Peterborough Local Economic Assessment
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2.1 Background

The Local Democracy, Economic Development and Construction Act 2009 places a duty on county councils and unitary district councils to prepare an assessment of the economic conditions of their area. This new duty came into force on 1st April 2010, at which point local authorities had to begin to prepare their assessments.

- The department of Communities and Local Government has set out the following core objectives of an Economic Assessment.
- Provide a sound understanding of the economic conditions in the area and how they affect the well-being of residents and businesses
- Identify the economic linkages between the area assessed and the wider economy
- Identify the comparative strengths and weaknesses of the local economy and the nature and form of local economic challenges and opportunities.
- Identify the constraints to local economic growth and employment and the risks to delivering sustainable economic growth

The Peterborough Local Economic Assessment (LEA) will be used to develop a detailed understanding of the local economy. The LEA will provide a robust evidence base to respond and adapt to, as well as shape, future economic circumstances, providing clear entry points for partnership action. The local Democracy, Economic Development and Construction Act (2009) places a duty on all upper tier local authorities to complete a Local Economic Assessment.

The Local Economic Assessment will draw together and build on existing economic intelligence to form a shared economic evidence base that will:

- Inform the Sustainable Community Strategy, Local Development Frameworks, housing, transport, skills, economic development activity and the development of the Regional Strategy.
- Identify comparative strengths, weaknesses, challenges and opportunities within the local economy.
- Analyse how Peterborough fits into wider sub-regional and regional functional markets
- Better understand how local authorities and their partners influence local economic prosperity.

The LEA will highlight the key economic issues facing the city and facilitate joint working between the area's local authorities and other stakeholders across the public and private sector in support of local economic prosperity. The assessment can help shape actions to improve the economy. It can be used to plan services, consider the impact of investments and projects, and help lobby for Peterborough.

An economic assessment is not a final report or database of information. It is an ongoing dialogue on local economic issues and intends to be a dynamic assessment of the economic conditions of the city.

2.2 The Peterborough Economy and the core challenges of the Peterborough Local Economic Assessment

Peterborough is a designated growth town, which doubled in population following its designation as a "New Town" in 1968. The population of the city grew from 70,000 pre-designation to its current 171,300.The 1970s and 1980s saw the fastest growth as three new residential townships were developed. However, from the mid 1990's, population actually fell as a result of weakening economic performance, house-building in neighbouring districts and a slowing of in-migration.

The city's economy is characterised by a unique dichotomy, on the one hand it is one of the main drivers of the regional economy higher GVA growth than anywhere else in the region, however on the other hand the city has lower than average wage rates, low levels of economic activity, high claimant count rates, low levels of qualifications and high levels of unemployment and significant pockets of deprivation.

Currently, Peterborough suffers from poor perceptions and there is a need to raise the profile of the city to improve both its image and perception as a place to live, work and invest. At present, some of the higher paid jobs are taken up by people living in neighbouring towns and villages suggesting that the city is failing to attract the higher end employees. The city needs to provide a better quality offer to attract these bigger spenders to our local economy.

Until recently, the city lacked a university which has had a detrimental impact on skills levels and also city vibrancy. Young people tend to move out of the city once they have completed their schooling to go to university finding work elsewhere. Retaining these skills within Peterborough to attract high value jobs to the city is essential.

In terms of housing, Peterborough does enjoy low price earnings ratio and therefore housing is very affordable. However, commuting data suggests that the better paid workers in the city tend to live in neighbouring villages and market towns which implies there is not sufficient executive housing within Peterborough.

2.3 Key messages

- Demographic change will impact on the future functioning of the labour market in Peterborough. The working age population is set to increase by 43% between 2008-2031 which suggests there will potentially be a higher demand for jobs in the city.
- According to forecasts, Peterborough will experience a 5% increase in those aged 65+ putting significant pressure on local health care facilities.
- Between 1999 and 2009, the city has experienced a 9.5% increase in the total population however the rural parishes in Peterborough have seen a decrease in population of 4.7% between 2001 and 2009.
- Peterborough's GVA per head is higher than national and regional averages. It is also higher than any other town or city in the region.
- Peterborough has been hard hit by the recession with unemployment levels rocketing, economic activity decreasing and wage freezes having a negative impact on average earnings.
- With an unemployment rate of 18%, there has been a sharp rise in youth unemployment in the city with almost 1 in 5 young people between 20-24 being out of work.
- Peterborough has experienced a higher job growth between 2000-2008 in comparison to England and the East of England.
- Unemployment levels in the rural areas of the city are lower than average.

- Peterborough is characterised by a distinct lack of innovation.
- The highest proportion of businesses in the city are in the banking, financial and insurance sector.
- Although public sector employment in the city remains below the regional average, it has increased sharply between 2008-10.
- Currently, Peterborough's labour demand is actually higher than the available workforce.
- A higher percentage of the city's population is economically active than in comparative economic areas.
- A high proportion of jobs in Peterborough are in the lower level occupation levels such as process, plant and machine operatives and elementary occupations. The proportion of these lower level jobs has increased over the last five years.
- A higher than average proportion of Peterborough's residents have no qualifications although these figures are showing an improving trend. The proportion of people in the city with degree level qualification and above is almost 10% below the national average.
- There appears to be a culture of worklessness in the city resulting in low levels of economic activity, high unemployment, low aspirations and consequently social issues impacting on health and crime levels.
- Peterborough has a higher proportion of people "not in Education, Employment or Training" (NEET) than anywhere else in the region.
- Entry level housing prices are lower in Peterborough than across the sub-region as a whole.
- Peterborough has a higher proportion of owner occupied homes in comparison to the sub-region average. Social renting makes up 19.7% of all tenures in the city.

3 SWOT Analysis

Strengths

- Location/Accessibility
- Strong year on year growth (GVA)
- High GVA per head
- Low price/earnings ratio
- Strong cluster of environmental technologies, goods and services (EnviroCluster)
- Ambition and priority area for increasing levels of housing and employment growth
- Green Wheel Infrastructure
- Low wage economy
- High average road speeds
- Geographical location in relation to London, eastern ports and wider UK
- Growing educational sector with Higher Education presence
- Home of Environment Capital brand
- Sufficient land for developing
- High levels of in-commuting brings in skills from outside the region
- Good value land
- Relatively recession resilient financial sector
- Service sector stronger than national average.

Opportunities

- The University Centre Peterborough and Universities @ Peterborough
- Diverse population
- Geographic location –proximity to London
- Low average property prices relative to the rest of the Greater South East
- Geographical location and excellent linkages to London, eastern ports and wider UK
- Environmental technologies cluster and developing climate change agenda (opportunity to develop local markets to recycle locally recovered materials)
- Opportunities for more efficient land use in urban area
- Growing educational sector with the potential to develop Higher Education presence
- Large sub-regional catchment area
- Low average property prices relative to the rest of the Greater South East
- Geographical location relative to London, South East, ports and airport gateways provides a distinct competitive advantage for logistics cluster.
- Local Enterprise Partnership –links to Cambridge and neighbouring economic generators
- Lower than average proportion of vacant retail units

Weaknesses

- Low economic activity rate
- High number of benefit claimants
- Low wage levels
- Poor image and perception as a place to live
- Decreased retail offer
- Lacked a university until recently
- High incidence of low growth and low skilled sectors
- Lack of investment in cultural, sport and entertainment amenities
- Continued flow of inward investment from foreign-owned companies
- Limited high tech sectors
- Low level of high end jobs
- High number of Lower Super Output Areas in upper deprivation quartiles
- Low survival rates of start ups
- High unemployment levels
- High levels of long term worklessness
- Low aspirations and expectations
- Shortage of ESOL provision for migrants
- High levels of in-commuting into Peterborough

Threats

- Slow and lengthy recovery from the recession
- Low aspirations and expectations
- Growing traffic congestion
- High level of people not in education, employment or training (NEETs)
- Low skills levels and education attainment
- Impact of credit crunch and national/ global recession on the development and house building sectors
- Low skills, low wages
- Rise in deprivation
- Higher crime
- Low levels of entrepreneurship
- Lack of executive/high quality housing
- Lack of sufficient innovative activity
- Land use allocation not targeted to the needs of businesses
- Lack of leisure and cultural amenities
- Perceptions of crime

4 Strategic and Policy Context

The UK has a comprehensive hierarchy of planning and economic policies, beginning with national guidance which provides a broad framework for plans and strategies through to local development plans and policies.

In addition, with Peterborough, there are numerous strategies which have significant implications for the city and will also influence and shape the economy of the area

4.1 Regional Policy/Strategy

4.1.1 East of England Plan

In July 2010, Government revoked the regional strategies and therefore the Regional Spatial Strategies are no longer part of the Development Plan as they once were. The East of England Plan that was published in May 2008 no longer has a statutory status. This means our policies and strategies are not required to conform to the policies in the East of England Plan.

Although no longer a statutory document, the East of England Plan contains principles that are still valid for Peterborough. Peterborough was identified as a Growth Area as part of the London-Stansted-Cambridge-Peterborough growth corridor. For Peterborough, the Core Strategy is planning for the level of growth (e.g. for housing, jobs, etc.) identified in the East of England Plan. The Plan also addresses the need to regenerate areas of Peterborough with significant deprivation and to support the growth of environmental technologies cluster. These themes are progressed in the Core Strategy.

4.1.2 Regional Economic Strategy, inventing our future: collective action for a sustainable economy, June 2008

The aim of the Regional Economic Strategy is to improve the quality of life of people who live and work in the East of England. Its primary focus is to set an ambitious vision for the economy to 2031 and priorities for action that contribute to that vision. The East of England has been one of the fastest growing economies in the UK. The next few years are likely to be a period of change for the region – the pressures of globalisation will increase as well as the effects of climate change. The region will also continue to experience considerable growth.

To deliver significant growth, Peterborough requires:

- A bold and visionary strategy for the economic development of the city
- Effective partnership working to deliver regional economic and regional spatial ambitions
- Integrated development programmes that identify the phasing and financing physical infrastructure and growth
- A planning framework and system that provides clarity and confidence to the market including master plans for areas of regeneration
- Peterborough is considered to be a major regional centre with a gateway of influence that extends into the East Midlands.

The Regional Economic Strategy for the East of England 2008-2031 states Peterborough as one of the four engines of growth in the region. It identifies a strong and continuing tradition of high value manufacturing and a current concentration of employment in banking, finance and insurance services in the city. It is also recognised for having Environment City status and emerging and well-supported clusters in environmental technologies and media, print and publishing. According to the RES, Peterborough demonstrated the strongest performance of East of England cities in the State of the Cities Report.

Some of Peterborough's constraints are identified as a limited higher education offer and a concentration within some wards of low skills and education base, perception of a poor external image and a limited cultural leisure offer for the city, an inadequate supply of suitable business premises in particular start-up and incubator units, in comparison to other major centres a weaker track record of high value job creations. Some of these opportunities and constraints will be investigated further in this assessment.

4.1.3 Peterborough Housing Strategy 2008-11

The Peterborough Housing Strategy 2008-11 is a statutory document which sets out the key housing-related priorities for the authority. The strategy sets out how the local housing agenda will contribute towards Peterborough's economic, social and environmental aspirations, including how the authority intends to manage and deliver its strategic housing role. The Housing Strategy also provides an overarching framework against which the authority considers and formulates other policies on more specific housing issues, such as growth, regeneration, and homelessness.

4.1.4 Strategic Housing Market Assessment Update (SHMA)

The SHMA is part of the evidence base that underpins the Housing strategy and other planning documents. It sets out the housing issues and priorities for the city, seeking to update estimates of housing need and demand. In terms of housing stock, the Annual Monitoring reports are suggesting that nearly 7000 houses have been built in the last three years. Around a third of additional dwellings are classified as affordable. Across the sub-region the data on housebuilding does however suggest that build rates have dropped off with 20% fewer homes completed in 2009/10 compared with 2007/08.

4.1.5 Peterborough Core Strategy Development Plan Document, April 2010

The Core Strategy for Peterborough is a strategic document, establishing certain principles establishing the way that the area develops in the longer term.

In terms of economic development, the Core Strategy will ensure the achievement of the following: Environmental Capital (OB2), Environmental Business Cluster (OB10), Local Trade and Traditional Business (OB12) and Mixed-use Development (OB18). In addition, it will ensure that the anticipated future growth is delivered in the most sustainable and appropriate manner in accordance with PPS4 – Planning for Sustainable Economic Development (2007).

The Core Strategy is at an advanced stage of preparation. Following the Public Examination, the Inspector's Report was issued in January 2011. The Core Strategy was adopted at the end of February 2011. It will greatly influence decisions made by the Council particularly concerning planning matters.

4.1.6 Site Allocations DPD and Planning Polices DPD

Site Allocations DPD

When completed, the Site Allocations Development Plan Document will identify land for all forms of new development including housing, employment, retail and other forms of development. The "Proposed Submission" version six-week consultation ended on 24 March 2011. The document is now being prepared for submission to the Government in May 2011and should be adopted by early 2012.

Planning Policies DPD

Peterborough Planning Policies Development Plan Document will contain policies that set out criteria that will be used when deciding planning applications submitted to the City Council. The Consultation Draft Version of this document is being prepared, and was discussed by Cabinet discussed in December 2010. The Consultation Draft Version went out for six weeks public consultation in February 2011. The "Proposed Submission" version is now being prepared and will go out for consultation early next year.

4.1.7 Sustainable Community Strategy

The latest Community Strategy 2008-2021 sets out a vision and overall strategy for Peterborough and the surrounding villages and rural areas. It reflects both the agenda for growth and clear desire to ensure that Peterborough grows the right way so that economic and population growth leads to genuine improvement in key areas, particularly those where Peterborough currently has specific problems or issues.

The vision for Peterborough is:

- A bigger and better Peterborough that grows the right way – and through truly sustainable development and growth
- Improves the quality of life of all its people and communities and ensures that all communities benefit from growth and the opportunities it brings
- Creates a truly sustainable Peterborough, the urban centre of a thriving sub-regional community of villages and market towns, a healthy safe and exciting place to live, work and visit, known as the Environment Capital of the UK.

