



# The Peterborough Economy (Updated September 2012)



## 1.1 Introduction

Peterborough has ambitious growth plans. It is well-placed logistically and geographically, and has a diverse work-force and robust infrastructure to flourish. Most importantly Peterborough’s can-do attitude extends to exploring new and innovative ways of attracting investment and growth – to build a better city for the future.

Peterborough is well located in the country, with links to London by rail in 45 minutes and direct routes to the northern cities of Leeds, York, Manchester, Newcastle and Edinburgh, and east-west to Cambridge, Leicester and Birmingham. Direct connections to the city will be improved even further with the extension of the Thameslink service in 2016. As well as rail connections to Stansted Airport, four other national airports are within a 75 minute drive of the city, with more international connections through Eurostar (via King’s Cross) and Felixstowe Port.





Peterborough has previously been identified as one of the country's 'hotspots' for new businesses and despite the economic uncertainty of the recession, companies are both investing and expanding in Peterborough. During the last year, Royal Sun Alliance, BGL, Perkins and Kelway IT are just some of the companies to either come to Peterborough or expand their operations. Due to its fantastic infrastructure, companies such as Amazon who came to Peterborough on a temporary basis have recently decided to stay here permanently. This has created around 1,400 jobs for local people and this number is continuing to increase.

The multi-award winning public realm regeneration works in Cathedral Square has enticed new shops and restaurants to the city such as TK Maxx, Nandos and Patisserie Valerie. More recently Carluccio's and Primark have added to the vibrant retail mix, both of which are due to open by the end of this year.

The statistics below give a brief picture of the local economy suggesting Peterborough is a city with huge potential with a dynamic, growing business base offering real business advantages for relocating companies.

## 1.2 Demographics

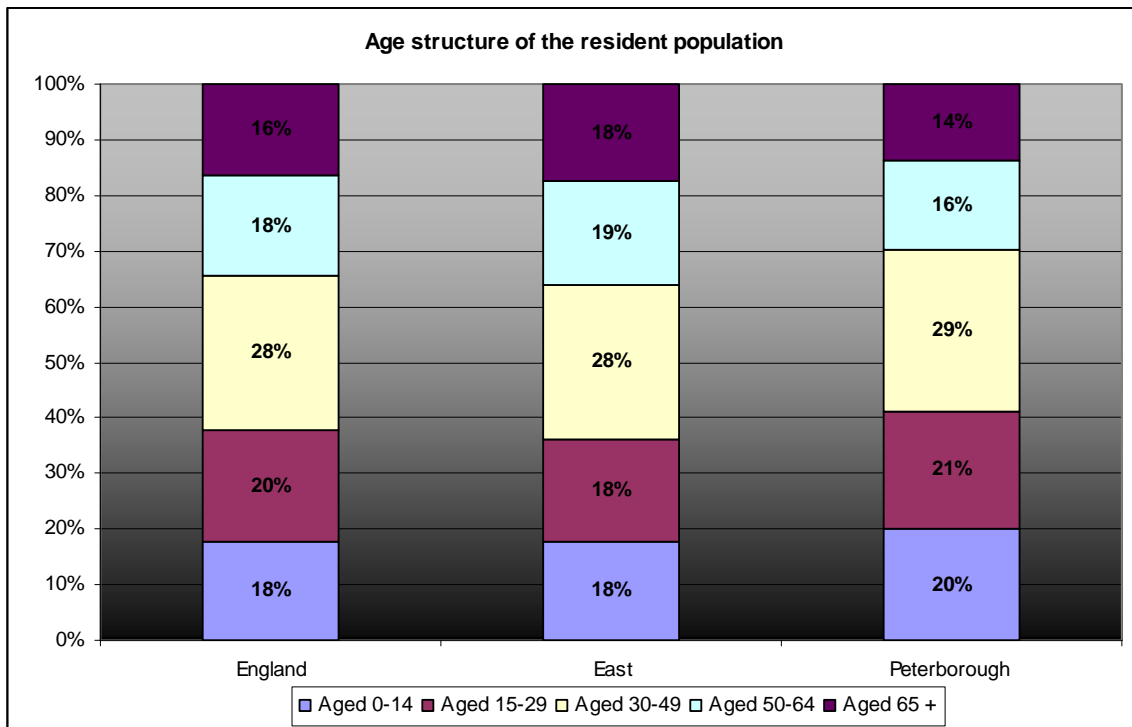
**Peterborough has a slightly younger profile in comparison to England and the Eastern region. The City has seen a dramatic increase in all age groups between 2001 and 2011.**

Census 2011 data suggests that a total of 183,700 people live in the city of Peterborough. The city has a slightly younger profile in comparison to England and the Eastern region with 41% of the population aged 29 and under compared with 38% in England and 36% in the East. Peterborough also has a lower proportion of people aged 65+ in comparison to the regional and national averages.





Figure 1: Age structure of the resident population



Source: Census 2011.

