 4+ (degree equivalent) or above in December 2015, an increase on the 30.8% in 2013, and an increase of 7.8 percentage points. This is higher than England (36.7%), East of England (33.6%) and SEMLEP (34.8%).

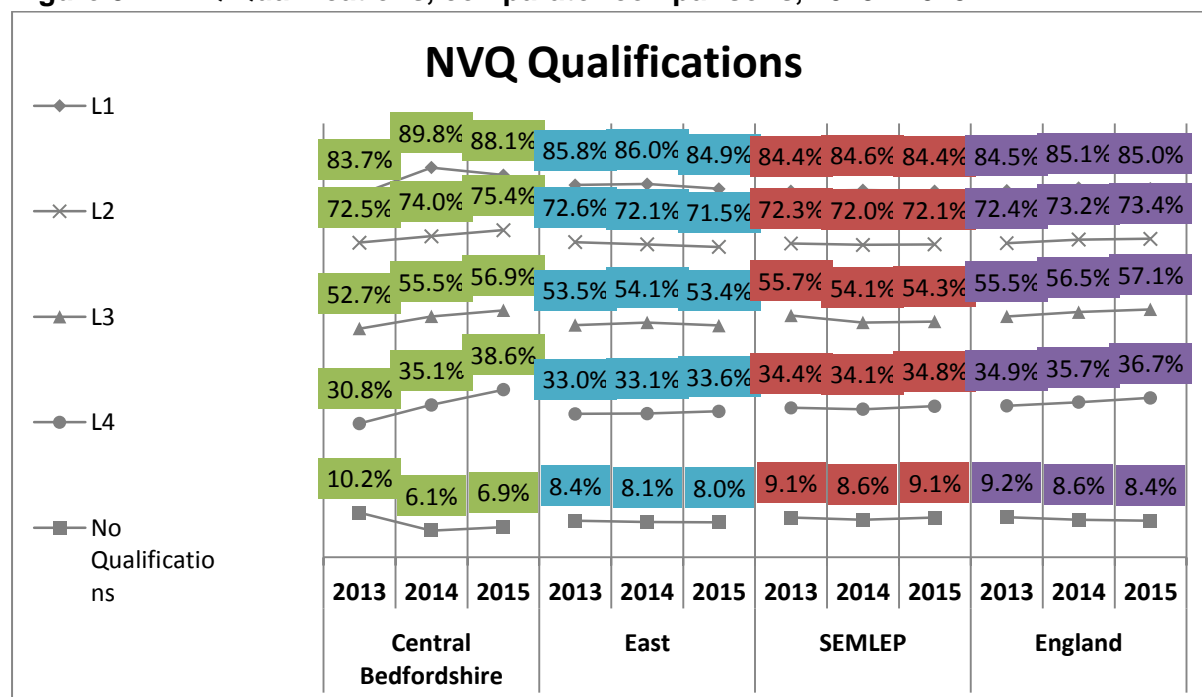
7.5 56.9% of the working age population were qualified to NVQ Level 3+ in December 2015, compared to 52.7% in December 2013. An increase of 4.2% points. This is marginally lower than England (57.1%), but higher than East of England (53.4%) and SEMLEP (54.3%).

7.6 At NVQ Level 2+, Central Bedfordshire (75.4%) is higher than all comparator areas. The rate for England is 73.4%, SEMLEP 72.1% and the East of England 71.5%. This figure has increased by 2.9 percentage points between December 2013 and December 2015.

7.7 Although Central Bedfordshire's level of people qualified to Level 1+ has fallen very slightly in 2015 to 88.1%, it still compares favourably to 85.0% in England, 84.4% in SEMLEP and 84.9% in the East of England.

7.8 In 2015 the percentage of people with no qualifications has remained similar to 2014, 6.9%. The rate still remains lower than all comparator areas, and there was a decrease of 3.3 percentage points between 2013 and 2015. This compares to 8.4% for England, 8.0% for East of England and 9.1% for SEMLEP area.

Figure 31: NVQ Qualifications, comparator comparisons, 2013 - 2015



Source: Annual Population Survey, ONS via NOMIS, April 2016

7.9 The Annual Population Survey (APS) is a quarterly survey of approximately 1000 people in Central Bedfordshire. Due to this all data provided from the APS has a statistical confidence interval associated with it, where the true value of the data will be within a range. This can in some cases explain small variation in performance.

Employment, skills gaps and shortages

7.10 Data is also available on the nature of skills required by the local business community. The 2015 Business Survey commissioned by the Council asked local businesses about their recent recruitment, together with any skills shortages they found within the local labour market. They were also asked about skills gaps in their internal workforce. Similarly, the 2015 UK Commission's Employer Skills (UKCES) Survey provides recruitment and skill shortage findings nationally, with local comparisons.

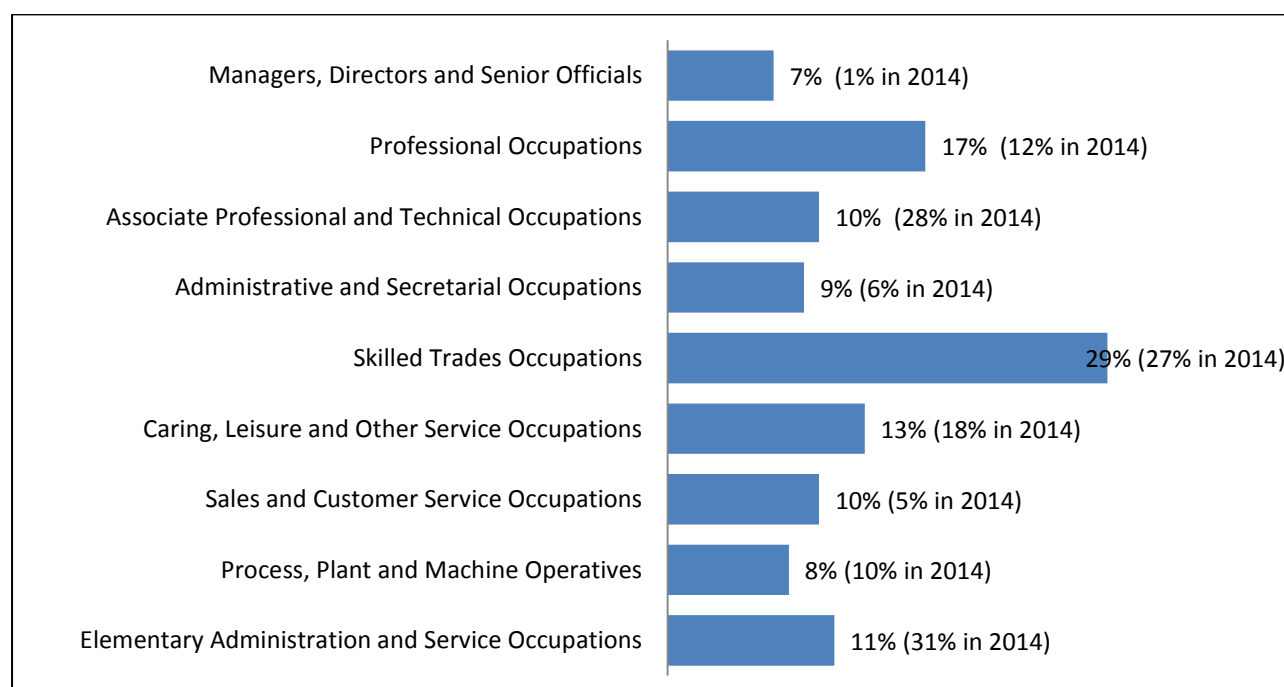
7.11 The 2015 Business Survey found that just over a third of businesses surveyed in Central Bedfordshire (35%) had vacancies in the last 12 months, a reduction from the 45% in the 2014 survey. In comparison, the 2015 UKCES Survey reported that 20% of employers in England had at least one vacancy, compared with 16% of Central Bedfordshire businesses. Although this is a lower proportion than cited in the 2015 Business Survey, the UKCES data for Central Bedfordshire focused on current