The vision is underpinned by four priorities. These are:

- Creating opportunities - tackling inequalities
- Creating strong and supportive communities
- Creating the UK's Environmental Capital
- Delivering substantial and truly sustainable growth

4.2 Child Poverty Strategy

The Child Poverty Act gained Royal Assent on 25 March 2010 and sets out a duty for local authorities to work together with all key partners to eradicate child poverty in their local area by 2020. The Child Poverty Needs Assessment is a response to those obligations and seeks to align with other key local strategies: Sustainable Communities Strategy, Local Economic Assessment, Joint Strategic Needs Assessment, Childcare Sufficiency Assessment, Housing Needs Assessment, to ensure that strategies and planning can occur across sectors and ensure a collaborative approach. .

The Child Poverty agenda is underpinned by four building blocks:

- Education, childcare, health and family Support
- Housing and neighbourhoods
- Financial support
- Parental employment and skills

This agenda acknowledges that children experience poverty within households, families and communities firmly rooted in place, and that experiences in childhood impact on life chances. It is estimated that 25.3% of children in Peterborough live in poverty (more than 10,000 children and young people). This is concentrated within three key wards: Central (41.9%), Dogsthorpe (39.0%) and East (37.6%); however, hidden populations are coming to light i.e. Orton with Hampton (12.7%).

Identifying the key drivers of poverty and information on those characteristics is essential. Early indications from field work point to:

- A significant number of families experiencing in-work poverty
- Worklessness and increasing parental employment in jobs that offer progression, training and financial security.

- Improving take up of benefits and tax credits to ensure that those on low incomes profit from work and those that cannot work are supported.
- Developing a city where young people aspire to achieve.
- Ensuring that children live in adequate housing.
- Developing a strong sense of place and cohesive communities that support families to thrive.

It is anticipated that Child Poverty will provide an overarching framework for partners to work together in the city. It is equally likely that significant activity is already underway to mitigate against the impact of growing up in poverty. A Child Poverty Strategy pushes for a collective response to localised need.

4.3 Strategy for Gypsies and Travellers in Peterborough

This strategy sets out the vision and objectives for Gypsies and Travellers for the next five years, 2009 - 2014 and pulls together an action plan outlining the key short-term actions towards the development of a longer term action plan.

The vision for this strategy is:

'To make Peterborough a place where Gypsies and Travellers have equality of life chances and the same opportunities as other members of the community, enabling them to participate, contribute, shape and access services provided by agencies working together and to experience good race relations within and between communities.'

The strategic objectives which underpin the vision are as follows:

- To develop better mutual understanding within and between Gypsy and Traveller communities and the wider communities in Peterborough through:
- Consistent ethnic monitoring systems across all publicly funded services.
- Appropriate methods of community engagement, including the engagement of children and young people.
- To value and respect diversity, challenge racism and promote good race relations and community cohesion.
- To ensure the provision of a choice of well resourced and well managed sites and accommodation.
- To deliver quality mainstream and specific services to meet the needs of Gypsy and Traveller communities and improve outcomes.

5 Economic Geography

5.1 Economic linkages

Peterborough is situated in the East of England. It includes the urban city centre of Peterborough, which is surrounded by more rural areas. Peterborough is considered to be a regional centre and gateway and the best connected city in the East of England. It enjoys a strategic location on national road and rail networks allowing easy access to national and international markets.

Peterborough's transport links are a key strength for the city. The city of Peterborough is 78 miles from London via the A1(M) and less than 20 miles from the A14 which links the east coast ports of Felixstowe and Harwich with the Midlands. Peterborough is on the East Coast Main Line railway which links London with Leeds, York, the North East and Scotland. The east west railway line links. Peterborough with Norwich, Great Yarmouth, Leicester, Birmingham, Nottingham, Sheffield, Manchester and Liverpool. In addition to the rail links, express coach services link Peterborough to other major cities and buses connect Peterborough to villages and towns in neighbouring areas.

It is just 45 minutes by train to London. Stansted and Luton airports are just an hour's drive and the port of Harwich is approximately 120 miles from the city. Peterborough also has a well developed parkway system. The main strategic routes in Peterborough focus around the parkways (A1139, A15, A47, A1260, A1179), which create an orbital route around the city centre facilitating strategic traffic movements through and around the Peterborough area. Peterborough is also lucky enough to have the one of the shortest travel to work commutes in the country due to this excellent parkway system. In the east there are the following strategic key routes which link Peterborough to its neighbours including:

- A47 provides access to East Anglia
- A1073 which links South East Lincolnshire to East of England for the distribution of both agricultural and food processing freight and as a local commuter route
- The A1139 West is a direct link to the strategic highway network in the Midlands
- A605 east forms a link between Peterborough and the Cambridgeshire market towns of Whittlesey and March

The social and economic influence of the Peterborough sub-region's economy goes further than the administrative boundaries, spreading into Fenland, South Lincolnshire, Rutland, East Northamptonshire and Huntingdonshire reaching a population of around 700,000. This is discussed further in the section below.

5.1.1 A new approach to local growth

The switch from regionalism to localism with the election of the coalition government has already begun to create a number of changes within the economy. The Coalition government's reform of sub-national economic development by enabling councils and business to replace the existing Regional Development Agencies is seeing Local Enterprise Partnerships being formed throughout the country.

In June, the government invited businesses and councils to come together to form Local Enterprise Partnerships whose geography reflects the natural economies of England. Previously arrangements were based on administrative regions that did not necessarily reflect real functional economic areas.

The Government announced the approval of 24 Local Enterprise Partnerships (LEPs) in the Local Growth White Paper on 28 October 2010. A further seven LEPs, including one covering the whole of London, have subsequently been announced, taking the total to 31. These non-statutory bodies will assume many of the responsibilities of Regional Development Agencies (RDAs) and are able to bid for funding from the Regional Growth Fund.

The Greater Cambridge, Greater Peterborough LEP proposal was approved by government on 28th October 2010. The complementary functional economic areas of the cities of Cambridge and Peterborough, together with neighbouring market towns and communities are a significant and distinctive economic geography that makes important contributions to the UK economy. In total, the area boasts a population of 1.3 million, around 700,000 jobs and 60,000 enterprises. Our goal is to create an economy with 100,000 major businesses and create 160,000 new jobs by 2025, in an internationally significant low carbon, knowledge-based economy balanced wherever possible with advanced manufacturing and services.

The LEP area covers Cambridgeshire, Peterborough, Rutland, Cambridge, East Cambridgeshire, Fenland, Huntingdonshire and South Cambridgeshire Districts but beyond these administrative boundaries, the real economic geography extends to parts of North Hertfordshire, Uttlesford, St Edmundsbury and Forest Heath; South Holland and King's Lynn & West Norfolk.

In January 2011 the following key areas of focus were agreed by the Project Board:

– Skills and employment
– Strategic economic vision, infrastructure, housing and planning
– Economic development and support for high growth business
– Funding, including EU funding, regional growth funding and private sector funding

These priority areas reflect those identified by local businesses at our first Summit in November 2010 as a way of removing the key barriers to economic growth in our area, and agreed by the Board at the first meeting in April 2011. The Board will now be working with others to develop these areas of focus further.

The benefits and returns from the GCGP Local Enterprise Partnership:

The partnership will deliver a clear focus for the Greater Cambridge and Greater Peterborough economy on business and jobs growth; and on the infrastructure investment needed to support this. The headline returns from the Greater Cambridge and Greater Peterborough Local Enterprise Partnership leading our economy to achieve its full economic potential of 100,000 major enterprises, 160,000 net new jobs by 2025, and a doubling of GVA from £30-£60bn p.a. over the 2010-2031 period.

At the time of writing, the details of the operations of the LEP were being finalised.

6 Business and Enterprise

6.1 The Peterborough economy

Peterborough has been very successful in attracting major employment investment over the last 20 years and has successfully diversified into a home for many services whilst retaining its manufacturing base. Peterborough's key employment sectors are: advanced manufacturing, food and drink, financial services, environmental goods and services and media, print and publishing. Peterborough was named as one of the UK's four environment cities in 1992 and has the largest cluster of environmental businesses in the country.

6.2 Our sectors and occupational profile

The analysis of structure of the local economy shows that the largest number of businesses are in the services sector with the banking and finance sector providing the highest proportion of businesses in the city, However this sector does not provide an equivalent proportion of jobs. Key growth sectors in the city are: advanced manufacturing/engineering, food and drink, financial services, environmental goods and services and media, print and publishing.

The table below shows the number of businesses by economic sector. It shows that at almost 33%, the highest proportion of businesses in Peterborough are in the banking, finance and insurance sector which is comparable to the national and regional benchmarks. A high proportion of jobs in the city are also in the distribution, hotels and restaurant sector (28.8%) compared to England (26.8%) and the region (25.5%). EEDA's East of England Innovation Baseline report identifies Peterborough as a growing centre for wholesale financial services, complementing London's global head office function. Peterborough also has higher than average employment in public administration, education and health.

Table 1: Number of businesses by industrial sector.

Industry	England	East	Peterborough
Agriculture and fishing	0.9%	1.0%	0.6%
Energy and water	0.2%	0.2%	0.2%
Manufacturing	6.4%	6.8%	6.6%
Construction	10.2%	12.6%	9.5%
Distribution, hotels and restaurants	26.8%	25.5%	28.8%
Transport and communications	4.2%	4.7%	4.9%
Banking, finance and insurance, etc	34.3%	33.6%	32.6%
Public administration, education & health	8.7%	8.1%	9.7%
Other services	8.3%	7.6%	7.1%
Total	100.0%	100.0%	100.0%

Source: Annual Business Inquiry, Workplace Analysis, Data Units, SIC 2003, 2008

The table below shows the number of employees in each economic sector. According to the latest data, 99,098 people employees are working in Peterborough. As with national and regional trends, the largest proportion are in the service industry, almost 28% are in the banking, finance and insurance sectors and a further 22% in the public services sector.

Table 2: Number of employees by industrial sector.

Industry	England	East	Peterborough
Agriculture and fishing	0.3%	0.4%	0.2%
Energy and water	0.5%	0.4%	0.5%
Manufacturing	10.2%	10.4%	11.7%
Construction	4.6%	5.4%	3.4%
Distribution, hotels and restaurants	23.6%	25.3%	24.4%
Transport and communications	6.0%	6.1%	6.7%
Banking, finance and insurance, etc	22.9%	21.6%	27.7%
Public administration, education & health	26.6%	25.5%	21.9%
Other services	5.3%	4.9%	3.5%
Total	100.0%	100.0%	100.0%

Source: Annual Business Inquiry, Workplace Analysis, Employees, SIC 2003, 2008

The table below presents the business structure by number of employees. The table below shows that as with England and the eastern region, businesses in Peterborough are predominately small scale. Around 82% of businesses in the city have between 1-10 employees which is slightly less than the national and regional benchmarks which are 85% and 86% respectively.

Table 3: Data Units by number of employees

	1-10	11-49	50-199	200+
England	**85.3%**	11.2%	2.8%	0.6%
East	**86.3%**	10.6%	2.6%	0.5%
Peterborough	**81.9%**	13.1%	3.8%	1.2%

Source: Annual Business Inquiry 2008, Workplace Analysis, Data Units by number of employees

6.3 Sector niches

Industrial clusters can be described as "geographic concentrations of interconnected companies, specialised suppliers, service providers, firms in related industries and associated institutions (e.g universities, standards agencies, trade associations) in a particular field that compete but also cooperate. (Porter, 1998) Ultimately, an industry cluster is a system of businesses and institutions engaged with one another at various levels. Engagement allows individual businesses to increase their competitive advantage through the pooling of resources, knowledge and innovation. When properly implemented, industry clusters can also provide a competitive advantage for geographic regions."

Peterborough's business growth comprises five strong sectors: media, print and publishing, financial services, advanced manufacturing/engineering, environmental goods and services and food and drink, all acting as key anchors to the city's economic development. Peterborough's environmental cluster is powered by over 340 eco-focussed businesses, providing knowledge and expertise for the city's work to become the UK's Environment Capital. Influencing the media, print and publishing sector are high-ranking companies such as Ideal Shopping and Bauer Media. There are also an impressive number of businesses involved in financial services in Peterborough and together they employ more than 7,000 people.

Peterborough has a large engineering cluster and is home to a number of major companies in this sector such as Perkins Engines and Dresser-Rand.

From organic, locally sourced produce, to a selection of national brands, the city's food and drink industry has a strong foundation and growing business cluster. The rich farmlands of the Fens to the south and east of Peterborough have given the city a natural base for a cluster of food-related businesses. The area's agri-food industry generates around £2 billion of food-related trade. There are also a number of companies dealing in the import and export of food, nationally and worldwide. This section describes our key growth sectors in more detail. As the city doesn't yet have set definitions for our key sectors, for the purposes of this report, definitions from various studies throughout the country have been used in order to provide approximations for the size of these sectors and their growth trends in Peterborough. Therefore it should be noted that the figures in this section are simply estimations at this stage. Once further independent research has been undertaken in these areas, data in this area will be more accurate.

6.3.1 Advanced Manufacturing/Engineering

Peterborough has a strong engineering tradition and is home to major companies in this sector, such as Perkins Engines, which has been in the city for 75 years, Baker Perkins, whose history in the city dates back to 1903 and the precision engineering giant Dresser-Rand. The presence of influential companies within the precision engineering and manufacturing sector provides Peterborough with wide expertise to support this expanding sector.

Perkins Engines, located in the city's eastern industrial area and employing more than 2000 staff, was established in 1932 by Frank Perkins, and is now a key subsidiary of Caterpillar Inc. The company has been manufacturing diesel engines and power solutions with high levels of performance and reliability for almost 80 years. Perkins manufactures engines for a range of markets, including agriculture, construction and the marine sector and has produced 1000's of different engine specifications. Their designs have been shaped by the agricultural needs of farmers, helping to create a better future for people all over the world. It's estimated that one in five tractors around the globe are powered by Perkins.

American company, Dresser-Rand have their UK site situated in Peterborough and are one of the largest suppliers of custom-engineered rotating equipment solutions. The company has the most extensive global service and support organisation in the sector, with 36 service centres across the world, one of which is in Peterborough.