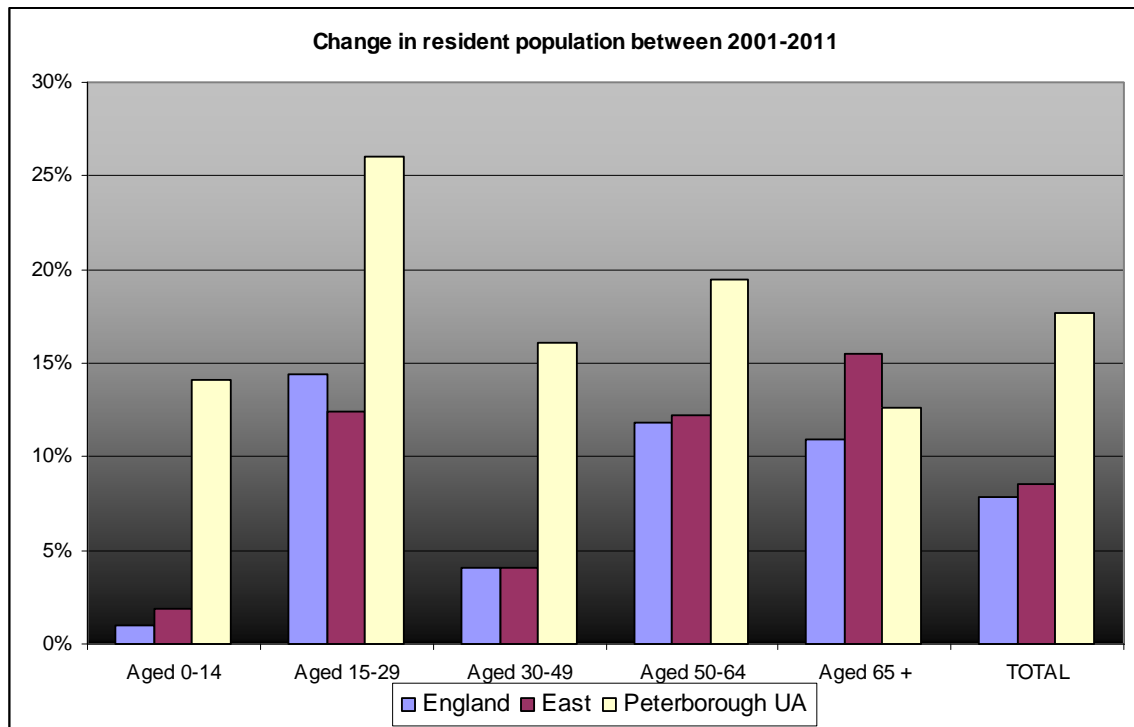
Figure 2 below presents the change in population between 2001 and 2011. It shows that whilst England has experienced a mere 1% increase in 0-14 year age group, Peterborough has seen a massive 14 increase in this category.

The 15-29 age group in the city had previously experienced a 26% increase whilst the growth in the comparator regions has been significantly slower with 14% in England and 12% in the region. The city has also experienced a much faster than average growth of the 30-49 and the 50-64 age groups.

Overall there has been a population growth of around 18% in Peterborough, whilst England and the East of England have seen a total growth of 8% and 9% respectively. This data supports Peterborough's growth aspirations.



Figure 2: Change in population between 2001-2011



Source: Census 2001 and 2011.

According to the latest Census data 2011 Peterborough is the second fastest growing city in the country after Milton Keynes. The data suggests Peterborough’s population is 183,700 which is an 18% rise on the 156,059 reported in the 2001 Census. This amounts to an absolute change of 27,641 people over the decade. This is the second highest population increase in the country after Milton Keynes.

According to the 2010 Subnational Population Projections the city’s population is due to increase to around 230,000 by 2035 which is an increase of 25%.

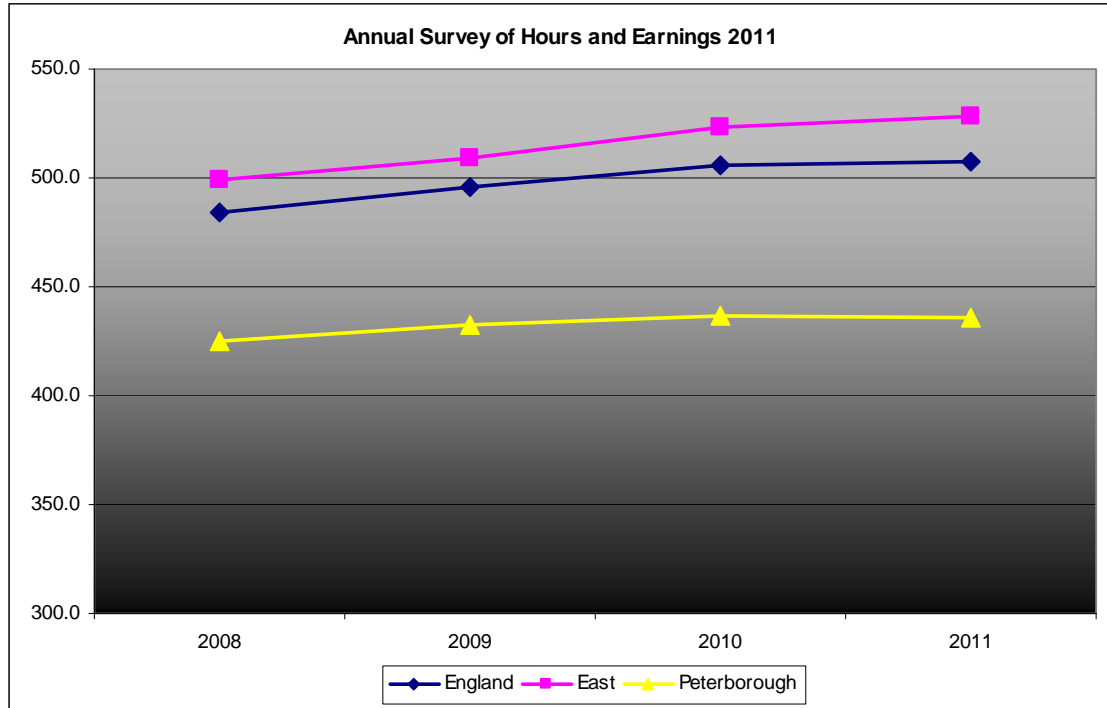
### 1.3 Weekly Pay

**Peterborough’s resident average income is lower than the national average but with house prices also being relatively low, disposable income in the city equates to a level of medium to high.**

Although average wage rates are relatively low, local pay is showing an upward trend. Currently the table shows that Peterborough’s gross weekly income is £436. This is considerably lower than the national (£508) and regional averages (£529).

With university projects in the city gaining momentum, an increased graduate population in the city will naturally entice high value jobs to the city which will thus have a positive impact on earnings. (See section X for more information)

Figure 3: Median Gross Weekly Full Time Pay of residents



Source: Annual Survey of Hours and Earnings (resident analysis) 2008-2011.

## 1.4 Housing Market

Peterborough's residents benefit from an excellent house price to earnings ratio index. Property in Peterborough is both attractive and affordable, ranging from vibrant city centre accommodation to thatched stone village cottages.





According to homes.co.uk, the average property selling price in Peterborough is currently £130,679 (April 2012) compared to £140,042 a year ago. The recent fall in house prices is consistent with the national picture.