vacancies, rather than vacancies in the last 12 months as addressed in the 2015 Central Bedfordshire Business Survey.

Hard to fill vacancies

7.12 The 2015 Business Survey highlighted that 39% of businesses have experienced difficulties in filling vacancies, a decrease from 46% in 2014. Hard-to-fill vacancies are most likely to have been experienced when recruiting for skilled trades (29%), followed by professional occupations (17%). Although in the 2014 Business Survey recruiting for skilled trades was in line with 2015 data, accounting for 27% of hard-to-fill vacancies, there was a difference in other occupations that were hard to fill. Associate Professional and Technical Occupations were 28% of hard-to-fill vacancies in 2014 now only 10% in 2015; and Elementary Administration and Service Occupations were 31% of hard to fill vacancies in 2014, now 11% in 2015.

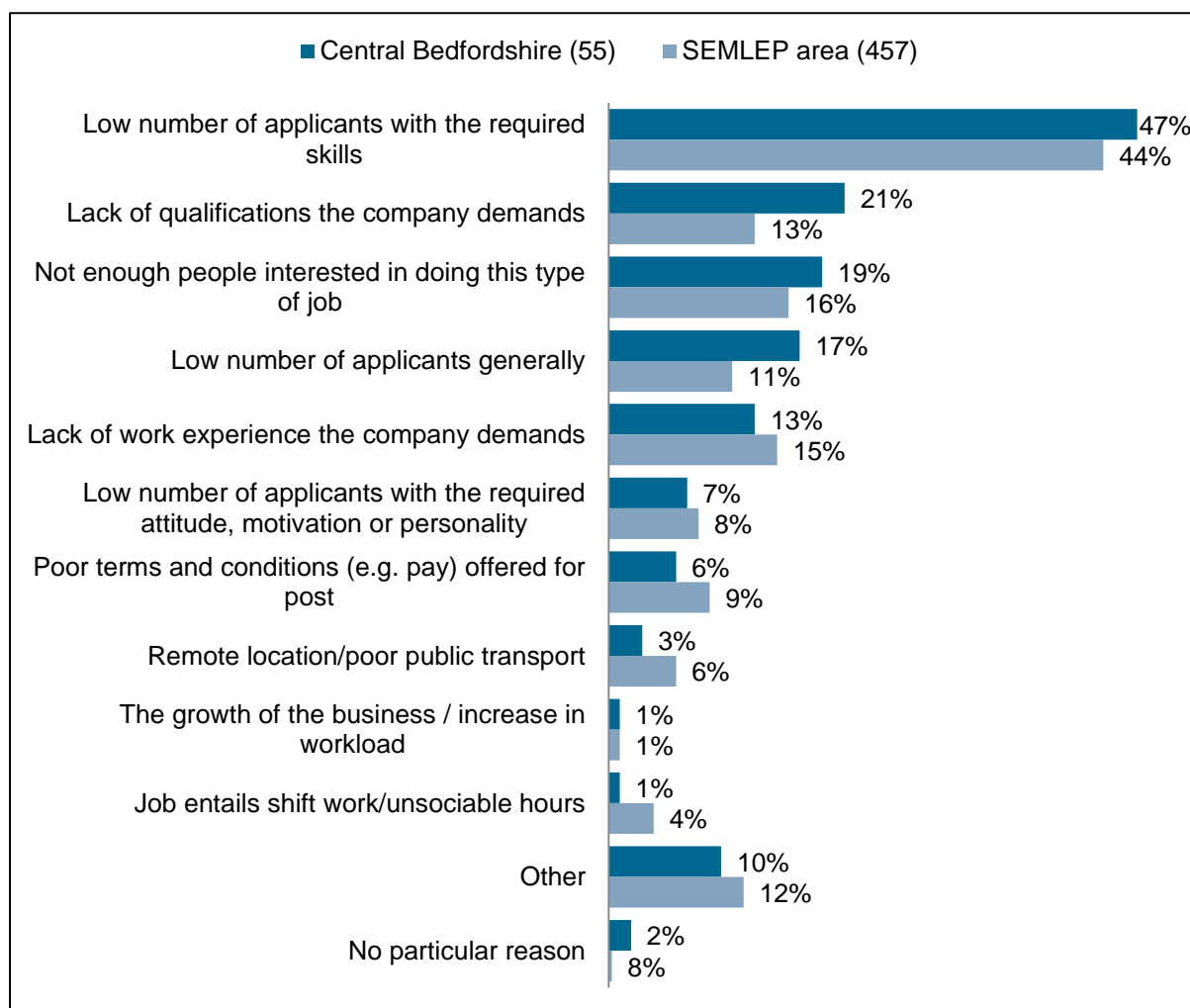
Figure 32: Occupations in which hard-to-fill vacancies have been experienced (where have had hard-to-fill vacancies) 2015, with 2014 figures in brackets



Source: 2015 and 2014 Central Bedfordshire Business Surveys, BMG Research

7.13 The most frequently cited reason in the 2015 Business Survey for businesses having difficulties in recruiting into a role is lack of the right skills amongst applicants (47%, 46% in 2014). 21% of businesses cited lack of suitable qualifications (compared to 13% across SEMLEP in 2015, and with 14% in Central Bedfordshire in 2014) and 19% cited lack of people interested in doing this type of job (compared to 16% in SEMLEP, and remaining the same level as for 2014).