Baker Perkins, employing around 400 people, have a long history in Peterborough. They are a leading manufacturer in machinery for the bakery, cereal and confectionary industries, with many of the worlds leading brands in these markets relying on the innovative technology the company supply.

There are also a wide range of privately owned precision engineering firms in the city, manufacturing everything from racing cars, Radical Group to innovative building design, Midas Technologies Ltd.

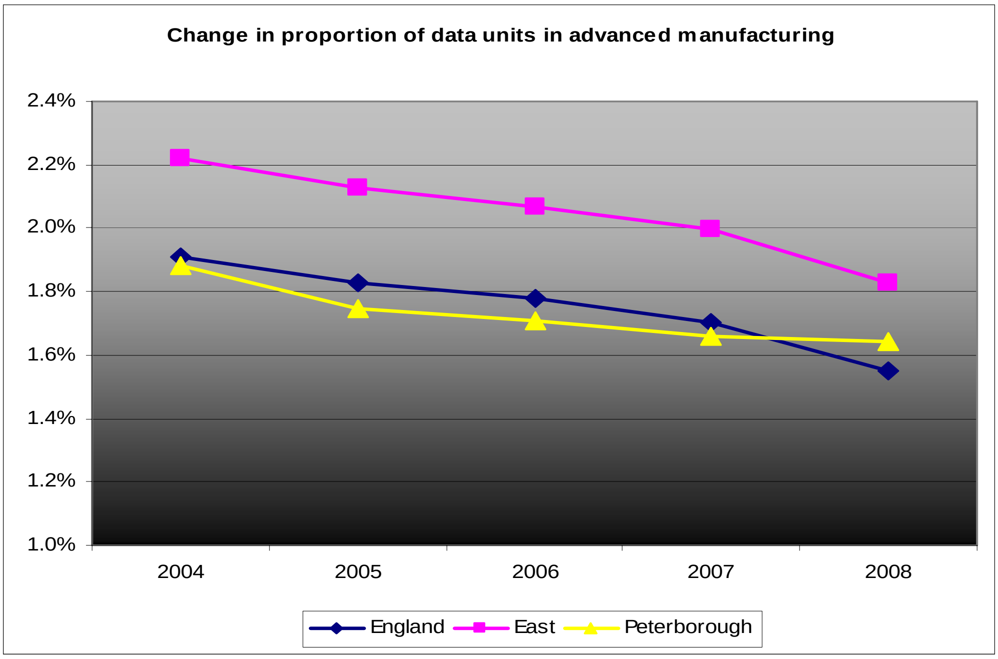
Precision engineering is a highly valued sector in Peterborough and its continual growth is very important and strongly supported by the city. Supporting this key sector within the city the Learning Centre at Perkins was funded jointly by the Public and Private sectors to establish this Centre of Excellence for engineering. These facilities are available to existing companies and new inward investors providing simulated work environment experience and Lean Manufacturing training to improve productivity.

Other support organisations include:

- The Agricultural Engineers Association (AEA) was established in 1875 to promote the technical, trade and commercial interests of British manufacturers and suppliers of agricultural machinery.
- Manufacturing Advisory Service provides companies with practical support and help in all aspects of manufacturing. Also able to offer direct access to manufacturing experts with a proven track record in the sector and introduce subsidised consultancy assistance where required.
- The University Centre Peterborough provides engineering courses, work place training and CPD though strong partnerships with local engineering companies.

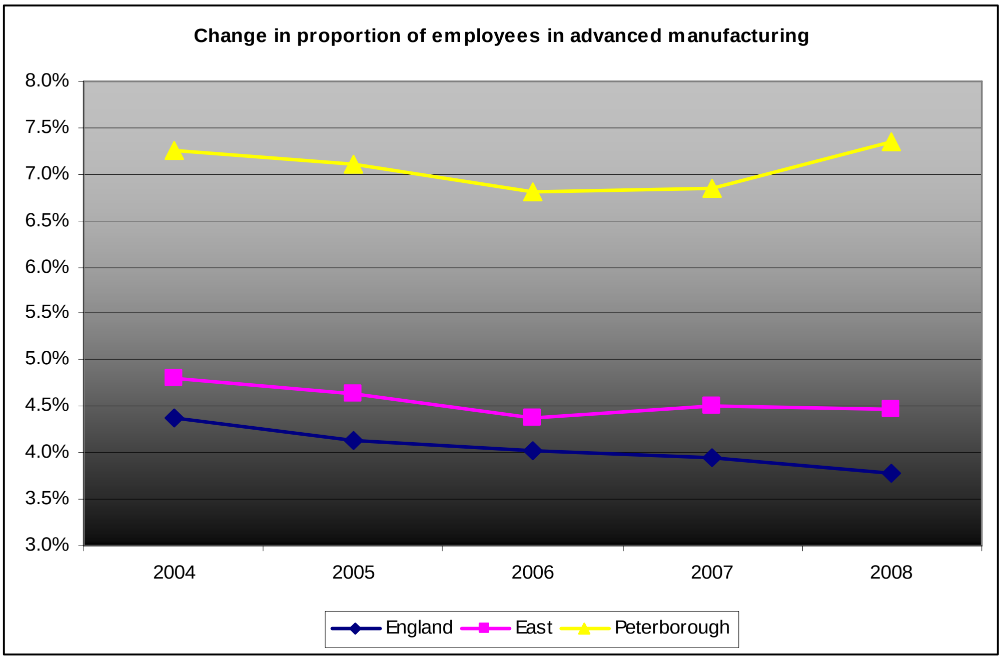
Using the definition from the Organisation for Economic Co-operation and Development (OECD) for advanced manufacturing, data in the figures below has been sourced by using SIC codes from Annual Business Inquiry data and shows that Peterborough has a less than average proportion of businesses in the advanced manufacturing sector. However the proportion of employees within this sector in the city is significantly above average. There are approximately 107 businesses in Peterborough within this sector employing approximately 7,277 FTE's. The figure below shows that although the number of businesses within this sector has declined, the proportion of employees in the city employed in this sector has steadily increased and it employs double the proportion of people than the national average. The analysis also suggests that the size of businesses within this sector in Peterborough has increased over time.

Figure 1: Proportion of local units in the advanced manufacturing sector



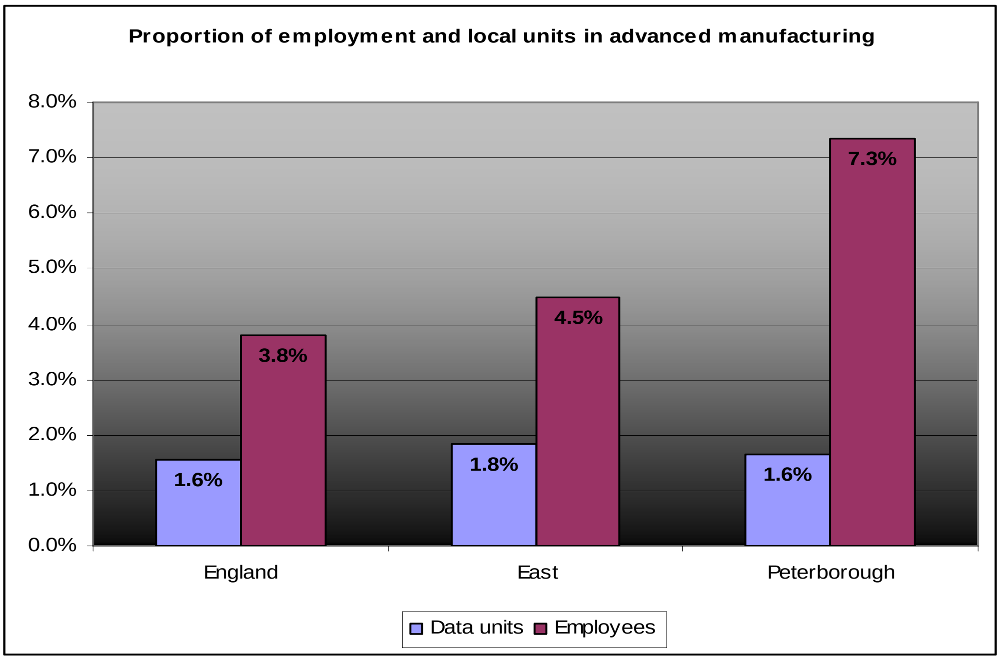
Source: ABI data, workplace analysis by employees, 2008,

Figure 2: Change in proportion of employees in the advanced manufacturing sector



Source: ABI data, workplace analysis by employees, 2008,

Figure 3: Proportion of employees and local units in the advanced manufacturing sector in 2008



Source: ABI data, workplace analysis by employees, 2008,

6.3.2 Financial Businesses Sector

As well as accommodating branches of prominent high street banks including Barclays, HSBC, Lloyds and RBS, Peterborough has a thriving financial services cluster made up of head offices and contact centres of prestigious insurance companies, foreign banks and mortgage and insurance brokers.

BGL is one of the largest, privately owned personal lines insurance brokers in the UK and also one of the biggest employers in the region. Its head office, IT headquarters and contact centre are all situated in Peterborough where most of the 2,270 employees are based. The company organises and provides insurance for more than two million customers and has reported record growth and profitability for 14 consecutive years. BGL chose Peterborough as the ideal location to open its first UK operations in the mid 1990s. The company has recently announced a further 600 new jobs are to be created in the city.

Norwich and Peterborough, (N&P), are a mutual building society amongst the UK's top 10 building societies and employ almost 1,000 staff at their Peterborough Principal office and run their main operations from the city.

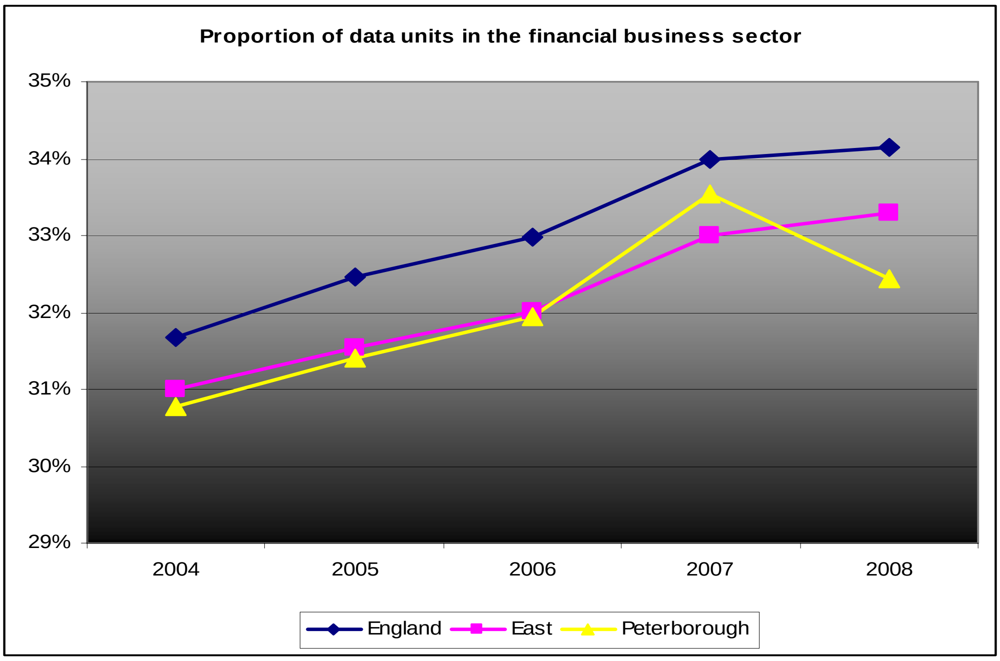
The prominent insurance company, Royal Sun Alliance (RSA) also conducts some of its operations from Peterborough. Located in Peterborough Business Park, Lynch Wood, RSA also have a MoreThan call centre in the city. They provide insurance products and services in over 130 countries. RSA are currently expanding in Peterborough recruiting an additional 400 staff largely available from the local workforce.

Esteemed financial organisation, Dilligenta, also works from the city, with their head office located in Peterborough Business Park. The company, which is a UK subsidiary of the Indian conglomerate, Tata Consultancy Services (TCS), employs over 1000 staff in the city and specialises in providing Business Process Outsourcing services for the UK life insurance and pensions industry. The Group's financial services (The TCS) Innovation Laboratory are also based in the city.

Peterborough is also home to the Travelex European head office, which is the world's largest retail foreign exchange specialist, providing international payment services for commercial and personal customers.

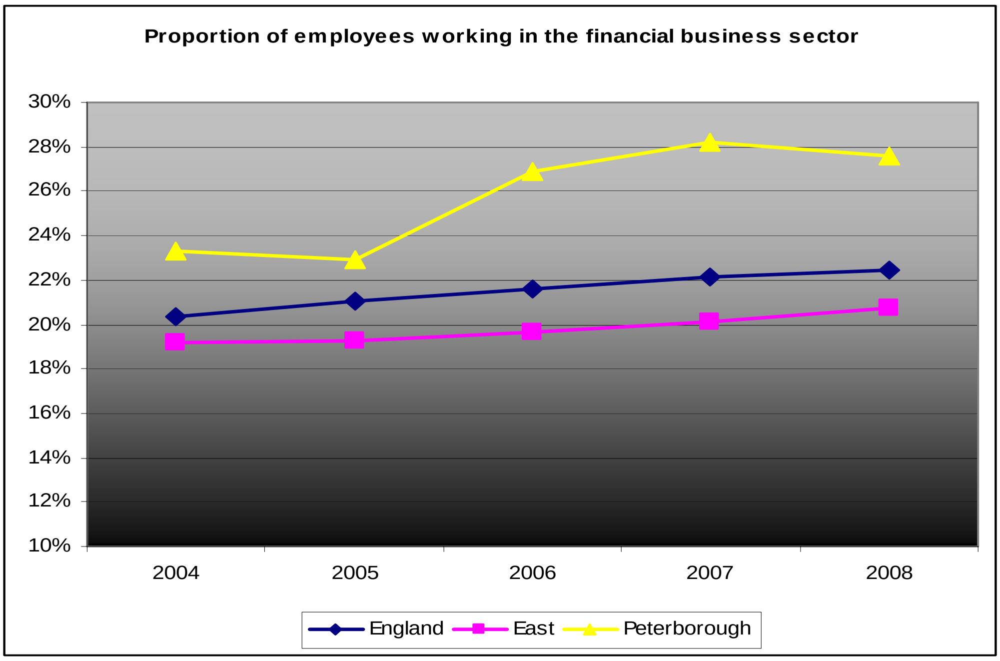
Using SIC codes through a definition of financial services, provided by EKOS consultants, this sector in Peterborough has seen a gradual decrease in the number of businesses in the city between 2004 and 2008. Some 27,326 people in the city are employed with this sector. It employs 28% of the workforce in Peterborough compared to 22% in England and 21% in the eastern region. Within this category; labour recruitment and provision of personnel employs around 34% of those working within the financial business sector in Peterborough compared to only 15% in England and 17% in the eastern region. The city's new university facility is also developing courses to equip people with the correct skills and qualifications to work in this sector.