According to estates agents in the city the housing market has experienced a heightened level of interest rates amongst buyers and sellers in September 2012. This is true for all properties from 1 bed flats to 4/5 bedrooms detached houses.

**Table 2: House Prices**

	April 2011	April 2012	Change
Detached	£197,845	£184,269	-7%
Semi	£134,745	£141,604	+5%
Terraced	£115,247	£106,337	-8%
Flat	£82,532	£86,249	+5%
All	£140,042	£130,679	-7%

Source: [www.home.co.uk](http://www.home.co.uk)

Although average income is lower than the regional or national picture, average house prices are also significantly lower. So whilst there is a perception that Peterborough's salary levels would deter spend, actually the price/earnings index for Peterborough bears up remarkably well against the national average [8.27x PE postcode, 9.04xNational]. Please note that this data is taken from a different source to the table above hence the different average house price figures.

**Table 3: Price/Earnings Ratio**

	National	Peterborough
Average current value	£221,300	£162,200
Average earnings	£24,478	£19,601
Price / Earnings	9.04x	8.27x

Source: Calnea Analytics proprietary price data and earnings survey data - updated quarterly. July 2012.

## 1.5 Occupational Structure

Although Peterborough has a lower than average proportion of residents employed in higher skilled jobs, the data is showing an increase in those employed in the higher value jobs over the last 12 months.



The table below shows that almost 35% of the city's population are being employed in higher level jobs (manager and senior officials, professional and associate technical occupations) which is some 8% lower than the national and regional averages. Around 27% of Peterborough's population is employed in lower skilled jobs (process, plant and machine operatives and elementary occupations).



On a positive note the number of higher skills jobs has increased by around 4% over a five year period, whilst lower skilled jobs are continuing to see a decline. Opportunity Peterborough is working to further attract higher value jobs into the city.





Table 4: Occupations of the local workforce

Apr 2011-2012	England	East	Peterborough
Managers and senior officials	10.3	11.1	8.6
Professional occupations	19.4	18.6	14.1
Associate professional & tech occupations	14.1	14.2	12.7
Administrative and secretarial occupations	11.2	11.5	11.6
Skilled trades occupations	10.6	11.0	8.4
Personal service occupations	9.0	9.0	7.2
Sales and customer service occupations	7.9	7.7	9.1
Process, plant and machine operatives	6.4	6.5	10.9
Elementary occupations	10.8	10.1	16.4

Source: Annual Population Survey, Apr 2011-Mar 2012.

## 1.6 Skills

Skills levels in the city have seen a marked improvement over the last 12 months however levels in the city are still below national and regional averages but this is set to improve with the new university offering a diversity of degree level courses.

The inter-relationship between skills and occupational and wage structures means that skills development is a priority for the city, and one which is moving forward very fast. The table below shows that the proportion of people holding higher level qualifications in Peterborough (NVQ3/4) is lower than the national and regional averages, it should be noted that these are showing an improving picture with the level of higher level qualifications increasing and those with no qualifications in decline.

Table 5: Qualifications of the working age population

	England	East	Peterborough	Change since 2009
Percentage with NVQ4+	29.6	27.3	20.7	11%
Percentage with NVQ3+	48.9	46.9	37.5	12%
Percentage with NVQ2+	65.0	64.2	55.1	7%
Percentage with NVQ1+	79.0	79.9	72.5	3%
Percentage with no qualifications	12.1	11.3	14.2	-13%
Percentage with other qualifications	9.0	8.8	13.3	-3%

Source: Annual Population Survey 2010.





Peterborough traditionally has low retention rates of graduates due to lack of high value jobs, however we are seeing a positive change in these figures with the development of the University Centre Peterborough (UCP) which opened in November 2009, and other higher education initiatives.

During the academic year (2012/2013) a total of 574 students have enrolled in University Centre Peterborough. It is anticipated this will rise to around 1,500 students by 2015. Courses being offered revolve around subjects in business, engineering, construction and media studies. The University Centre plans to drive up higher levels of skills attainment and overall educational aspirations of Peterborough residents and employees, thereby attracting higher wage levels and investment in the city. The establishment of a University Centre in Peterborough will also facilitate links with Higher Education Institutions in the East of England region. In addition, the high-technology clusters in Cambridge, Hertfordshire and other parts of the region provide an accessible and mature infrastructure to support innovation by Peterborough companies and organisations.



Demand for places at UCP have rocketed with applications up by more than 350 percent (2010/11 to 2011/2012). Business and IT skills seem to be the subjects most in demand, with the most popular courses including a BSE in Computing and Information Systems, and a BA in Business Management. This section will be updated with data from the latest academic year 2012/13 in October/November 2013.





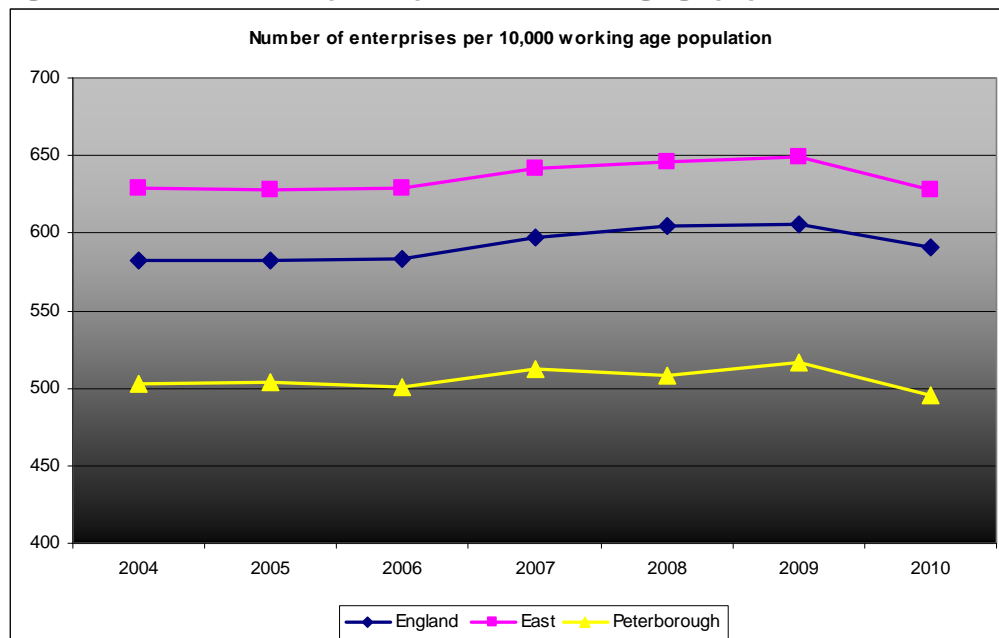
The proportion of NEETS (not in education, employment or training) has decreased over the past year, recorded at 8.3% in July 2012 (552 young people) in comparison to 10.2% (680 young people) in July 2011.