Figure 33: Reasons for having hard-to-fill vacancies – unprompted, multiple response (where have had hard-to-fill vacancies)



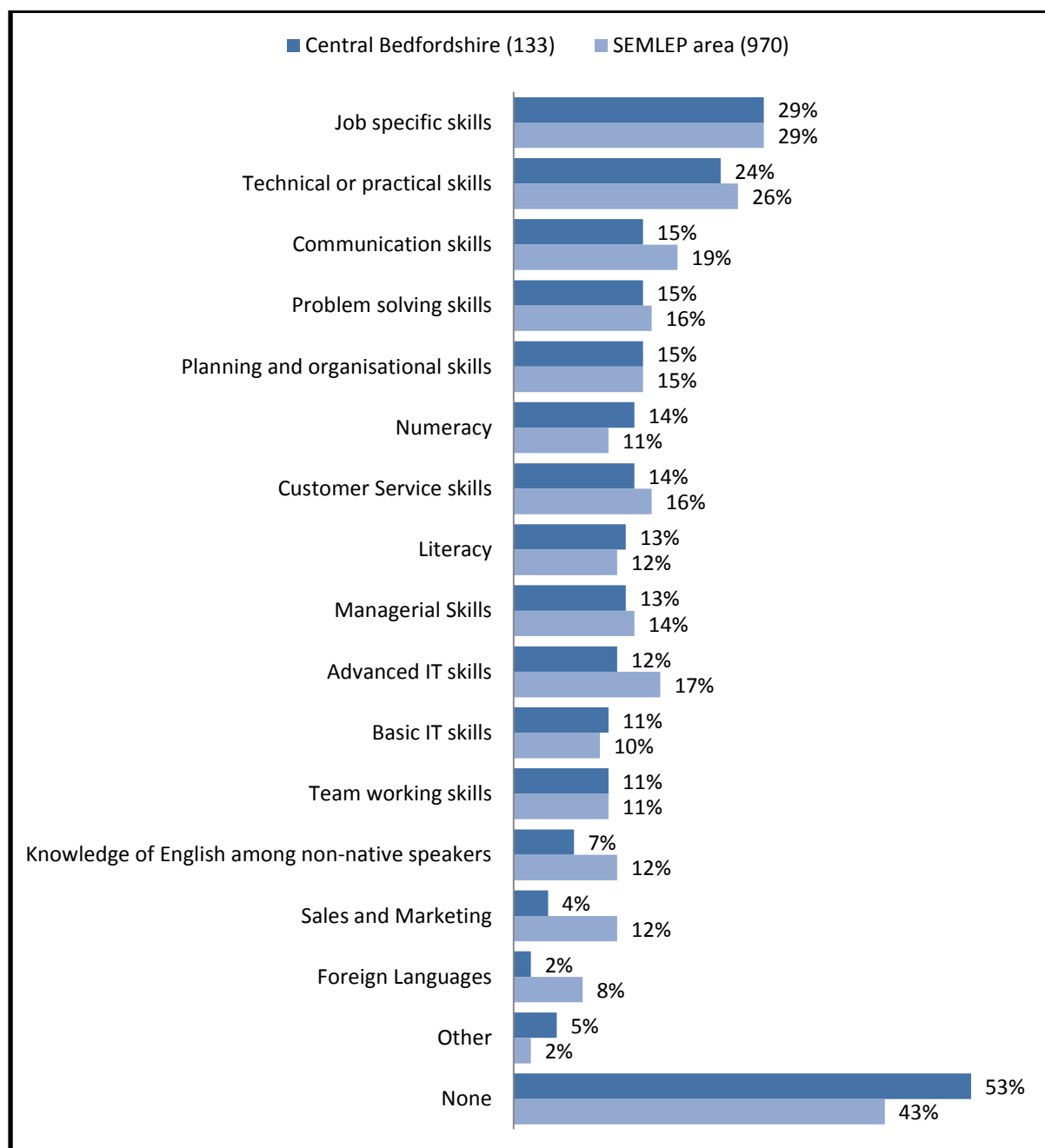
Source: 2015 Central Bedfordshire Business Survey, BMG Research

7.14 All respondents to the 2015 Business Survey that reported having had vacancies in the last 12 months (representing 35% of all Central Bedfordshire businesses) were asked if they found any of a number of skills difficult to obtain when recruiting staff during this time. Nearly half of these businesses (47% compared to 57% across SEMLEP) had found some skills difficult to obtain. This equates to 17% of all Central Bedfordshire businesses, and favourably compares to the 27% in 2014.

7.15 In the 2015 Business Survey the two most frequently cited skills that recruiting businesses in Central Bedfordshire found difficult to obtain were job-specific skills (29%, the same as the SEMLEP area) and technical or practical skills (24% compared to 26% across SEMLEP).

7.16 In comparison the 2015 UK Commission's Employer Skills Survey reported that 23% of the vacancies in England were skill shortage vacancies, with 31% of vacancies in Central Bedfordshire being skill shortage vacancies.

Figure 34: Skills that businesses have found difficult to obtain in the last 12 months – prompted, multiple response (where have had vacancies)