Figure 4: Proportion of local units in the financial business sector



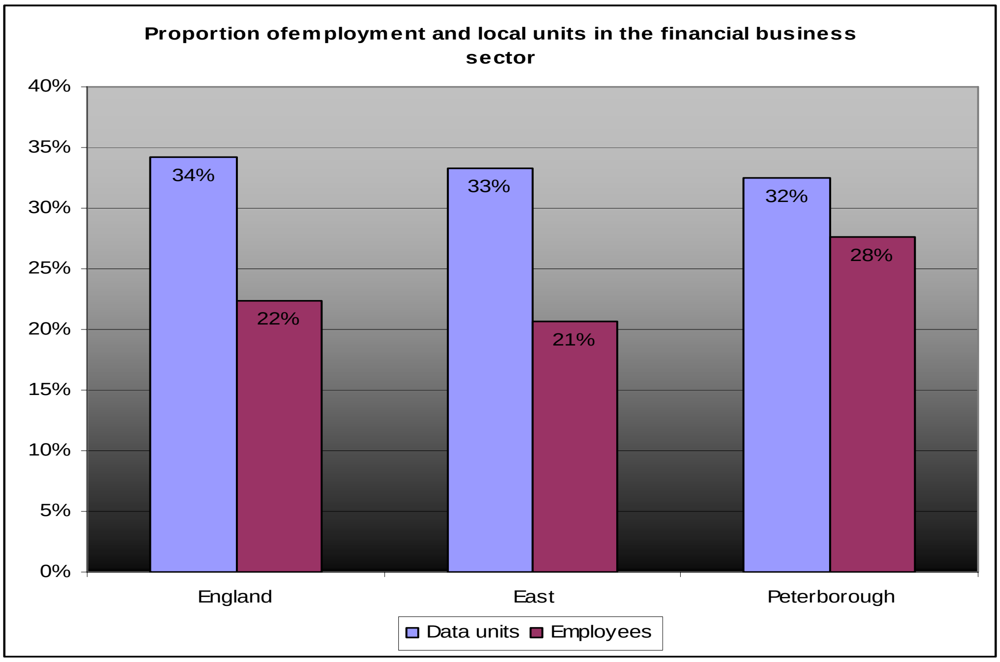
Source: ABI data, workplace analysis by employees, 2008,

Figure 5: Change in proportion of employees in the financial business sector



Source: ABI data, workplace analysis by employees, 2008,

Figure 6: Proportion of employment and local units in the financial business sector in 2008



Source: ABI data, workplace analysis, 2008,

6.3.3 Food and Drink

From international brands to locally sourced produce, Peterborough's food and drink industry has a strong foundation and is a growing business sector across the sub-region.

The rich farmlands of the Fens to the south and east of Peterborough have given the city a natural base for a cluster of food-related businesses, supported by a strong transport and logistics infrastructure. The area's agri-food industry generates over £2 billion of food-related trade. There are also a number of companies dealing in the import and export of food, nationally and worldwide.

The hinterland has around 4,000 farms supporting 11,000 farming jobs while 100 food manufacturers and 350 other food-related firms – including machinery and equipment manufacturing, cold storage, packaging, labeling and haulage – contribute an additional 7,000 jobs.

The new consumer focus on the nutritional value of food also offers the prospect of improved profitability for growers and processors, as consumers are increasingly concerned about fat content, green issues, organic production and animal welfare.

This has given rise to several farms and companies in the city supplying food after taking green issues into consideration. Within the city's food and drink cluster, there are now a number of local farms and companies, who supply local, organic produce to supermarkets and the surrounding community.

Peterborough is home to large and diverse food companies such as New Covent Garden Foods, (part of Singapore Foods Group), Masterfoods, (as part of the Mars UK Group), where production includes snack food to Pedigree pet food. Research has shown that sub-sectors such as chilled food, ready-to-eat meals, dairy products, and pre-prepared salads and vegetables have enjoyed double-digit percentage annual growth.

British Sugar, as part of the ABF Group, and as the UK's leading supplier of sugar to the UK market have their headquarters in the city where a number of their subsidiaries are also based, including AB Agri in their agricultural division manufacturing animal feed and which has recently moved in to prestigious new offices.

Bakkavor with a number of large sites across the sub-region is a leading producer and distributor of fresh chilled foods, including ready-meals, to the UK, Benelux and French markets.

Eurodix, citrus fruit importers and suppliers are stationed here, providing goods from around the globe to the UK market.

Produce World manage numerous fresh produce supply chains for selected partners in retail and the food service industries.

Baker Perkins, also based in the city, is a market-leading supplier of technology to the food processing industry, working with clients in their own innovation centre producing machinery for confectionary to breakfast cereal manufacture.

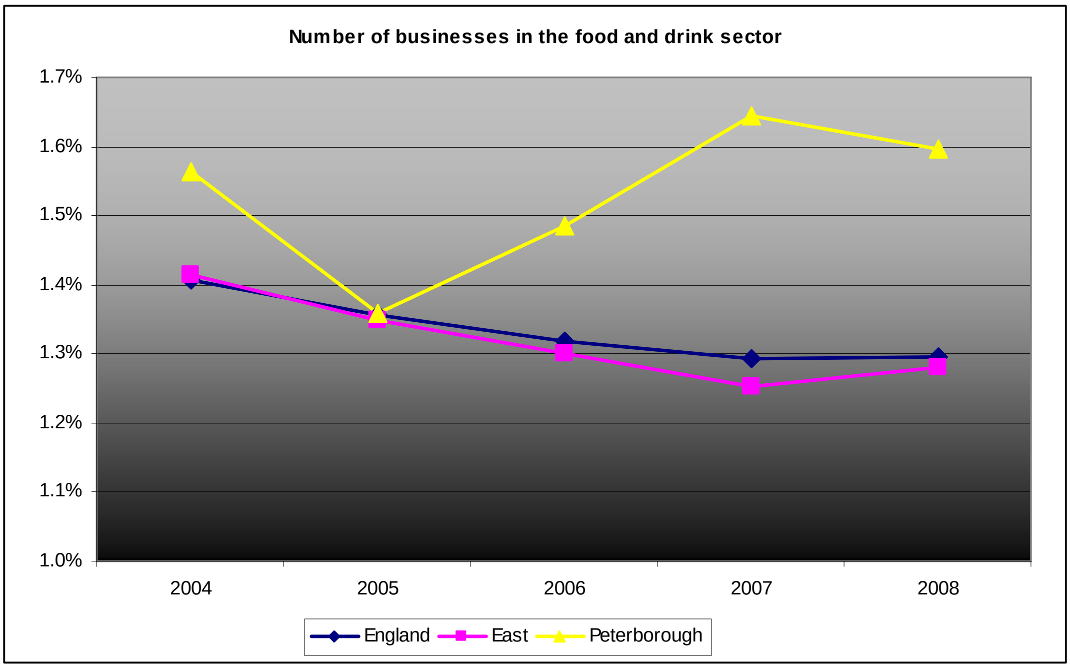
The Fresh Produce Consortium (FPC) is the UK's fresh produce trade association and is also based in Peterborough. The FPC has represented the fresh produce sector for many years and it is recognised across the UK and EU as the voice of the industry.

Other support organizations based here include:

- Agricultural Industries Confederation
- FoodEast is an information and networking service for food & farming companies in the East of England
- The Agricultural Engineers Association, AEA was established in 1875 to promote the technical, trade and commercial interests of British manufacturers and suppliers of agricultural machinery.

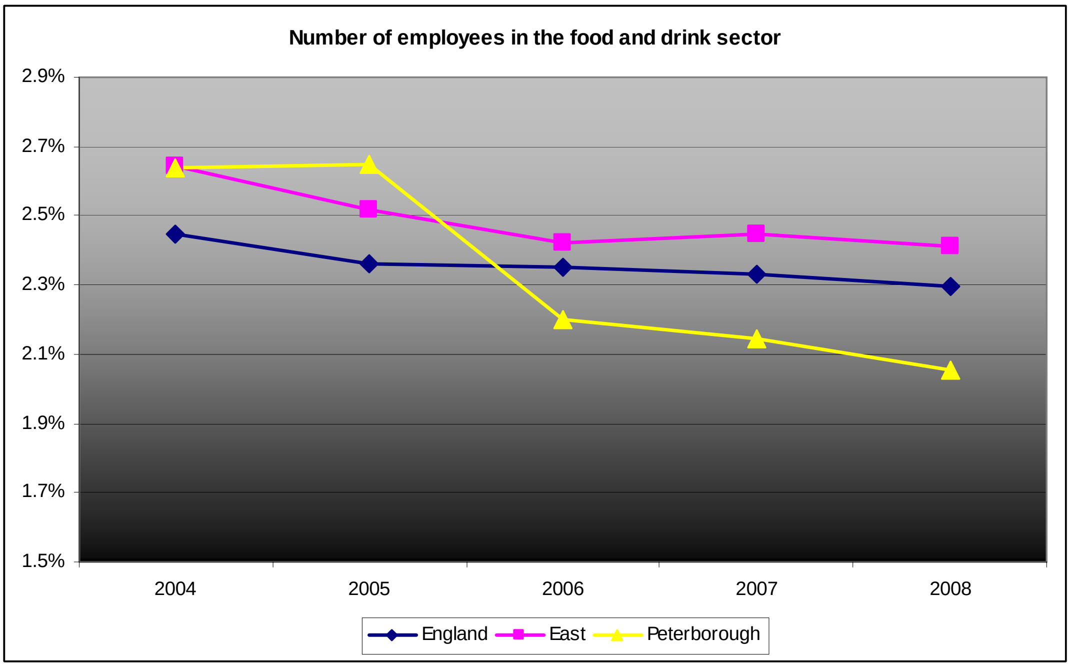
Using a definition from West Midlands Regional Observatory, the graphs below show the proportion of businesses and local units in the food and drink sector between 2004 and 2008. The figures show that although the number of businesses in this sector has seen a significant increase since 2005 in Peterborough, the number of employees within the sector in the city has shown a gradual decline since 2005. The latest figures show a slight decrease in the number of businesses, although there are still a higher proportion of businesses in this sector compared to the national and regional averages. According to this SIC code definition, there are 104 businesses in the food and drink sector in Peterborough employing 2,034 people.

Figure 7: Number of businesses in the food and drink sector



Source: ABI data, workplace analysis, data units, 2008.

Figure 8: Number of employees in the food and drink sector



Source: ABI data, workplace analysis by employees, 2008,

Opportunity Peterborough is helping to expand the city's existing cluster of food related businesses by supporting companies which operate at the higher added value end of the market. It is also encouraging more of these firms to move into the city to further increase the size of the cluster. The aim is to continue to develop the cluster to employ a wide range of skills and technologies.

6.3.4 Enviro-Cluster

The Greater Peterborough area is home to a significant concentration of organisations and businesses working both directly, and indirectly, in the environment sector. The UK Centre for Economic & Environmental Development (UK CEED), based in Peterborough, has identified the potential for the sector to grow significantly by embracing the benefits of cluster development. There is a huge potential for the environment sector to drive economic prosperity and at the same time provide environmental and social progress which has been recognised by governments worldwide.

Recent research has shown the organisations and activities which makeup the environment cluster in Greater Peterborough (the area encompassing the City of Peterborough and bounded by Wisbech to the north east, March and Chatteris to the south east, Sawtry to the south west, Stamford to the North West and Bourne to the north). The study has shown that the environment sector in Greater Peterborough plays a significant role in the area's economy. 5,820 people are employed in the sector (4.5%) of the working population. Of those, 5,170 are employed in the city itself. The sector's turnover is approximately £537m[1] contributes around 5% of the City's total GDP, and indicates significant opportunities for economic growth and markets for suppliers.

Environmental organisations in the city range from statutory bodies such as Natural England and the Environment Agency's regional HQ, through large-scale consultancies, including Royal Haskoning and the Rolton Group, to technology and service companies, including Dresser Rand (energy equipment), Perkins (engines) and Anglian Water. The City Council itself also has a reputation for progressive environmental policies and achieved recognition for the city as one of only four environment cities nationally. The Peterborough Environment City Trust acts as the focus for environment city initiatives and there are also a number of voluntary sector organisations in the area, including the Wildlife Trust and Sustrans.

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[1] This figure does not include figures for Peterborough City Council, Fenland District Council or most food and agricultural activities.

This research found that the main strengths of Greater Peterborough's environment sector are:

- **Natural environment management/science**

Natural England, Environment Agency, JNCC, Landscape Design Associates, Nene Park Trust, Royal Haskoning

- **Water management and water/wastewater treatment**

Anglian Water, Caprari Pumps, GE Water and Process Technologies, Halcrow Group

- **Energy management and emissions control**

Applied Energy Products, Independent Energy Services, Keyline Builders Merchants, Perkins Engines, Dresser Rand, Solaglas

- **Public sector initiative**

Peterborough City Council (waste, environment city), Fenland District Council (waste, energy).

- **Small-scale innovation**

There are at least eight SMEs developing their own environmental technologies in the area.

Beyond specific environmental capabilities, Greater Peterborough has the following key strengths that provide for future opportunities:

- **Engineering and manufacturing.**
- **Availability of land.**

Greater Peterborough also has a range of business networking activities, including specialist groups on environmental management. These activities have a different focus to those characteristics of an environment cluster in that they lead to increases in demand for environmental services and products which organisations forming the cluster provide. The city is also home to environmentally-focused incubation space for cleantech businesses.