### 1.7 Entrepreneurship

The proportion of business stock per 10,000 population in the city is significantly below the national and regional averages. Due to the economic situation and in line with the national and East of England picture, Peterborough has seen a slight decrease in business birth rates recently. We hope to see a positive change as the economy picks up and confidence increases, and a positive effect from local economic and regeneration initiatives.

In relation to its working age population, Peterborough has fewer registered companies than England and the Eastern region. In 2010, 233,090 enterprises were registered in the East of England, of which 5,595 were located in Peterborough. According to Figure 4 below, Peterborough has a lower than average number of enterprises per 10,000 working age population.

Figure 4: Number of enterprises per 10,000 working age population

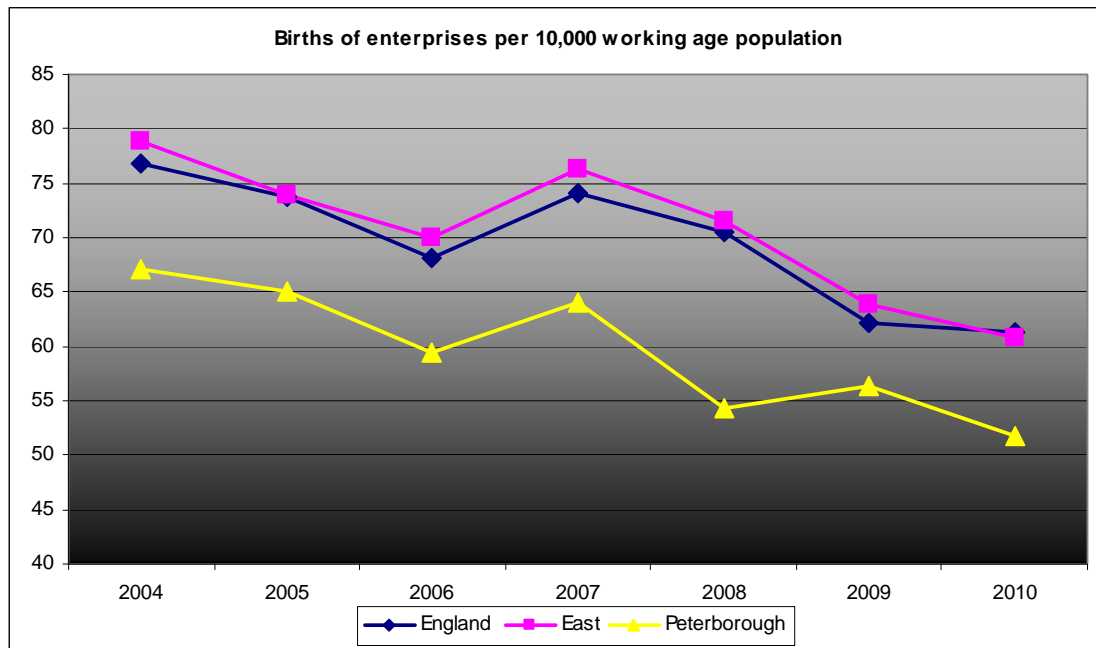


Source: Business Demography Data, BERR, 2010.



The following figure illustrates the number of enterprise births per 10,000 of the working age population. It provides a good indicator for assessing the success of local entrepreneurship. In 2010, there were 52 births per 10,000 of the working age population in Peterborough in comparison to 61 both regionally and nationally. The graph highlights that the number of births of new enterprises per 10,000 working population in Peterborough is considerably lower than then national and regional averages throughout the period 2004 to 2010.

**Figure 5: Births of enterprises per 10,000 working age population**

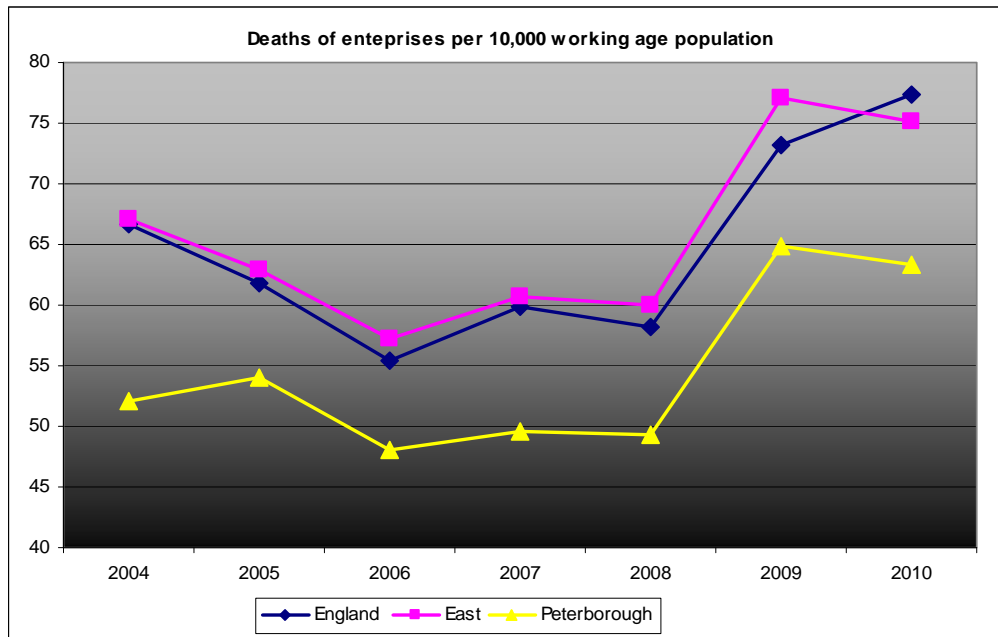


Source: Business Demography Data, BERR, 2010.