Source: 2015 central Bedfordshire Business Survey, BMG Research

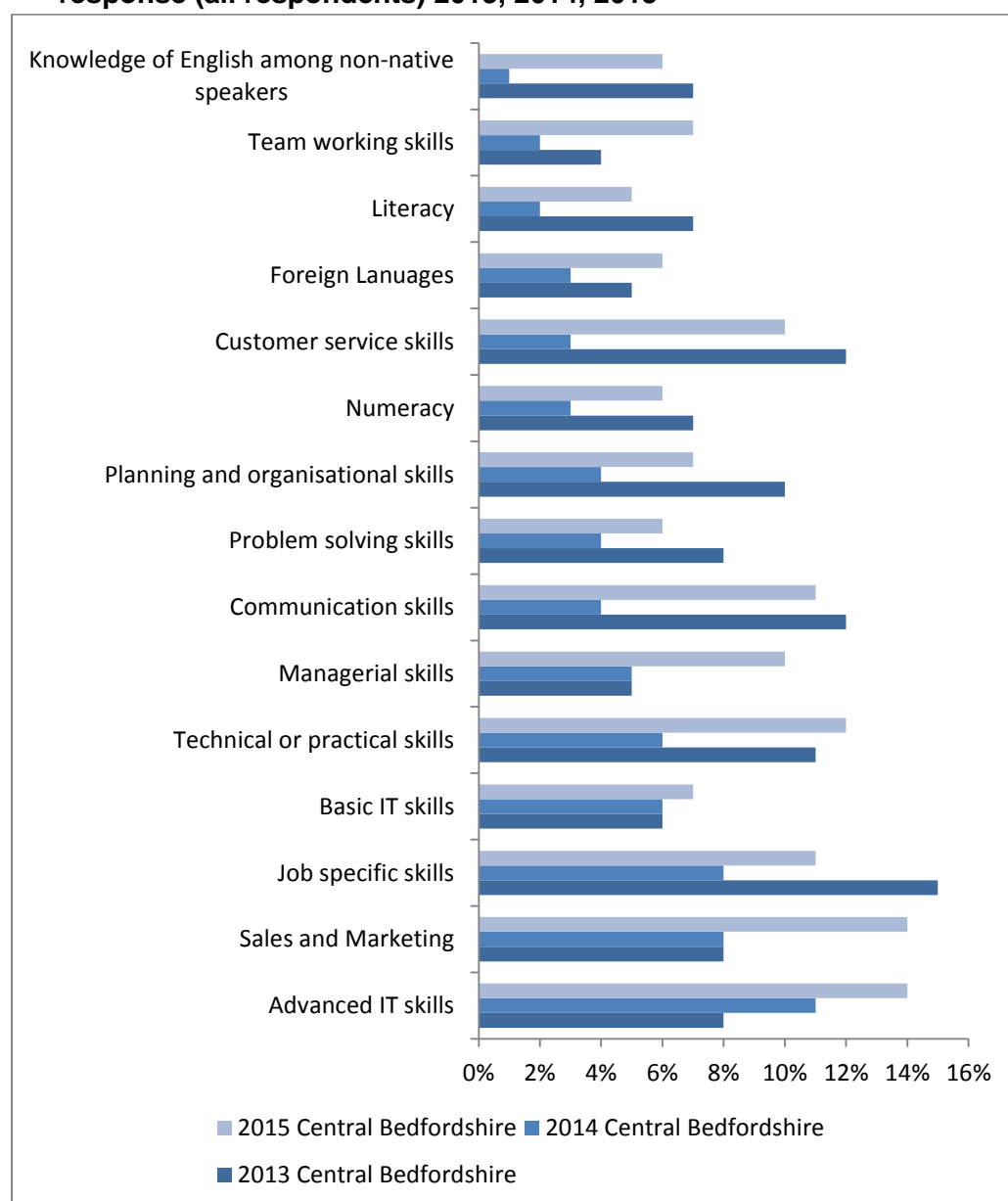
7.17 When asked why skills had been difficult to obtain, 17% of businesses in the 2015 Business Survey gave the reason as poor quality applicants (17%). Other reasons included: lack of investment in staff training and development and not enough time to train, both mentioned by 12% of businesses that had had difficulty obtaining skills.

Skills gaps

7.18 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.

7.19 In the 2015 Central Bedfordshire Business Survey 29% of businesses cited at least one skill area that is lacking within their current workforce. This is a lower proportion than in 2014 (37%) and is also a lower proportion to the South East Midlands area average (33%). In terms of the skills that are missing in their existing workforce, advanced IT skills (14%), sales and marketing skills (14%) and job specific skills (11%) are most frequently mentioned. Skill gaps are mentioned by fewer businesses in 2015 compared to 2014, suggesting some success in addressing them.

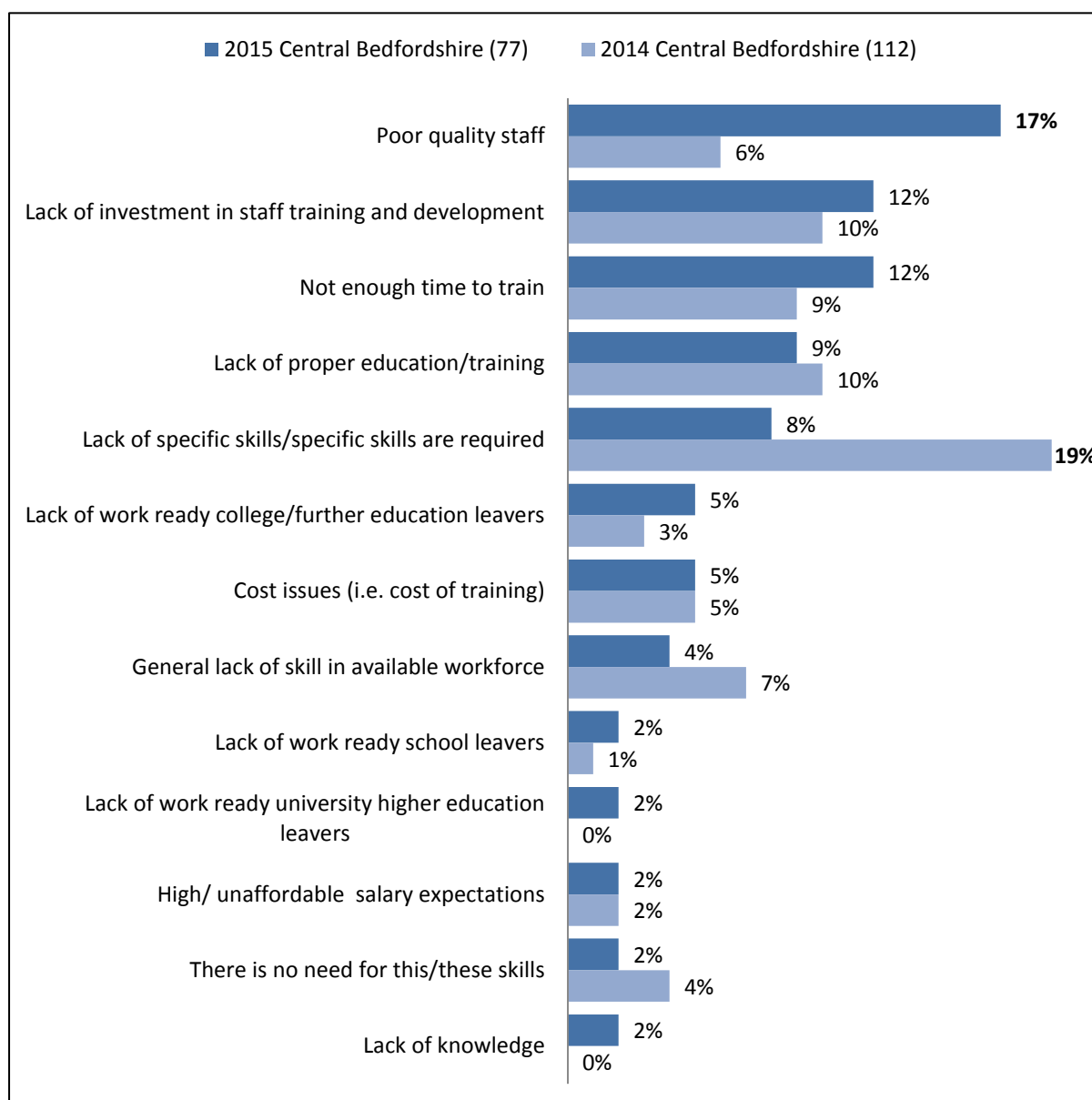
7.2 Figure 35: Areas in which businesses report skill gaps – prompted, multiple response (all respondents) 2013, 2014, 2015