UK CEED is also running a number of other projects in the city aimed at supporting eco-innovation:

Water Innovation Network
The Water Innovation Network aims to drive innovation within the water industry supply chain and to encourage end-users of water to adopt innovative solutions that reduce water demand and effluent.

The key objectives of the Water Innovation Network are to:

- Stimulate innovation in the water industry supply chain to meet industry demand
- Create a collaborative network of water sector companies, organisations & universities
- Increase deal flow within the water sector
- Leverage additional national or European collaborative R&D funding
- Develop new overseas markets for the water industry supply chain
- Increase Government support of innovation in the sector and investment in R&D

Peterborough EnviroCluster Retrofit Project
The Peterborough EnviroCluster Retrofit Project is one of eighty seven social housing projects across the UK which are benefiting from a share of £17 million of government funding to test low carbon building technology.

The programme, entitled 'Retrofit for the Future', is the first of its kind in the UK, and will see social housing units across the country retrofitted with new, innovative technologies. Understanding and implementing best practice retrofitting is key to meeting the government's CO2 reduction target of 80% by 2050. The results of the projects will be shared to help show how the UK's current housing stock could be made more energy efficient.

Eco Innovation Centre
The Eco Innovation Centre (EIC) is a business incubation, meeting and networking centre located in the centre of Peterborough for businesses and organisations operating in the environment sector.

The EIC aims to stimulate business growth and environmental enterprise and is one of the latest in a network of innovation centres in the East of England. The EIC is a specialist centre to support the fast-growing Environmental Industries sector. This includes organisations working in cleantech, renewable energy and energy management, pollution control, water and waste management, sustainable construction and materials, sustainable transport and logistics, environmental consultancy and other environmental services.

Eco-Innovative Cluster Partnership (EcoCluP)
EcoCluP is the first pan-European partnership of cluster organisations focusing on eco-innovative industries encompassing waste, water, remediation, pollution control, environmental services, energy, sustainable transport and construction. The partnership represents most of Europe's key clusters with a strong environmental portfolio with cluster organisations participating from Austria, Denmark, Finland, France, Germany, Hungary, the Netherlands, Spain, Sweden and the UK.

EcoCluP is aiming to adapt, test and implement sector-specific cluster support tools and services for fast-growing businesses thus creating better opportunities for the cluster companies to grow and internationalise. In addition, the partnership will create the Eco-Cluster Manager Campus providing a platform for eco-innovation cluster managers to exchange experiences with their peers and to further develop the profession of cluster managers as innovation professionals. The overall objective will be realised through the implementation of five work packages: a toolbox for internationalisation, a service kit supporting innovative SME's, the Eco-Cluster Manager Campus, the Eco-Company Club for eco-innovative businesses and a practical approach for joint research cooperation.

The Peterborough EnviroCluster in the United Kingdom, run by UK CEED, is the coordinating manager of the EcoCluP project.

INNOWATER
The global water crisis is one of the most fundamental challenges the world will face in the 21st Century. Currently, over 1 billion people lack access to safe drinking water and over 2.5 billion people lack access to safe sanitation. Whilst large parts of Europe still have an abundant water supply throughout most of the year, water scarcity, droughts, floods, ageing infrastructure, increasing energy demand and pollution are growing concerns in countries all over the continent. At the same time, the industrial use of water increases with industries water costs reaching up to 25% of the total production costs and Europe still fails to treat around 50% of its wastewater.

The INNOWATER partnership aspires to address these challenges and to use the growth potential for sustainable water and wastewater innovators and industry users. INNOWATER is a public private innovation partnership of public innovation agencies, water associations and technology specialists, innovation experts and eco-innovative cluster organisations from Belgium, Cyprus, Denmark, the Netherlands, Spain and the UK.

The overall objective of INNOWATER is to establish and implement a water innovation partnership that develops and tests new and better innovation support tools and delivery mechanism for innovative SMEs and first user industries. This will be accomplished through: the development and testing of the most promising methods and tools to facilitate technology and knowledge transfer; the promotion of innovative water technologies with first-user SME's; the development and testing of first-user tools in industry sectors facing water issues; the pro-active involvement of key clusters and industry associations; the development of user-friendly innovation support delivery schemes in the form of vouchers and business support programmes. In addition, the public agencies will prepare an exit strategy ensuring that the INNOWATER tools and delivery mechanisms will continue to be scaled up, replicated and used widely.

UK CEED is one of the UK partners in this project which will benefit companies locally as they seek to deploy innovation tools and support to water-sector companies and environmental innovators in the city.

An important challenge for the Peterborough economy is to extend its portfolio of clusters to include clusters of knowledge based firms. A knowledge-based cluster is an innovative, interacting group of firms and other local organisations that gain competitive advantage from creating and diffusing knowledge amongst themselves. As discussed above, the Peterborough economy lacks many of the assets for levering the development of high-technology and knowledge-based industries. In particular it lacks a strong local research infrastructure which local firms can interact with and exploit in the development of new products and services. The environmental technologies cluster is therefore an important development for Peterborough's cluster strategy. *(Peterborough Sub-Regional Economic Strategy, 2005, PACEC)*

6.3.5 Businesses in creative industries

New digital technology is radically transforming the whole media sector, and here in Peterborough there is a cluster of businesses which are leading and profiting from the changes. The media cluster in Peterborough spans from large, influential companies such as Bauer Media and Ideal Shopping, to small, independent publishing businesses.

Bauer Media is the largest, privately owned publisher in Europe and has a corporate office and many operating companies in Peterborough. Their Peterborough offices are responsible for 36 specialist magazines and 22 websites, covering interests such as photography, cars, bikes and angling and their telesales centre employs 100 telesales executives. The company employs around 800 staff in Peterborough.

The city also has a selection of local lifestyle magazines in circulation, such as ESP, Your Peterborough, Peterborough Life and The Scene which keep citizens updated on local events, shopping, restaurants and entertainment.

Peterborough's local newspaper, the Evening Telegraph (ET), is at the centre of the community, providing citizens with local news, sport, business, entertainment and local information. The ET and it's sister paper the Peterborough Citizen are owned by East Midland Papers Ltd, part of Johnston Press Plc.

As well as a range of magazines and the local newspaper, Peterborough is also home to regional radio stations. BBC Radio Cambridgeshire broadcasts from a city centre location to Peterborough and many other towns and cities in the region.

Connect FM and Heart FM are also located in the city centre. These are commercial station which provide listeners with local news, weather, events and entertainment.

Ideal World Plc, the leading digital retailer has its broadcasting and distribution centre situated in Peterborough and through their television shopping channels and website, they sell a wide variety of products. Live 17 hours a day and broadcasting to 22.6 million homes in the UK, the company employ over 500 people, primarily at their Peterborough site.

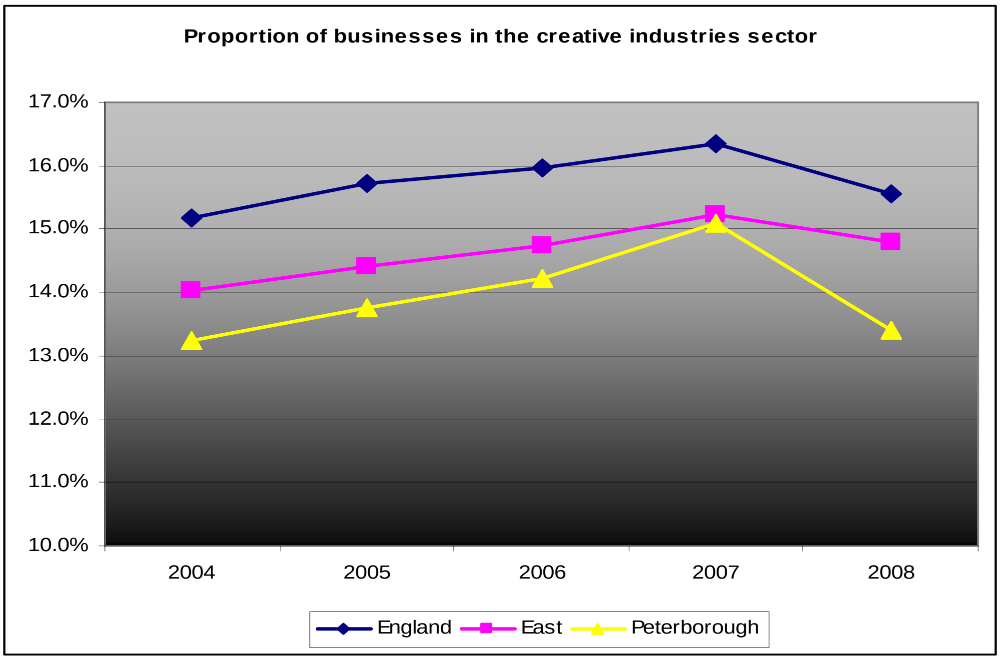
The city's media cluster also consists of a number of smaller printing and publishing companies who have invested in state-of-the-art equipment: These include:

- Fisherprint, independent commercial and specialist pharmaceutical printing company and employ a multi-skilled workforce.
- Print on demand-wordwide Ltd is recognised within the industry as a leading short-run book printers, specialising equally in single copies of books and with a recent acquisition enabling them to offer longer-run printing as well as focussing on what is known as "print on demand" production, ensuring there is minimal wastage.
- Media One Communications, who produce magazines, online news and yearbooks for market sectors such as, architecture, property development and interior design.

Training for the sector is provided through the Media & Journalism Centre delivering the Peterborough Regional College's courses for the cluster, which include journalism, video production, audio and photography.

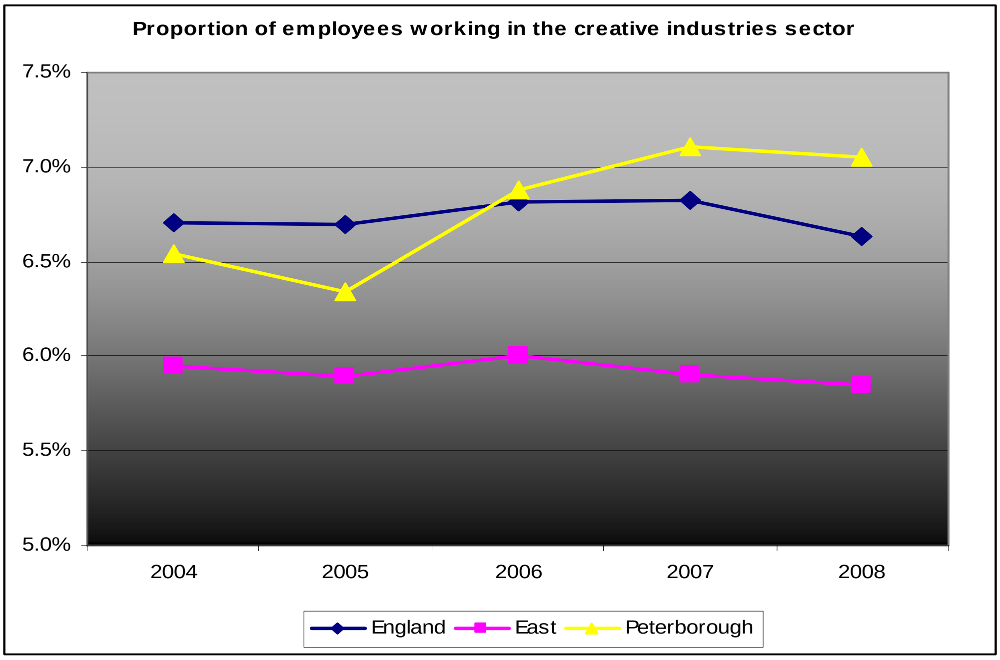
Creative industries have been defined by the Department for Culture, Media and Sport (DCMS) SIC code based definition. The graphs below show the proportion of businesses and local units in the creative industries sector between 2004 and 2008. The figures show that although the number of businesses in the creative industries sector has seen a sharp fall since 2007 in Peterborough, the number of employees within the sector in the city has shown a steady increase since 2005. This implies that the size of the firm in this sector has increased. Peterborough also has more people employed within this sector than the national and regional averages. There are 874 creative businesses in the city employing around 6,985 FTE's.

Figure 9: Proportion of businesses in the creative industries sector



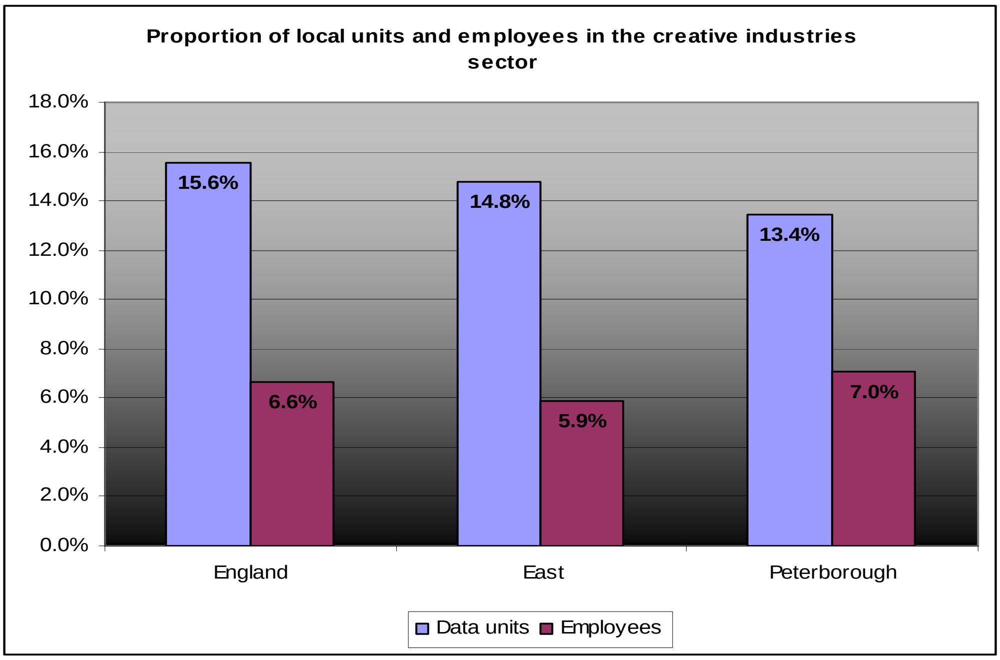
Source: ABI data, workplace analysis, data units, 2008.