The graph below shows the number of annual deaths (an indicator of the number of business closures), demonstrating that Peterborough is also below the national and East of England number for business deaths. It does show that the death rate of enterprises has increased significantly between 2008 and 2009, presumably in reaction to the impact of the financial crisis and recession but, also that the death rate is now in decline.



Figure 6: Deaths of Enterprises per 10,000 working age population



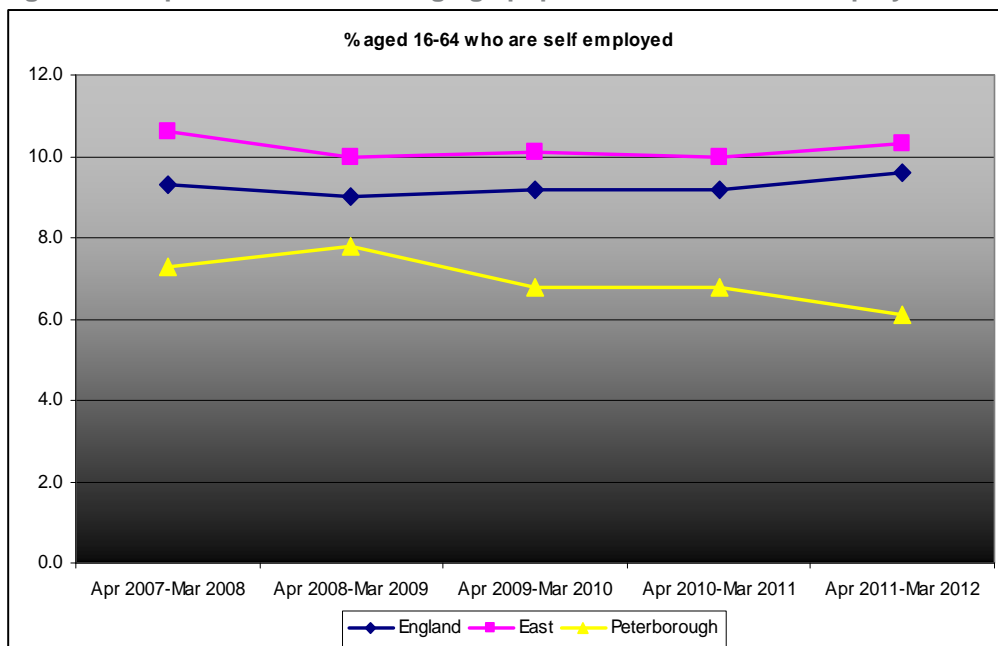
Source: Business Demography Data, BERR, 2010.

### 1.8 Self Employment

Self employment in the city is low compared to national and regional averages.

The graph below shows trends in levels of self employment in Peterborough. At 6.1% the levels are below national and regional averages.

Figure 7: Proportion of the working age population who are self employed



Source: Annual Population Survey, April 2011-March 2012.



According to the most recent data from the Annual Population Survey, there is a significant difference between self employment amongst males and females. Around 10% of males in Peterborough consider themselves to be self employed and only 3% of females. This disparity is also seen both nationally and regionally.

**Table 6: Proportion of people who are self employed by gender**

	% aged 16-64 who are self employed	% of males aged 16-64 who are self employed	% of females aged 16-64 who are self employed
<b>England</b>	9.6	13.4	5.7
<b>East</b>	10.3	14.4	6.1
<b>Peterborough</b>	6.1	9.6	2.6

Source: Annual Population Survey, April 2010-March 2011.

The 2011 VAT data which includes the number of local units in VAT and/or PAYE based enterprises in 2011 states that there were 5,420 units in total with the largest proportion of businesses in professional, scientific and technical services (14.6%), which is in line with national and regional trends. Overall there has been an increase of 28% in businesses between 2010 and 2011. Although the percentages below show the largest increase being in the public administration and defence sector, in number terms the increase is only 45 units. The largest whole number increase in Peterborough between 2010 and 2011 was in the retail, business administration and support services sectors.

**Table 7: VAT/PAYE based enterprises by sector**

	England	East of England	Peterborough	Peterborough change since 2011
Agriculture, forestry and fishing	5.0%	5.3%	3.2%	3.1%
Production	6.5%	6.8%	7.0%	8.6%
Construction	13.0%	15.6%	12.0%	1.7%
Motor trades	3.2%	3.5%	5.1%	15.7%
Wholesale	5.1%	5.2%	5.7%	31.6%
Retail	8.8%	7.9%	8.7%	70.1%
Transport and storage	3.2%	3.5%	2.9%	55.2%
Accommodation and food services	5.9%	5.2%	5.2%	40.4%
Information and communication	7.4%	7.3%	7.9%	10.1%
Finance and insurance	2.1%	1.8%	2.7%	48.1%



Property	3.7%	3.4%	4.4%	20.5%
Professional, scientific and technical	16.1%	15.1%	14.6%	7.5%
Business administration and support services	7.2%	7.5%	7.5%	38.7%
Public administration and defence	0.1%	0.2%	0.1%	900.0%
Education	1.6%	1.5%	2.6%	80.8%
Health	3.8%	3.4%	3.9%	92.3%
Arts, entertainment, recreation and other services	7.2%	6.8%	6.7%	19.4%
Total	100.0%	100.0%	100.0%	28.1%

Source: ONS, UK Business: Activity, Size and Location, 2011.

## 1.9 Business sectors and occupational profile

**A large proportion of employees in the city work in the business administration, support services sector, health and retail.**

The table below shows the number of employees by economic sector. It shows that at 14.1%, a large percentage of employees in Peterborough are in business administration and support services sector which is higher than the national and regional benchmarks.