Source: 2015, 2014 and 2013 Central Bedfordshire Business Surveys, BMG Research

7.20 When asked why they have skill gaps respondents to the 2015 Business Survey did not tend to give detailed explanations. There is some acknowledgement of a lack of training, either due to the business not providing funding (12%) or setting aside time (12%), or due to employees coming into the business insufficiently educated or trained (9%), but, overall, poor quality staff is the most frequently cited reason for skills gaps (17%).

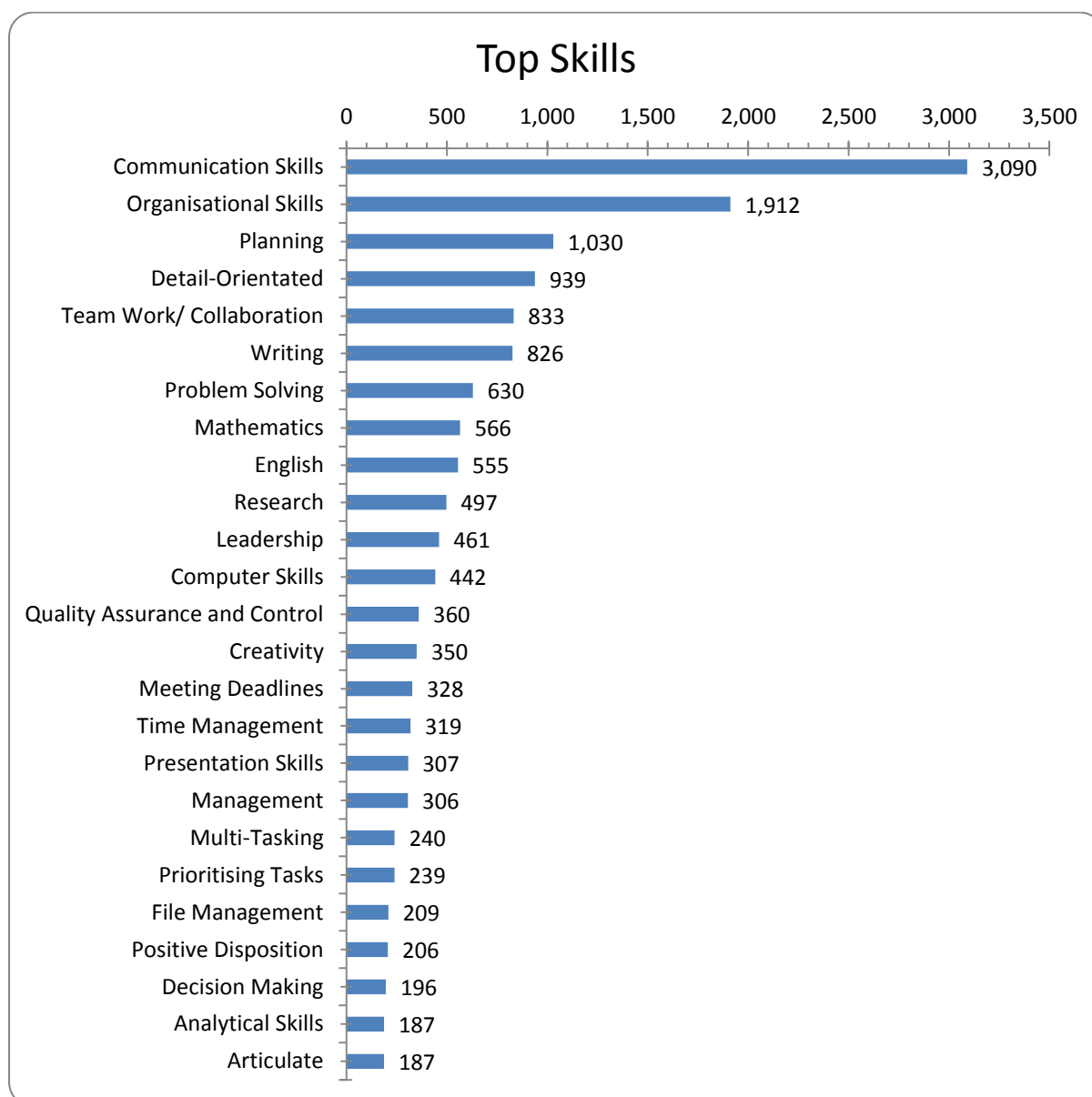
Figure 36: Reasons why there are skill gaps– unprompted, multiple response (where have skill gaps) 2014 and 2015



Source: 2015 Central Bedfordshire Business Survey, BMG Research

7.21 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 2016, the skill most often required was ‘communication skills’ in over 3,000 of the 13,211 jobs advertised in this time. This was followed by ‘organisational skills’ then ‘planning’ and ‘detail orientated’ skills. Figure 37 overleaf gives further details of the top 25 skills clusters.