Figure 10: Proportion of employees working in the creative industries sector



Source: ABI data, workplace analysis by employees, 2008,

Figure 11: Proportion of local units and employees in the creative industries sector

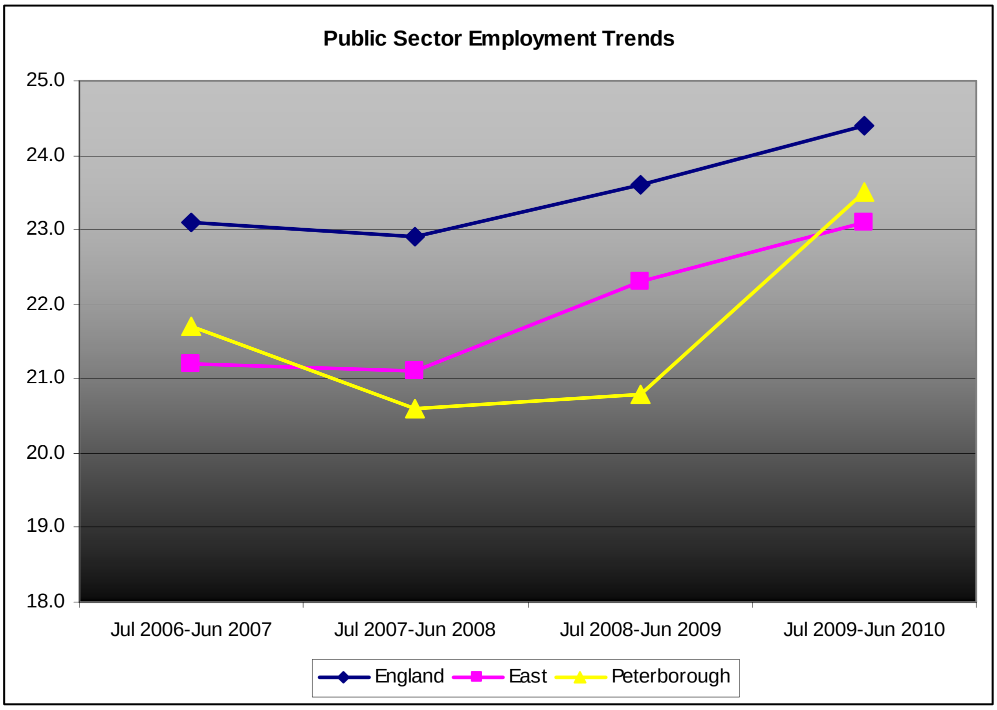


Source: ABI data, workplace analysis by employees, 2008,

6.3.6 Public sector employment

Public sector workers currently account for 23.5% of the local workforce which is slightly above the regional average of 23.1% and below the national average of 24.4%. Peterborough's trends differ to that of the national and regional averages; From June 2007, there was a decrease in public sector employment in the city whilst the national and regional trends demonstrated an increase during this period. Peterborough experienced a fast increase in public sector employment from July 2008 onwards. However since the election of the coalition government, the latest austerity measures have already begun to have an impact and data released this year is predicted to show a decrease in public sector employment throughout the country with some areas being impacted more severely than others. Around 280 job losses at Peterborough City Council have already been announced and there may be more to come in the public sector throughout the remainder of 2011 and beyond.

Figure 12: Public sector employment



Source: Annual Population Sources, Jul 2009-Jun 2010.

6.4 Recession impact

Between 2007 and 2010, the worlds developed countries plunged into the most severe recession since the 1930’s. In response to the recession, the UK government introduced a number of measures to try and cushion the economy and maintain economic activity including reducing VAT from 17.5% to 15% (between December 2008-2009) to stimulate consumer spending, raising the threshold for stamp duty on households to stimulate the housing market and introduced the car scrappage scheme to encourage the purchasing of new cars which came to an end in March 2010. The Bank of England also introduced a series of cuts in the interest rate from 5.75% in November 2005 to 0.5% in March 2009 as well as measures to inject money into the national economy through quantitative easing. There are talks of interest rates rising this year to counteract inflation.

Although the economy was said to be recovering in 2010, the change in Government in May 2010, saw the Conservative – Liberal Democrat coalition implementing austerity measures to tackle the country’s mounting debt. The emerging policy of austerity in public spending is inhibiting investment and leading to job losses, in particular in the public sector in order to address the sectoral imbalance in the economy.

The key to recovery is rebalancing the economy. The causes of the economic crisis resided in the nature of the boom that preceded it. The boom was based on a highly skewed economy not only based on a mode of growth that was not only inherently unsustainable, but also vulnerable to external shocks. The most glaring aspect of that imbalance was the role played by the financial sector. Sectoral imbalance was not the only problem but also the an imbalance between the public and private sectors of the economy with growth becoming over reliant on the ever-increasing Government spending which was claimed to “crowd out” the private sector. The focus is now on the private sector to aid job creation whilst the public sector is subjected to large spending cuts. Peterborough has one of the lowest relative shares of public sector employment in the country suggesting it should be less adversely affected by the public spending cuts being imposed by central Government.

According to official figures, the UK economy grew by 0.5% in the first three months of 2011 reducing the risk of a double-dip recession. The manufacturing and services sector have performed well but construction output has fallen sharply. The economy remains below the level of output recorded before the start of the recession. GDP has recovered about a third of the output lost during the recession. In the past two recessions it took just over three years for output to reach pre-recessionary levels.

CPI annual inflation stands at 4.0 per cent, down from 4.4 per cent in February. Food (in particular fruit, bread and cereals) and non-alcoholic beverages, recreation and culture, and air transport are the most significant drivers behind the decrease in annual inflation between February and March. The main upward pressures to inflation between February and March came from housing and household services, and the purchase of vehicles. Petrol prices also accounted for the upward pressures with pump prices reaching record levels of £1.32 for petrol and £1.38 for diesel. Due to the fall in inflation, interest rate rises which were initially predicted for spring/summer 2011 are now not anticipated until later in the year.

Retail sales in the UK registered a surprise pick-up in March, led by strong food and non-store sales. Sales volumes rose 0.2% compared with a month earlier, according to the Office for National Statistics (ONS). The ONS said in its latest retail sales bulletin that the volume of sales was up 1.3% compared with March 2010 on a seasonally adjusted basis - which takes account of the fact that Easter fell in March last year. This April's figures will be helped by Easter and the Royal Wedding. However this won't change the fundamentally weak conditions likely to undermine consumer confidence for some time yet.

Despite a slowing in the fall of house prices, estate agents continue to report weak housing market conditions. The numbers of new buyer enquiries, newly agreed sales and new instructions to sell continued to fall in the early part of the year. Lack of mortgage availability and strict lending criteria from banks and building societies, particularly for first-time buyers, was seen as the key factor limiting housing market activity in recent months. It appears that cash buyers are currently driving the national housing market.

The 2011 Budget which was presented in March translated into a feeling of relief in Peterborough as no major cuts were announced following the swathe of savings in last year’s Emergency Budget and

October’s Spending Review. An immediate cut in fuel duty and more cash in the pockets of low earners is hoped to lighten the burden on Peterborough taxpayers struggling with the increasing cost of living. Although how much difference these relatively small savings will have on the local economy remains to be seen.

Nationally, real earnings are expected to fall this year according to Deloitte’s quarterly economic report and this will be no different in Peterborough. According to the report, the tax changes mean that UK incomes will not return to their 2009 peak until 2015. The average household will see a drop in earnings of 2%, the equivalent of £780 a year having a detrimental impact on disposable income.

It appears that there are signs of recovery, however growth still remains weak. Wage rises still appear to be below the rate of inflation, this along with previous tax rises and relatively low consumer confidence, demand has some way to go before it reaches pre-recessionary levels but it is certainly moving in the right direction.

Peterborough has been hard hit by the recession over the last couple of years and saw unemployment increase to figures well above the regional averages. Although some economic indicators have shown signs of growth and the city’s lack of reliance on the public sector with assist recovery. Businesses however, continue to remain cautious about the economy which is appearing to inhibit investment plans. Austerity measures such as the rise in VAT to 20%, is predicted to have a significant impact this year.

Forecasts show that the county’s economy will continue to grow and there are ambitions to have an additional 20,000 jobs in the city by 2026. The level of skills in the city is also expected to improve. Unfortunately, these positive projections alone will not be enough to push Peterborough close to regional levels of employment and economic activity without intervention.

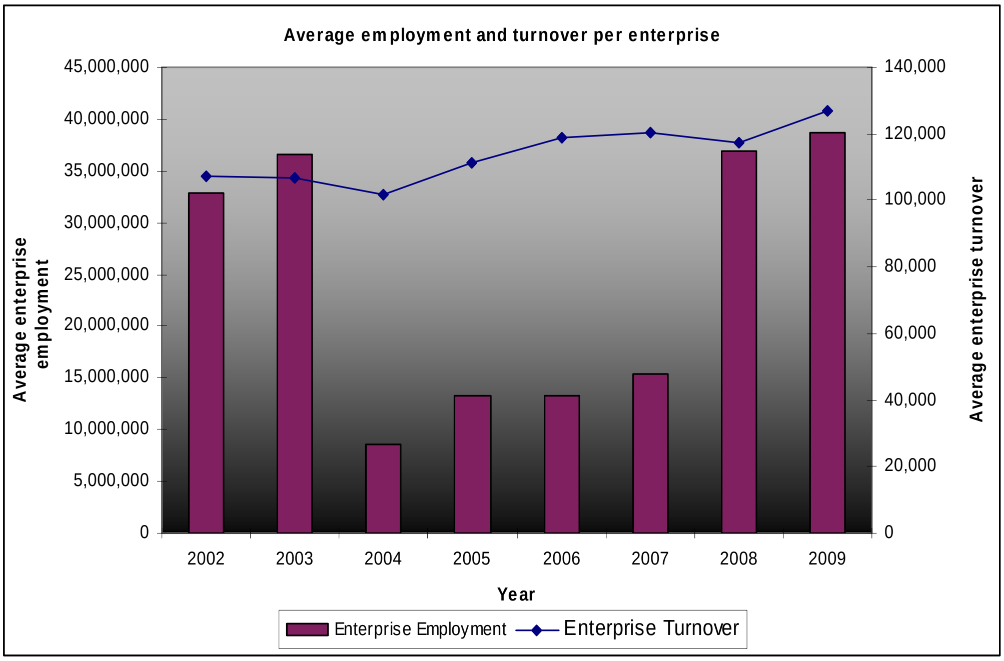
6.5 The structure of the Peterborough economy

6.5.1 Businesses by employment and turnover

Average enterprise employment was at its highest in Peterborough in 2009 whilst turnover has experienced some troughs since 2002, the latest data is showing an increase from 2008 and 2009.

The figure below presents average turnover and employment per enterprise between 2002 and 2009. Average enterprise employment has varied considerably during this period with it being the highest in 2009 along with average turnover which has gradually creeped up since 2002.

Figure 13: Average employment and turnover per enterprise



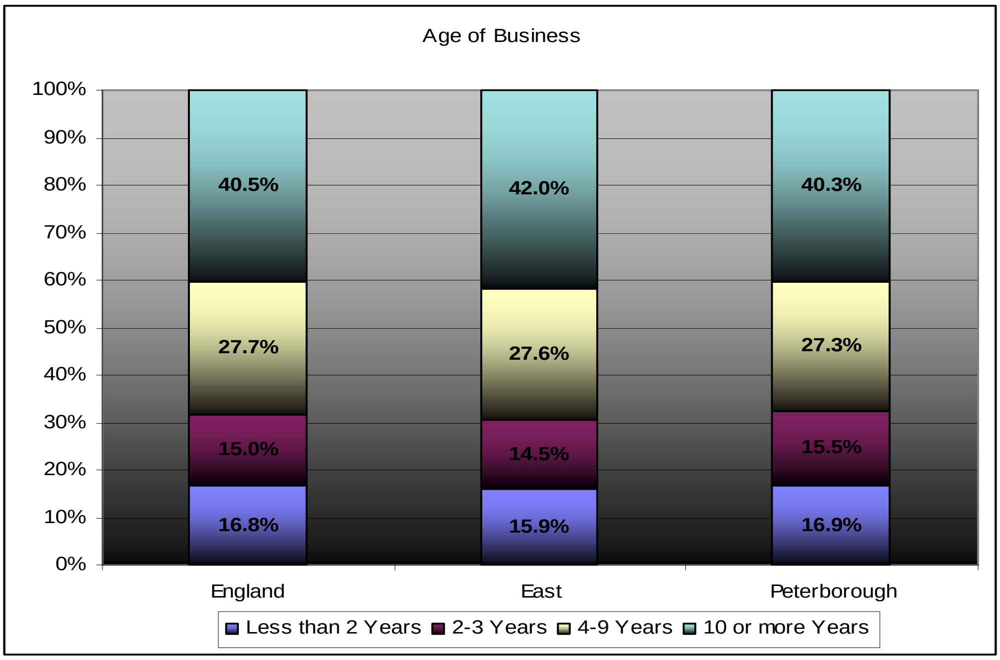
Source: ONS – Inter Departmental Business Register, 2009

6.5.2 Business age and survival

The proportion of businesses in Peterborough surviving 10 years or more is less than the regional average but on a par with the national average, which could suggest a stable business stock.

The figure below presents the age of a business in comparison to national and regional averages. It shows that Peterborough has just under 17% of businesses surviving less than 2 years which is around the same as the national average and slightly higher than the regional average. The proportion of businesses in Peterborough surviving 10 years or more is slightly less than the regional average but almost on par with the national average. Although this can suggest a stable business stock, it could also imply a lack of churn of new businesses, which meansa lack of competition and can thus restrict innovation.