Other sectors which have a high proportion of employees in the city are health at 12.3% and retail at 11.7%. The East of England Development Agency's East of England Innovation Baseline report identifies Peterborough is increasingly recognised as a growing centre for wholesale financial services, complementing London's global head office function.

**Table 8: Number of employees by SIC codes**

	England	East	Peterborough
Agriculture, forestry & fishing	0.7%	1.1%	0.1%
Mining, quarrying & utilities	1.1%	1.0%	1.0%
Manufacturing	8.8%	9.0%	9.4%
Construction	4.3%	4.7%	3.4%
Motor trades	1.7%	1.8%	2.3%
Wholesale	4.3%	5.4%	4.6%
Retail	10.3%	11.9%	11.7%



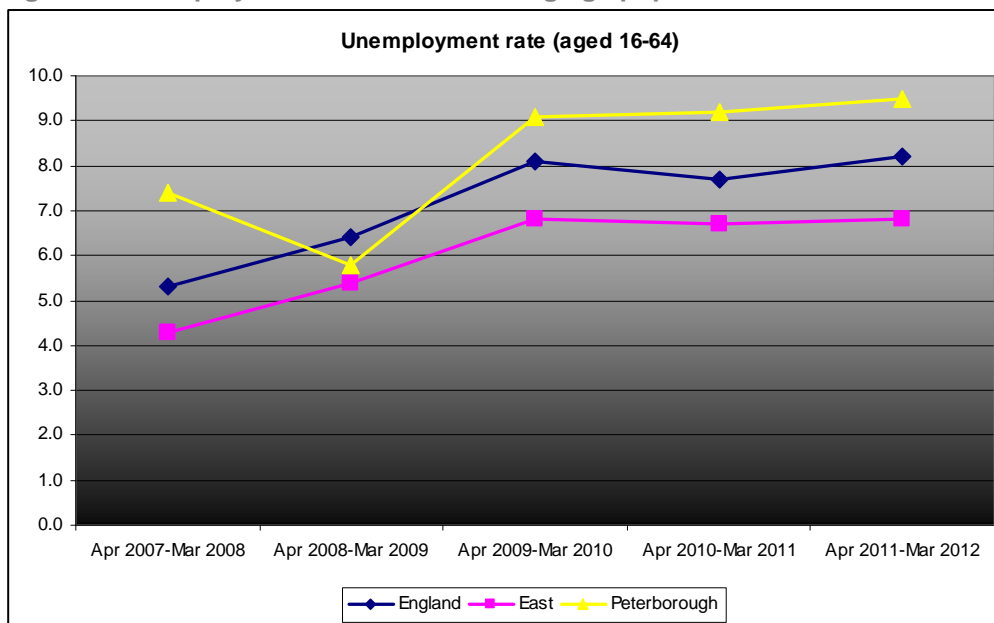
Transport & storage (inc postal)	4.7%	4.6%	4.7%
Accommodation & food services	6.6%	5.9%	4.0%
Information & communication	3.9%	2.6%	3.4%
Financial & insurance	4.0%	2.6%	6.4%
Property	1.4%	2.0%	1.6%
Professional, scientific & technical	7.2%	6.9%	4.8%
Business administration & support services	8.2%	8.6%	14.1%
Public administration & defence	5.6%	4.6%	4.3%
Education	9.7%	10.4%	8.2%
Health	12.9%	12.1%	12.3%
Arts, entertainment, recreation & other services	4.7%	4.7%	3.6%

Source: Business Register and Employment Survey, 2010.

### Unemployment rate aged 16-64

The Annual Population Survey suggests that the unemployment rate for the city is 9.5% which equates to 8,100 people compared to 8.2% nationally and 6.8% in the East. Although the recent trend in unemployment is upward, the local figures mirror those seen nationally and regionally.

Figure 8: Unemployment rate of the working age population



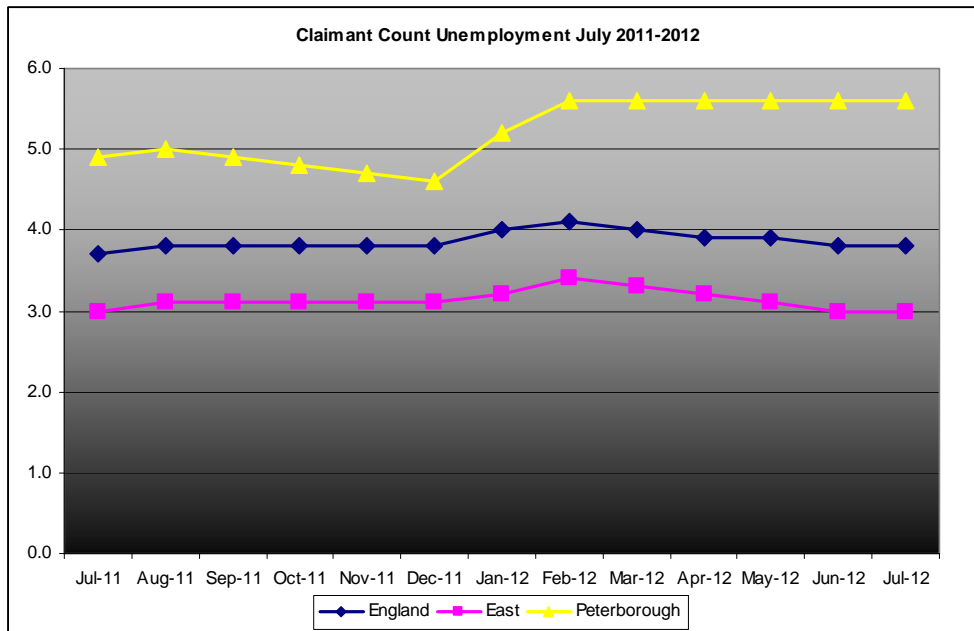
Source: Annual Population Survey, April 2011-March 2012.



### 1.10 Claimant Count Unemployment

Although Peterborough has a higher than average claimant count unemployment, the latest figures show that we are following national and regional trends. We suspect we will see a downward trend in unemployment as we head towards the last quarter of the year.