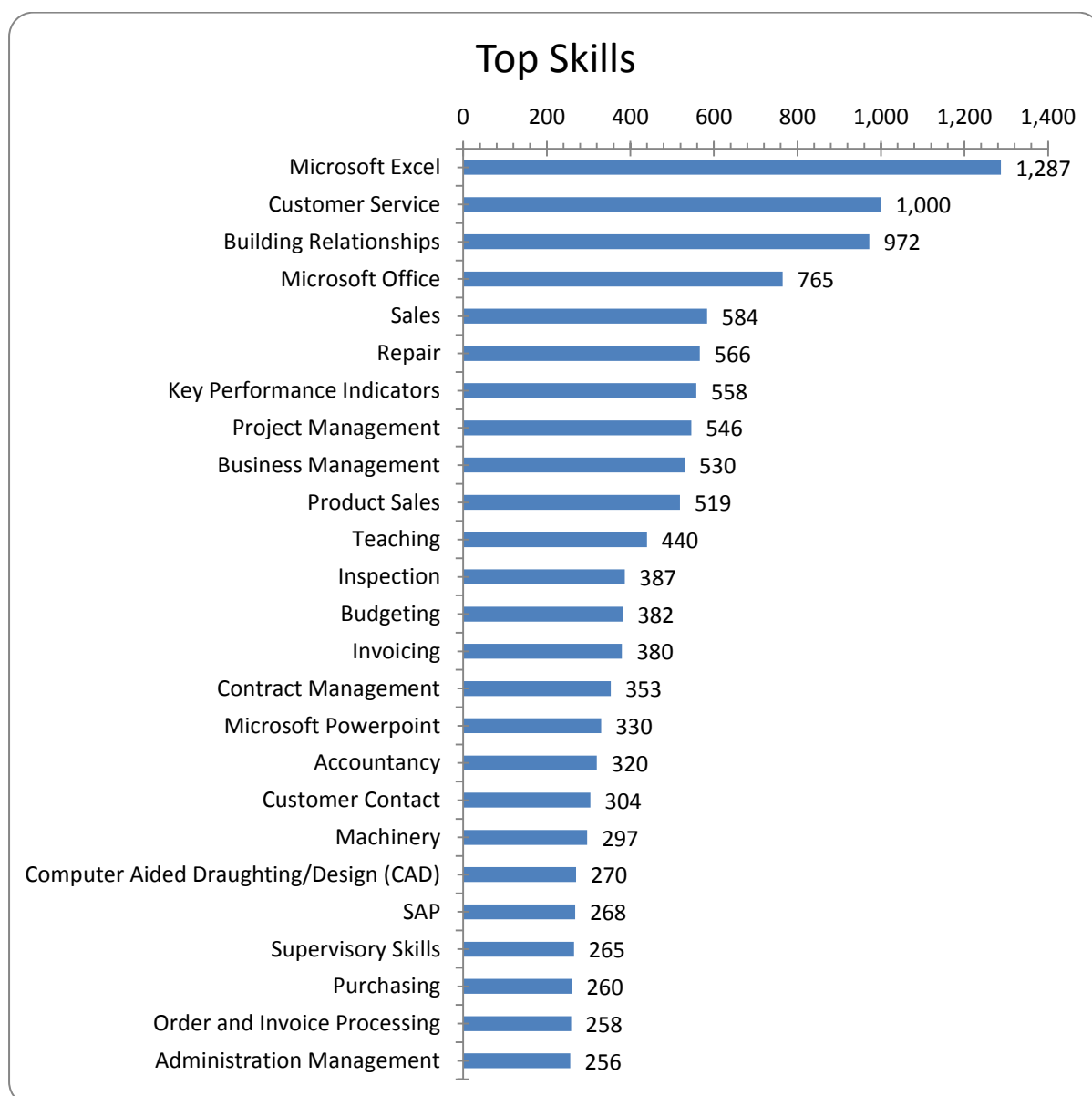
Figure 37: Skills groups in greatest demand in advertised vacancies in Central Bedfordshire August 2015 to 2016



Source: Burning Glass/ Labour Insight, August 2016

7.22 Data from Labour Insight also collects information regarding specialised skills sought by employers. In the year to August 2016, the specialised skill most often required was 'Microsoft Excel' in over 3,090 of the 13,211 jobs advertised in this time. This was followed by 'customer service' then 'building relationships' and 'Microsoft Office' skills. Figure 38 overleaf gives further details of the top 25 specialised skills clusters.

Figure 38: Specialised skills in greatest demand in advertised vacancies in Central Bedfordshire August 2015 to 2016



Source: Burning Glass/ Labour Insight, September 2016

Skills in greatest demand and occupations sought by Jobseekers

7.23 There is a general balance between the skills sought by businesses and the occupations sought by Jobseeker Allowance claimants. As of June 2016, 48.3% (1,200) of the JSA claimants resident in Central Bedfordshire were looking for work in sales and customer services, with 64% of JSA claimants looking for work in low or relatively low skills (Sales and Customer Service, and Elementary) occupations. Full details of the occupations sought by Jobseekers can be found in the Labour Chapter.

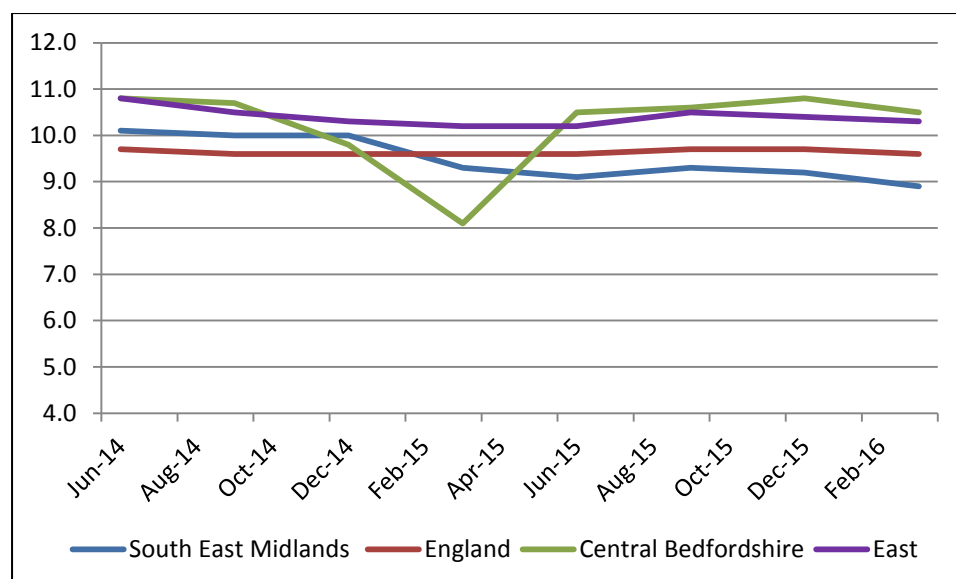
Training and development

7.24 The 2015 UKCES Survey indicates that 58% of Central Bedfordshire businesses (compared with 66% in England) have arranged staff training over the last 12 months. In Central Bedfordshire 42% of these businesses provided off-the-job training, with 45% providing on-the-job training. In Central Bedfordshire 44% of businesses provided on-line training or e-learning in the last 12 months, similar to the 45% across England.