Figure 14: Age of business



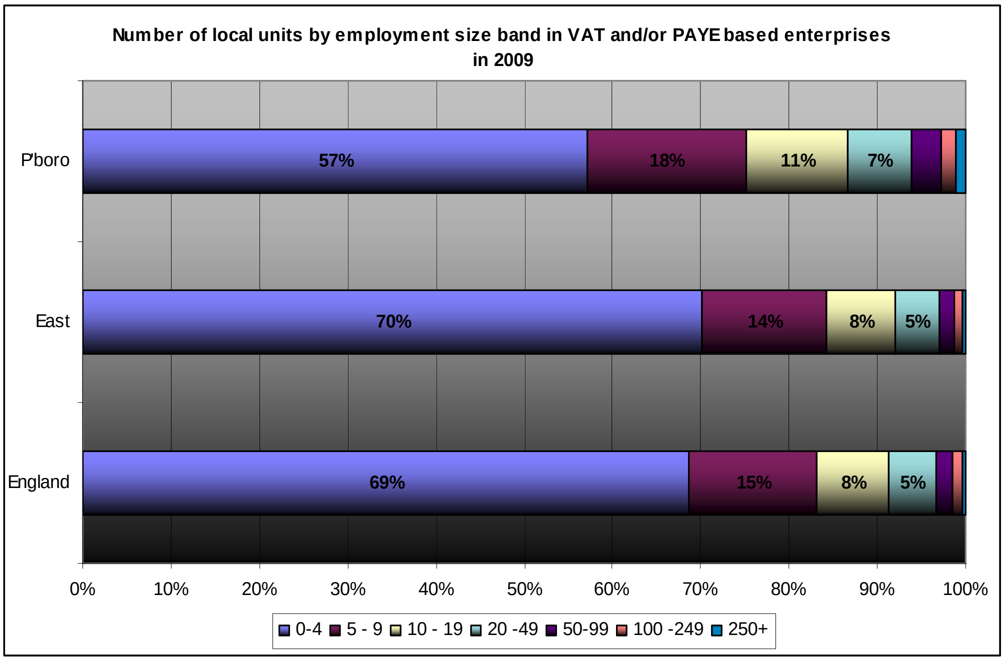
Source: ONS – UK Business Activity – Size and Location 2009

6.5.3 Local units by size band

Peterborough contains noticeably few micro businesses as a proportion of all businesses, whilst a higher than average proportion of businesses in the city employ 50 people or more.

Small businesses are extremely important to the local economy to ensure a vibrant, culture. 57% of local businesses in the city employ up to 4 people compared to 70% in the east and 69% in England. Overall, Peterborough contains noticeably few micro businesses (<10 people) as a proportion of all businesses with 75% employing less than 10 people compared to 83% in England and 84% in the Eastern region. Around 6% of businesses in Peterborough employ 50 people or more which is double the regional and national averages.

Figure 15: Number of local units by employment size band in VAT and/or PAYE based enterprises in 2009



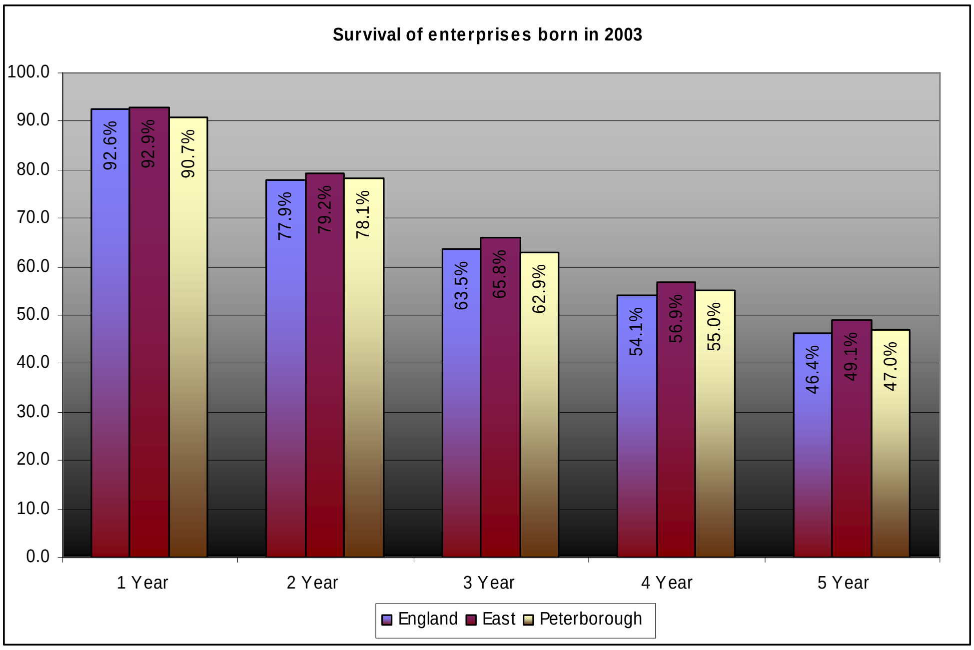
Source: ONS – UK Business Activity – Size and Location 2009

6.5.4 Survival of enterprises

On average, the survival rate of businesses in the city is generally lower than the national and regional averages. This suggests that companies in Peterborough are potentially less robust than the benchmark areas.

The chart below presents the survival rates of enterprises born in 2003. It shows that on average, the survival rate of enterprises in Peterborough is generally lower than the national and regional averages. However the 5 year survival rate for businesses in the city is slightly higher than the national average.

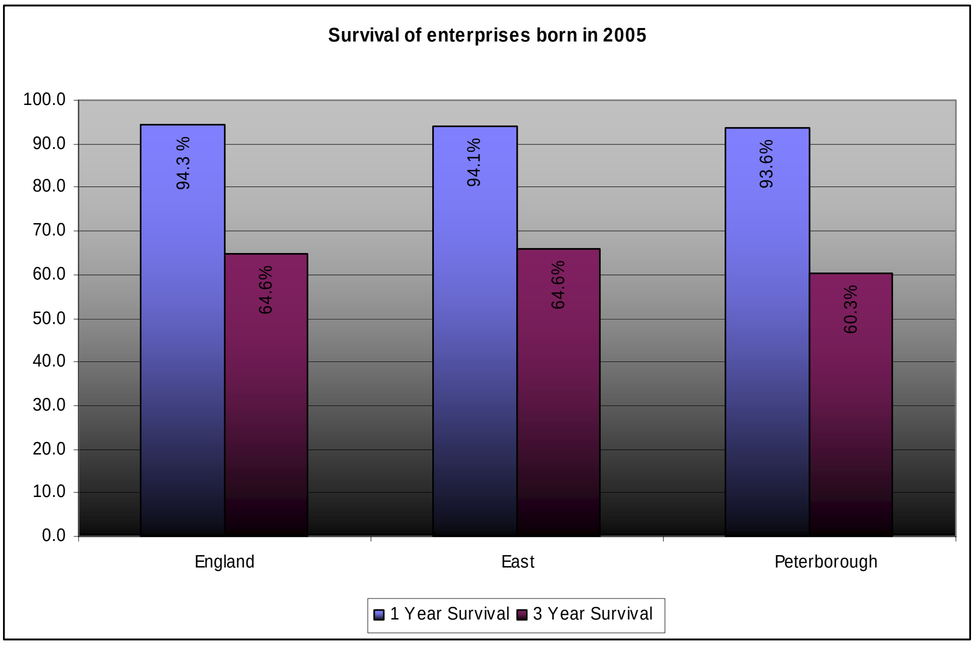
Figure 16 : Survival of enterprises born in 2003



Source: ONS – Business Demography 2008

Around 94% of businesses in Peterborough that were born in 2005 have survived 1 year with around 60% surviviving 3 years. These figures are slightly less than the regional and national averages suggesting companies in the city are potentially less robust than those in England and the region.

Figure 17 : Survival of enterprises born in 2005



Source: ONS – Business Demography 2008

6.6 Entrepreneurship

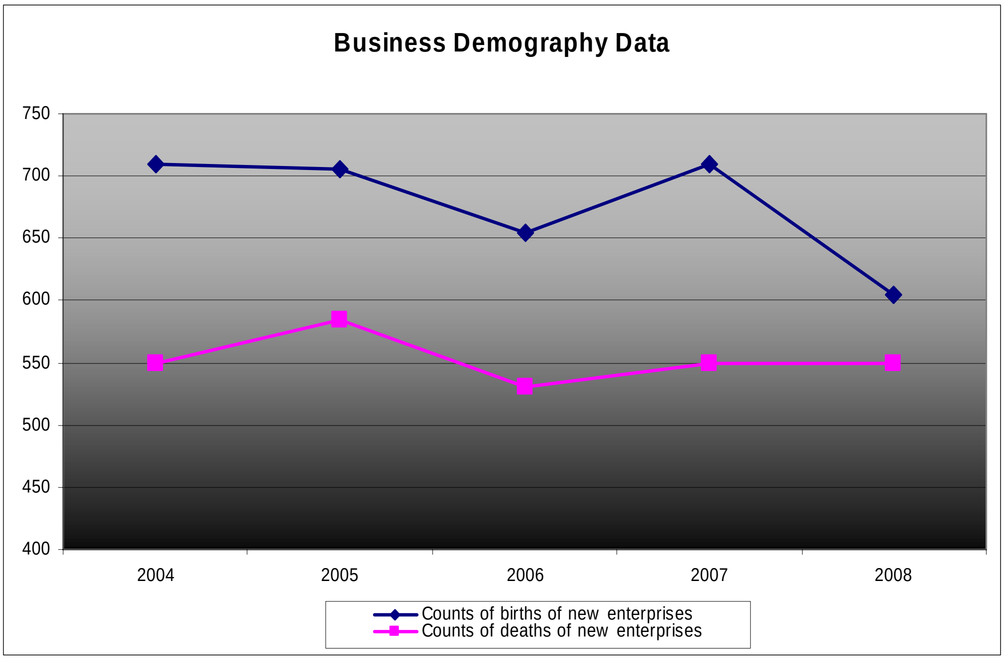
There has been a decrease in business birth rates and VAT registrations recently in Peterborough. The proportion of business stock per 10,000 population in the city is significantly below the national and regional averages, which is concerning, particularly as entrepreneurship is a good measure of the dynamism of the economy.

Enterprise is the engine of growth in jobs and a generator of income and gross value added. The creation of new firms brings new goods and services to the Peterborough economy, and importantly helps bring new innovations, both in products and process to the sub-region. This helps raise the innovative capital of the sub-region which can drive innovation.

Business birth rates measured in terms of VAT registrations are a good indicator of the dynamism of an area's economy and also a good measure of economic prosperity. It is well established that new firms are responsible for creating new jobs and that, generally, areas with high business birth rates experience more rapid employment growth. New firms are an important component of a successful and dynamic economy.

An entrepreneurial culture creates competitive pressure and drives up business performance as well as the provision of a variety of goods and services. In relation to its working age population, Peterborough has fewer registered companies than England and the Eastern region. In 2008, 26,170 new enterprises were created in the East of England, of which 605 were located in Peterborough. Although the counts of births of new enterprises in Peterborough has fluctuated between 2004 -2009, the counts of deaths has remained reasonably consistent.

Figure 18: Births and deaths of new enterprises



Source: Business Demography Data, BERR, 2008

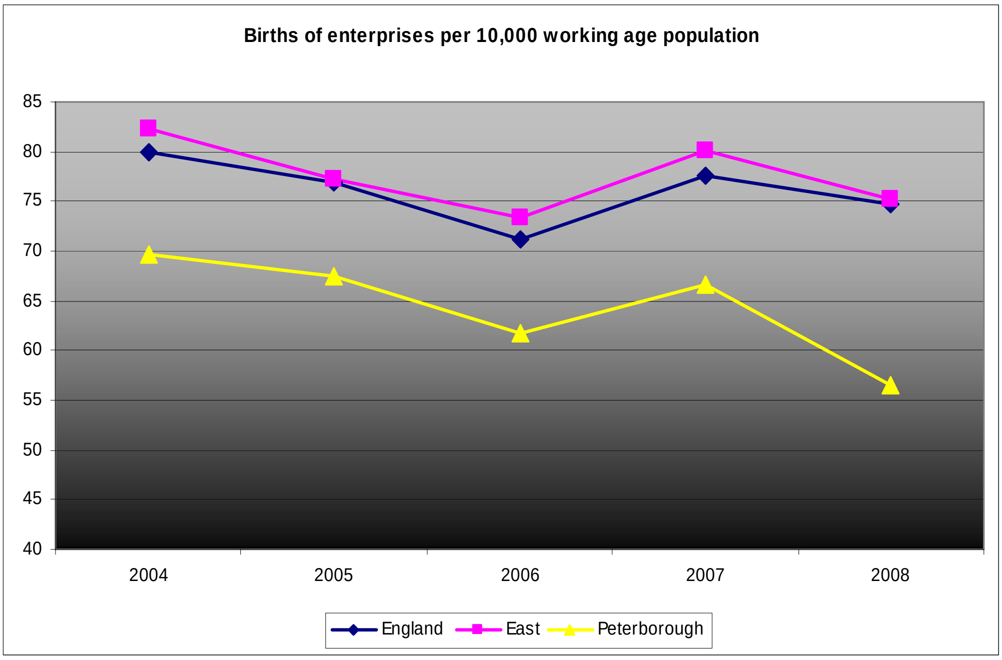
Table 4: Count of enterprises

Year	Counts of births of new enterprises	Counts of active enterprises	Counts of deaths of new enterprises
2004	710	5,315	550
2005	705	5,455	585
2006	655	5,250	530
2007	710	5,685	550
2008	605	5,660	550

Source: Business Demography Data, BERR, 2008

An entrepreneurial culture creates competitive pressure and drives up business performance as well as the provision of a variety of goods and services. The graph below provides a good indicator for assessing the success of local entrepreneurship. In 2008, there were 57 births per 10,000 working age population in Peterborough in comparison to 75, both regionally and nationally. The graph highlights that the number of births of new enterprises in Peterborough is considerably lower than then national and regional averages throughout the 10 year period 1998 to 2008.