Figure 9: Claimant Count unemployment rate



Source: Claimant count rates and proportions, July 2012.

July 2012 data suggests that our claimant count rate (those on Jobseekers Allowance) remains at 5.6% for the sixth month in a row. In terms of numbers, this equates to an increase of 88 which is in line with national and regional trends taking our total claimants to 6,359. We hope to see our unemployment rate decreasing as we move into the autumn months when seasonal employment recruitment should start kicking in for the Christmas period. Good news is we are not seeing major redundancies like we were a couple of years ago.

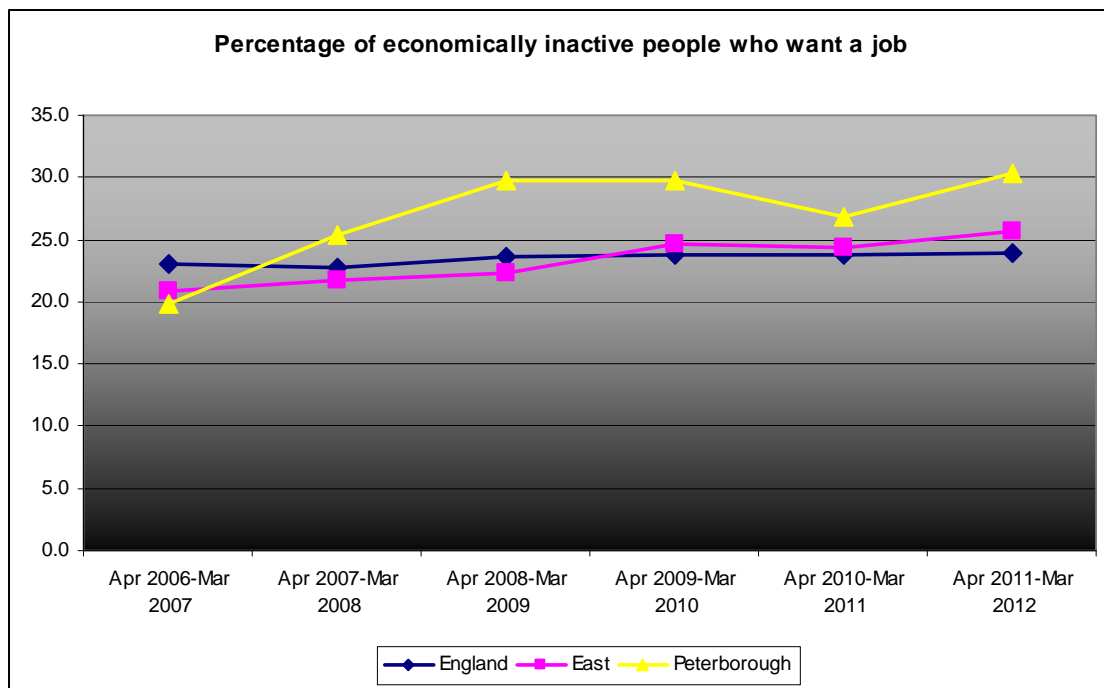
### 1.11 Percentage of economically inactive people who want a job

Although Peterborough has a high number of people in unemployment, there is also a higher than average number of people looking for a job.





Figure 10: Proportion of economically inactive people who want a job



Source: Annual Population Survey, April 2011-March 2012.

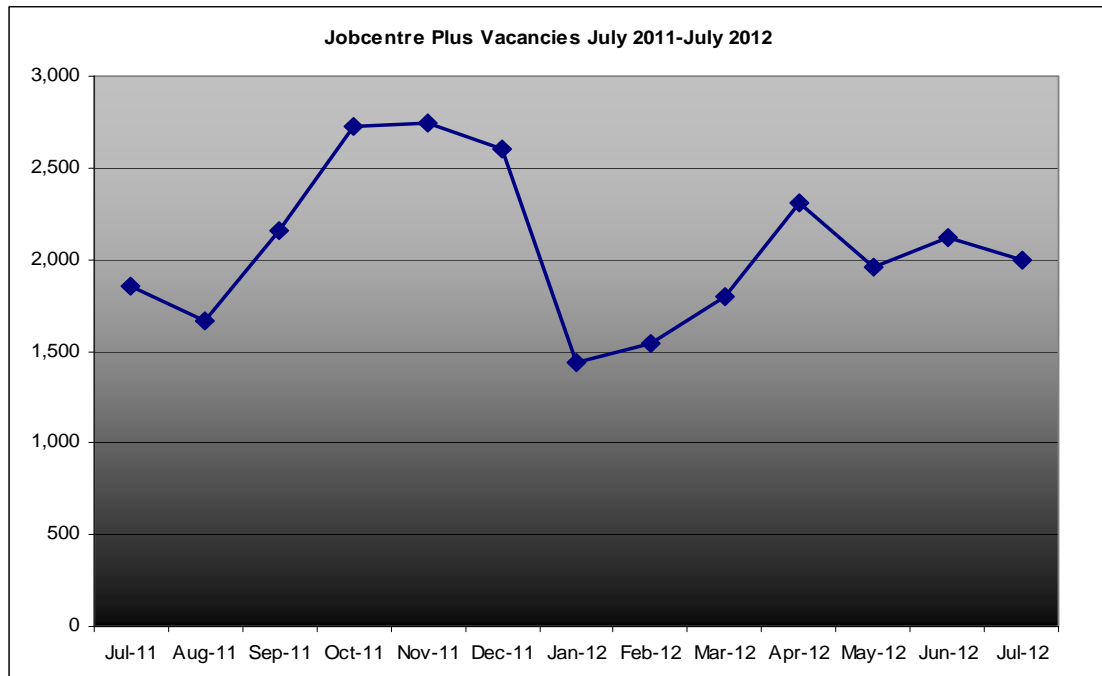
The graph below shows that 27% of people who are economically inactive do actually want to work in Peterborough compared to 23.8% nationally and 24.5 % in the Eastern region. This shows there is a high proportion of labour available to work in the city.