7.25 The 2015 UKCES Survey indicates that the number of training days per trainee across Central Bedfordshire is 7.25 days, compared with 6.3 days nationally, with total staffing receiving 3.7 training days in Central Bedfordshire, compared with 4.25 nationally.

7.26 It is also possible to look at job related training through the Annual Population Survey. This measures the number of people who have had job related training in the previous four weeks. In March 2016, only 10.5% of working age people reported having job related training in the previous four weeks, but this was a significant increase from the 8.1% seen in March 2013. The figure is above East of England (10.3%), national (9.6%) and SEMLEP (8.9%) levels. Similarly, more private sector businesses (an average 11%), are providing training across Central Bedfordshire, than across SEMLEP and the East of England. Despite this the job related training being delivered within the 11% of private sector businesses is below the 18% of training received within the public sector. This trend of consistently lower private than public sector training is true for SEMLEP and national levels.

Figure 39: Percentage of working age people who have received job related training in the past 4 weeks 2014 - 2016



Source: Annual Population Survey, ONS via Nomis, August 2016

GCSEs

7.27 In Central Bedfordshire 2015 results show:

- The percentage of pupils at Key Stage 2 achieving Level 4 and above in reading, writing and maths is 77%. This is below the national and statistical neighbour averages of 80%.
- The percentage of Disadvantaged Pupils achieving Level 4 and above in reading, writing and maths is 58%. This is below the national average of 70%, and the statistical neighbour average of 66%. Disadvantaged Pupils include pupils known to be eligible for free school meals, and those who are looked after children or adopted from care (free school meals are often used as a measure of deprivation.) The gap between disadvantaged and other pupils (25 percentage points) is also wider than the statistical neighbour (18 percentage points) and national (15 percentage points) averages.
- Key Stage 4 results show that 58.3 % of young people achieved 5 or more A* - C grades at GCSE or equivalent, including English and maths (an improvement on the 57.1% in 2013/14). This is above the national average of 53.8%, but below the statistical neighbour average of 59.3%.

32.9% of Disadvantaged Pupils achieved 5 or more A*-C grades at GCSE or equivalent including English and maths. This is below the national average of 36.8%, and the statistical neighbour average of 33.3%. The gap between disadvantaged and other pupils (30.5 percentage points) is wider than the national average (28.2 ppts) average. The statistical neighbour average is (32.0 ppts).

Not in Education, Training or Employment

7.28 In April 2016, 3.1% of young people in the academic years 12-14 were not in education, employment or training (NEET). This has fallen from the 3.8% in April 2015 (down to 253 young people - a reduction of 66).

7.29 Central Bedfordshire consistently performs well against the national, regional and statistical neighbour NEET averages. For example, In April 2016, Central Bedfordshire's NEET level was just below the mean average for statistical neighbours at 3.5%. Central Bedfordshire's NEET rate remains consistently lower than geographical neighbours Bedford Borough (5.8%), Luton (4.1%) and Milton Keynes (4.3%).

Participation of Young People in Education and Training

7.30 The Department for Education monitors participation of 16 and 17 year olds in education and training on a quarterly basis. Participation data in March 2016 showed that Central Bedfordshire performed well compared to March 2015 figures. In March 2016, there was an increase of 1.2% over the last 12 months in the proportion of 16

and 17 year olds participating in education and training, raising the rate to 92.0%. This was similar to national (91.5%) and regional (91.7%) averages.

Apprenticeships

7.31 Data from the Skills Funding Agency and Department for Business, Innovation and Skills (August 2016) shows that there were 2,070 apprenticeship starts at all age levels in Central Bedfordshire in 2014/15 academic year. This is an increase of 300 people, or 17% from the previous academic year. Since 2005 there has been a steady increase in apprenticeship take up in Central Bedfordshire, although there was a decrease seen between 2012/13 and 2013/14, when there was a reduction in apprenticeships aged 25 years plus.

Table 48: Number of Apprenticeship starts in Central Bedfordshire 2005 - 2015

2005 /06	2006 /07	2007 /08	2008 /09	2009 /10	2010 /11	2011 /12	2012 /13	2013 /14	2014 /15
890	870	980	1020	1030	1630	1960	2020	1770	2070

Source: *The Skills Funding Agency and Department for Business, Innovation and Skills, August 2016*

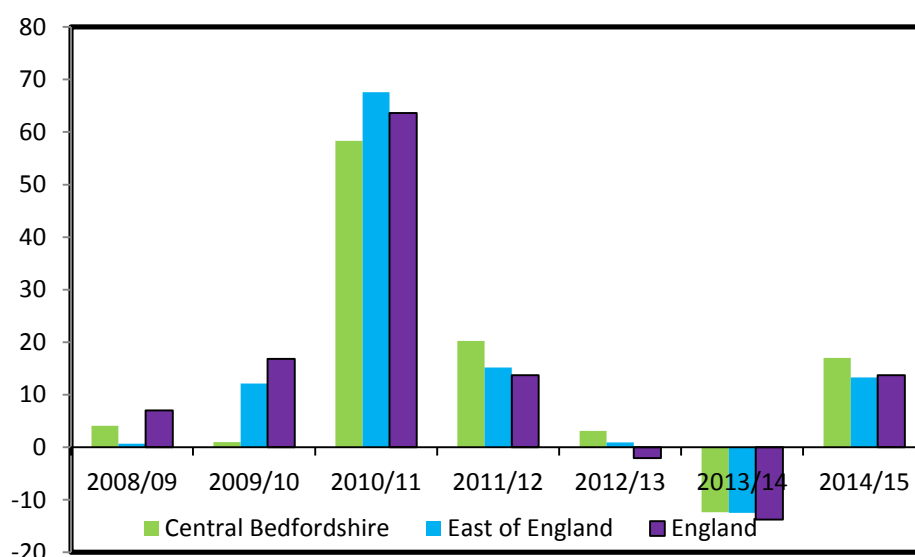
7.32 The rate of growth in Central Bedfordshire between 2014 and 2015, 17%, is higher than the region at 13.3% and nation at 13.7%.

Table 49: Percentage increase in apprenticeship starts since previous academic year

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Central Bedfordshire	4.1	1.0	58.3	20.25	3.1	-12.4	17.0
East of England	0.7	12.1	67.6	15.2	0.9	- 12.5	13.3
England	7.0	16.8	63.6	13.7	- 2.1	- 13.8	13.7

Source: *The Skills Funding Agency and Department for Business, Innovation and Skills, August 2016*

Figure 40: Number of apprenticeship starts in Central Bedfordshire 2008-2015



Source: *The Skills Funding Agency and Department for Business, Innovation and Skills, August 2016*

7.33 There were increases in the number of apprenticeship starts across all age ranges in Central Bedfordshire:

- The number of 16-18 year old apprenticeship starts increased in 2014/15 by 60 (10.7%) compared to 2013/14's 620 apprenticeship starts (30% of the total starts)
- The number of 19-24 year old apprenticeship starts increased by 50 (7.8%) compared to 2013/14's 690 apprenticeship starts (33% of the total starts)
- The number of 25 year olds plus apprenticeship starts increased by 190 (24.7%) compared to 2013/14's 770 apprenticeship starts (33% of the total starts)

7.34 Data for the 2015/16 year was incomplete at the time of writing, but showed that there were 1,550 starts between August 2015 and April 2016. The greatest increases were in the under 19 years, and the 25 years plus, age bands.

7.35 At a local level the sectors with the highest number of apprenticeships in 2014/15 are:

- Business Administration and Law
- Engineering and Manufacturing Technologies
- Retail and Commercial Enterprise
- Health, Public Services and Care

7.36 As well as the number of apprenticeship starts, it is also important to consider the number of apprenticeship completions across Central Bedfordshire, that are also steadily rising. In 2014 / 2015 the percentage of apprenticeships completions in Central Bedfordshire was 8.3%, higher than regional, 4%, and national, 1.9%, rates. This was a huge improvement on the -2.0 percentage growth of 2013 / 2014.

Table 50: Number of Apprenticeship completions in Central Bedfordshire 2005 - 2015

2005 /06	2006 /07	2007 /08	2008 /09	2009 /10	2010 /11	2011 /12	2012 /13	2013 /14	2014 /15
580	500	530	570	710	820	960	990	970	1050

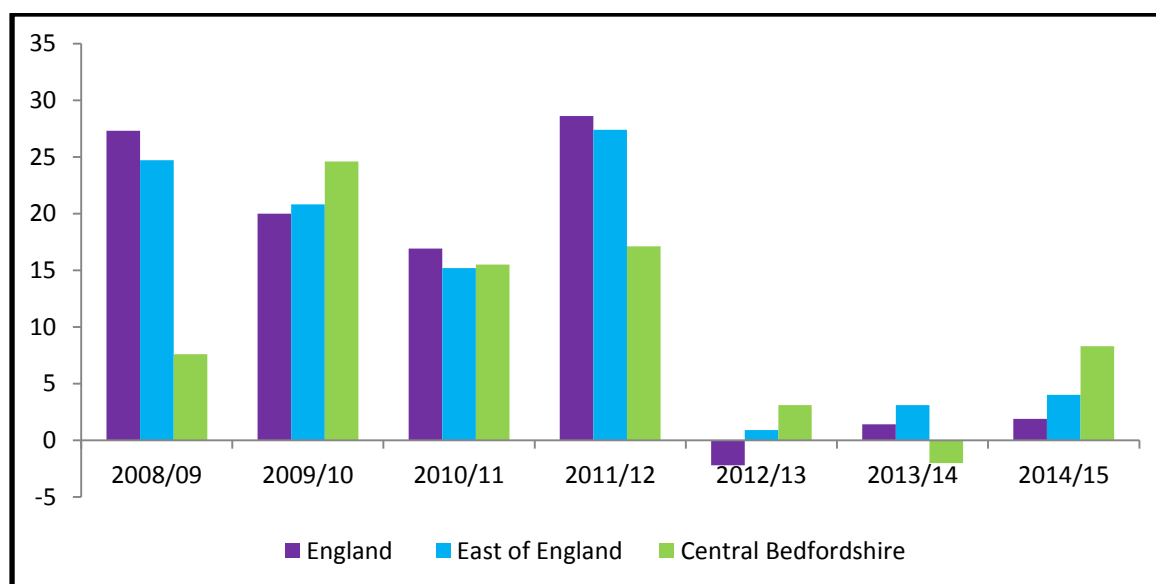
Source: *The Skills Funding Agency and Department for Business, Innovation and Skills, August 2016*

Table 51: Percentage increase in apprenticeship completions since previous academic year

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Central Bedfordshire	7.6	24.6	15.5	17.1	3.1	-2.0	8.3
East of England	24.7	20.8	15.2	27.4	0.9	3.1	4.0
England	27.3	20.0	16.9	28.6	-2.2	1.4	1.9

Source: *The Skills Funding Agency and Department for Business, Innovation and Skills, August 2016*

Figure 41: % increase in apprenticeship completions since previous academic year



Source: *The Skills Funding Agency and Department for BIS August 2016*

7.37 The 2015 Business Survey asked local businesses about their apprenticeship experience. One in twenty businesses in Central Bedfordshire (6%, compared to 9%

across SEMLEP) employed someone on an apprenticeship programme at the time of the survey. This was similar to the 2013 and 2014 figure of 7%.

7.38 In line with training activity, the propensity to have an apprentice increases with business size, from 3% within businesses with fewer than 10 employees at the site, to 17% of those with 10 to 24 employees, to 30% of those with 25 or more employees.

7.39 Of those that do not currently employ an apprentice, 41% (compared to 44% across SEMLEP) said they would consider taking one on. Among those, significantly more businesses in urban locations would consider taking one on (48%) compared to those in rural locations (30%).

7.40 Lack of need within the business is the most frequently cited reason for not considering employing someone on an apprenticeship (42%). Three in ten feel that the business or type of work is unsuitable for apprentices (30%). Other reasons cited by respondents include: apprentices do not have the necessary skills / experience / qualifications / we only want to employ people that are ready to do the job (10%); the business is too small (8%); cost (4%); poor experience of apprenticeships (3%); head office / company makes the decision (2%).