### 1.12 Job Vacancies

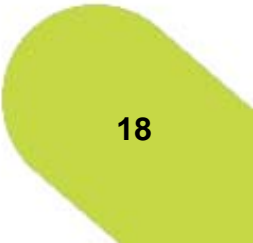
Jobcentre Plus vacancies remain volatile and have seen a slight decrease month on month (from June–July 2012). However seasonal recruitment is now underway with Amazon looking to recruit over 2000 employees for the festive period. Royal Mail and DHL are also looking to recruit around 700 temporary staff between them. A number of retailers and supermarkets are also recruiting for Christmas with the likes of Primark and Carluccio’s looking for more permanent staff ready for their November opening. All in all, at least in the short term we should be seeing an upward trend in job vacancies over the coming months.

Figure 11: Notified Vacancies at Job Centre Plus



Source: Jobcentre Plus Notified Vacancies, July 2012.

There appears to have been a considerable increase in jobs in the restaurant and retail sectors recently, with the opening of Jack and Jones, Pandora and Fat Face in Queensgate. The destination store, TK Maxx opened in May 2011, and Nando’s and Patisserie Valerie shortly after. This year we are seeing an exciting new expansion to Queensgate with the arrival of Primark which along with Carluccio’s will create around 200 jobs. There have also been significant company expansions this year despite the economic climate. Locally established companies such as Ikea, BGL, Amazon and Kiddicare are all reporting positive growth figures.





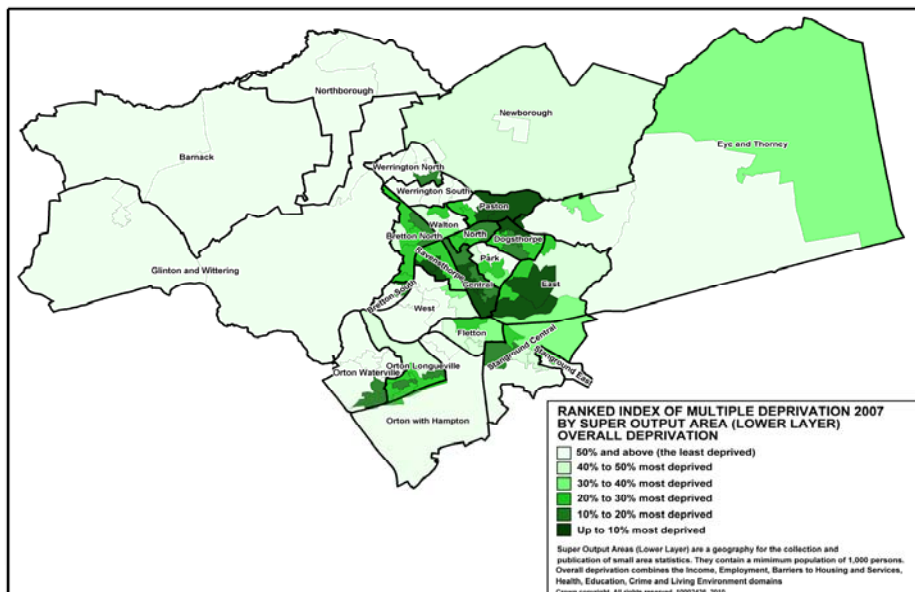
### 1.13 Indices of Multiple Deprivation

Peterborough has pockets of deprivation, largely located in the city’s core.

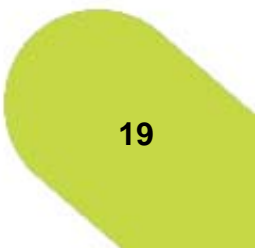
The Index of Multiple Deprivation (IMD) 2007 combines a number of indicators, chosen to cover a range of economic, social and housing issues, into a single deprivation score for each small area in England. The Indices of multiple deprivation measure deprivation at lower super output area (LSOA). Each LSOA is made up of a grouping of Census output areas and contains, on average about 1,500 residents.

According to the 2007 Index of Multiple Deprivation, Peterborough is the 90th most deprived Local Authority in the Country out of 354 (with 1 being the most deprived).

Figure 12: Overall deprivation levels



Source: Indices of Multiple Deprivation 2007, CLG.





The city also scores poorly in the income and employment domains, falling within the 25% worst performing local authorities in England on both of these fronts. Peterborough is also affected by high rates of health deprivation and disability. This is predominantly in concentrated urban areas where there are high levels of deprivation measured on the income and employment scales. Dogsthorpe ward is one of the most deprived areas in England with some LSOA's within the ward falling within the top 5% most deprived nationally.

### 1.14 Local Economic Summary, August 2012

Rumours of interest rates being lowered to an all time low is concerning local companies. Despite this, most are faring reasonably well considering the circumstances. Recent visits to organisations show that businesses are continuing to outperform competitors and in general are doing well given the current economic climate. Although there have been some job losses announced over the past couple of months, on a positive note, these are not on a large a scale as they were back in 2008/2009, and as this report has indicated, there have been significant jobs growth announcements.

Peterborough is growing, despite macroeconomic conditions. The city is seeing new investment and re-investment from existing companies. The city is well-placed and competitively located to see continued growth. Our aspirations are for a bigger and more successful city.

Peterborough has performed relatively well economically. There have been some job losses which reflect macro-economic influences (e.g. RAF Wittering losing 24 jobs, or the closures of High Street chains such as Clinton Cards, Past Times and Hawkins Bazaar), but also significant local investment. In the retail and restaurant market, the forthcoming openings of Carluccio's and Primark, as well as the Brotherhood Retail Park (where Asda Living will create 200 jobs alone) will have a major positive impact on jobs growth.

The latest Census data suggests Peterborough's population is 183,600 which is a 16.6% rise on the 157,400 reported in the 2001 Census. This amounts to an absolute change of 26,200 people over the decade. This is the second highest city population



increase in the country after Milton Keynes. With more Census data to be released in phases over the coming year, the latest socio-economic picture of the city should become clearer over the coming months. It is clear that Peterborough has the population and economic growth to prosper as a city.

**For more information, please contact:**

Binal Cadieu

Economic Development Officer

T: +44 (0) 1733 317 977

E: [binal.cadieu@opportunitypeterborough.co.uk](mailto:binal.cadieu@opportunitypeterborough.co.uk)