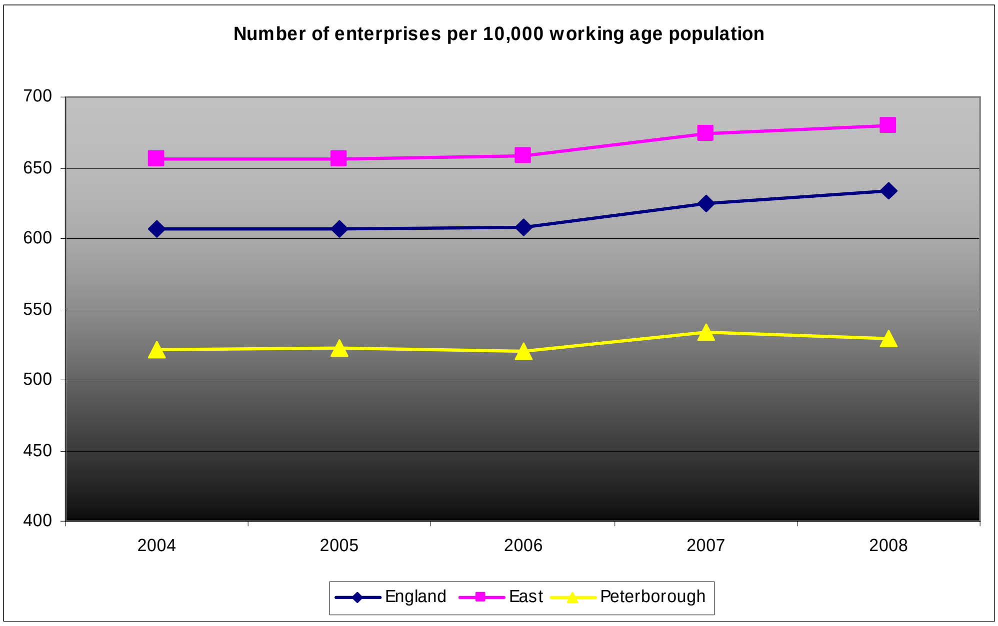
Figure 19: Births of enterprises per 10,000 working age population



Source: Business Demography Data, BERR, 2008

The graph below shows the number of enterprises per 10,000 working age population. As with the trends above, it shows that Peterborough has a significantly lower proportion of enterprises than the regional and national averages.

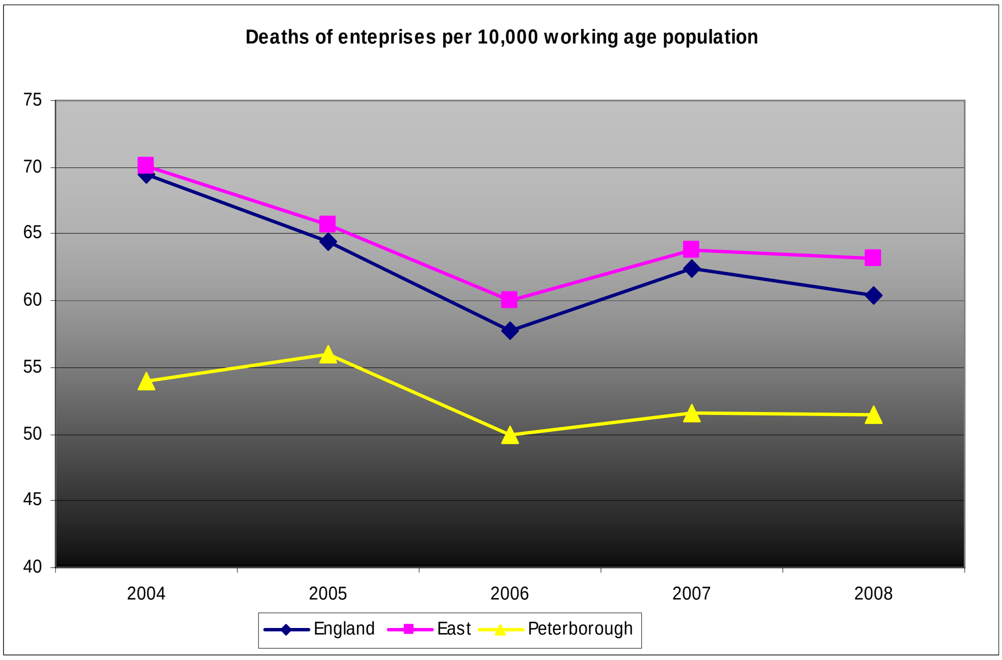
Figure 20: Number of enterprises per 10,000 working age population



Source: Business Demography Data, BERR, 2008

The graph below shows the number of annual deaths (an indicator of the number of business closures) and indicates the rate of business closure is ultimately low in Peterborough compared to the benchmark areas of England and the East of England. This along with a low number of births, indicates a low level of entrepreneurship and economic prosperity in the area.

Figure 21: Deaths of enterprises per 10,000 working age population



Source: Business Demography Data, BERR, 2008

The 2009 VAT data which now includes the number of local units in VAT and/or PAYE based enterprises in 2009 provides a breakdown of units by sector. It states the largest proportion of registered businesses in the city are in the professional, scientific and technical services (14.4%) which although is in line with national and regional trends is slightly over represented in the city. Other over represented sectors in the city include production, motor trades, property and education. According to the data, Peterborough has less than average number of enterprises in agriculture, forestry and fishing, professional, scientific and technical sector and the arts, entertainment, recreation and other services.

Table 5: VAT/PAYE based enterprises by sector

	England	East of England	Peterborough
Agriculture, forestry and fishing	5.0%	5.3%	3.1%
Production	6.6%	6.9%	7.2%
Construction	13.4%	15.8%	12.3%
Motor trades	3.1%	3.4%	4.7%
Wholesale	5.1%	5.2%	5.8%
Retail	8.8%	7.8%	8.8%
Transport and storage	3.3%	3.6%	3.1%
Accommodation and food services	6.0%	5.3%	5.4%
Information and communication	7.4%	7.3%	7.6%
Finance and insurance	2.1%	1.8%	2.8%
Property	3.6%	3.3%	4.2%
Professional, scientific and technical	15.6%	14.6%	14.4%
Business administration and support services	7.4%	7.7%	8.1%
Public administration and defence	0.1%	0.2%	0.1%
Education	1.5%	1.4%	2.1%
Health	3.6%	3.2%	3.8%
Arts, entertainment, recreation and other services	7.3%	6.9%	6.5%
Total	100.0%	100.0%	100.0%

Source: ONS, UK Business: Activity, Size and Location -2009.

According to Business Link, enquiries about how to start a business, and the basics required, have remained as strong as ever. Attendance at Business Link's Starting Your Own Business workshops in Peterborough has also remained strong. There have been 33 of these workshops delivered in Peterborough between April and December 2010.

It appears that although attendance is roughly the same, with almost 300 delegates attending, as one year ago, the composition has altered. There are more attending who are subject to redundancy and who wish to use a redundancy payout to launch their own business. Alternatively, some see starting a business as their primary or only career option going forward.

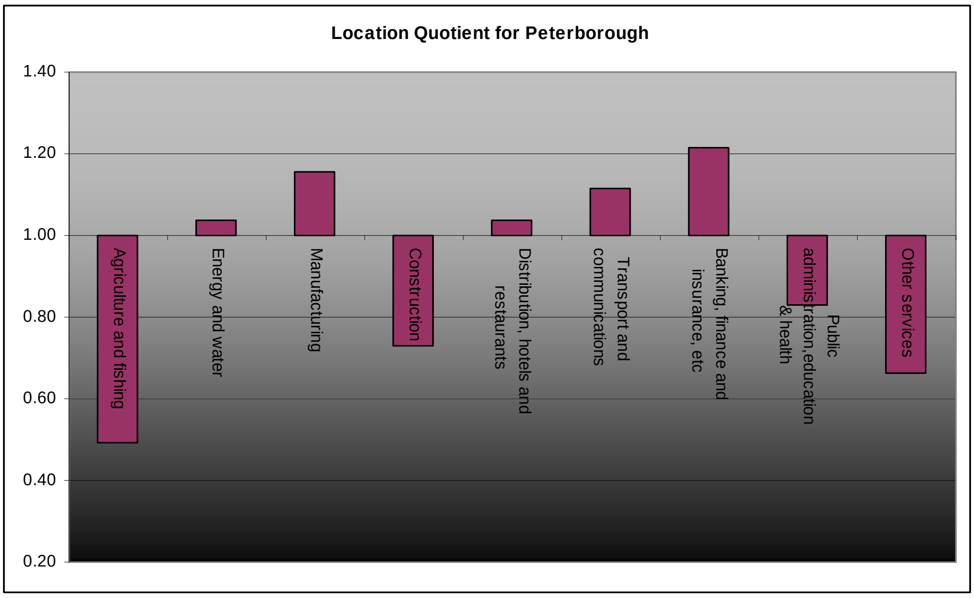
Business Link started 3500 businesses in the East of England during the last financial year and activity this year is just about keeping pace with it all. Traditionally Business start up has counter cyclical trends. In that when the economy is in decline the start up programme is busy. More people consider self employment both because they want to and out of necessity.

6.7 Location quotients

Location quotients show whether certain sectors are under/over represented in an area compared to the national average. Sectors in Peterborough, which are the most over represented include banking, finance and insurance and manufacturing, whilst agriculture and fishing, construction and public administration are the least represented in Peterborough.

It is useful to research the relative strengths of particular industries compared to the UK as a whole to identify those sectors which are important locally i.e have a greater concentration of employment or have the potential to grow. To demonstrate the relative importance of growing sectors, location quotients show whether certain sectors are under/over represented in an area compared to the national average. A quotient greater than 1.0 implies that a sector is over represented in an area compared to the rest of the country. The figure below shows that the banking, finance and insurance sector is the most over represented in Peterborough with a location quotient of 1.21 followed by manufacturing. Sectors which are underrepresented in the city are agriculture and fishing, construction, public administration, education and health and other services.

Figure 22: Location Quotients



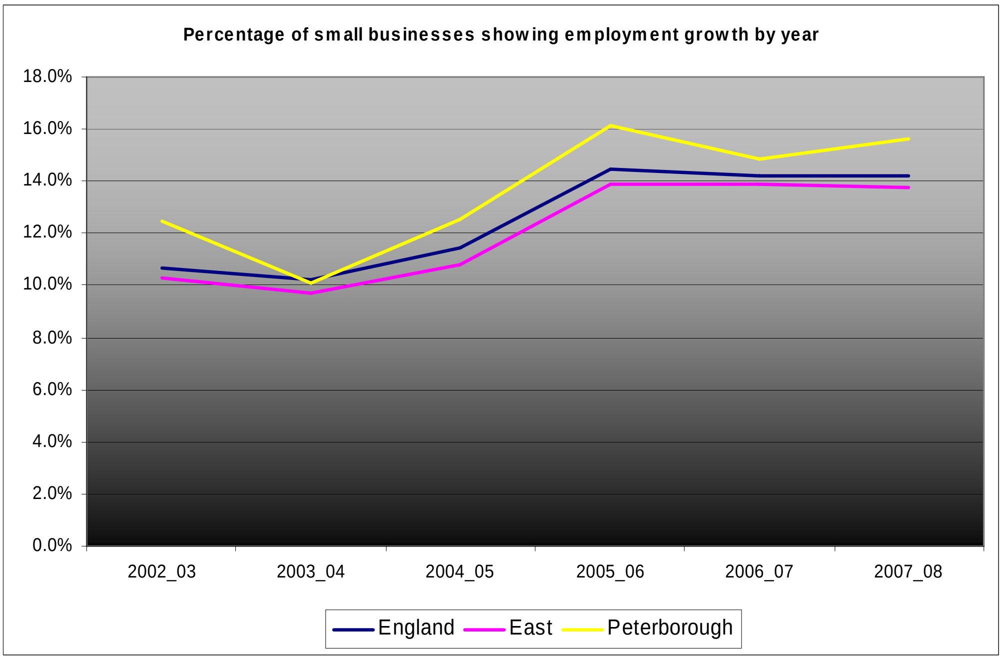
Source: Annual Business Inquiry, 2008, Nomis

6.8 Employment growth of small businesses

SME's are a major source of employment growth. Peterborough's year on year employment growth of small businesses is higher than the regional and national averages.

In 2007, the Local Government White Paper, Strong and Prosperous Communities introduced a set of 198 indicators that reflect national priority outcomes for Local Authorities. In terms of business, growth and enterprise, one of these key indicators is the proportion of small businesses showing growth (NI172). In order to assess the strength of the small business sector, NI 172 identifies the proportion of small VAT and/or PAYE registered businesses (less than 50 employees) showing year on year employment growth. NI172 is a key indicator identified as a key measure of performance in Peterborough. The table below that Peterborough has generally outperformed England and the region. Generally Peterborough has shown an upward trend and at its peak in 2005/2006, 16.2% of small businesses demonstrated growth in the city.

Figure 23: Percentage of small businesses showing employment growth



Source: BIS, Data for National Indicator NI172

6.8.1 The importance of high growth businesses to the local economy

High growth firms are found to contribute a disproportionate amount to employment growth. Estimates vary, but the literature suggests that between 2 to 4% of all firms are responsible for the majority of employment growth. High growth firms also display higher levels of productivity than average.

New analysis published in March 2011 by the National Endowment for Science, Technology and the Arts (NESTA) which illustrated that the UK's vital 'high-growth' businesses were more resilient than slower growing businesses during the recession, making them even more important than previously thought to the UK's economic recovery.

The official OECD Organisation for Economic Co-operation and Development for high growth companies is:

- Firms with 10+ employees
- Employment growth of 20% pa
- Sustained over a 3 year period

The economic contribution of high-growth firms has been nothing short of remarkable. NESTA's 2009 research summary *The Vital 6 Per Cent* analysed the records of all UK companies between 2002 and 2008 and showed that the 11,000 businesses that generated 20 per cent or higher average annual employment growths over a three-year period were responsible for creating 54 per cent of new jobs. We see that high-growth firms still account for a disproportionate share of job creation, generating half of new jobs created by firms of ten or more employees between 2007 and 2010. This suggests that this is a robust relationship that holds through good times and bad. It is essential therefore that Peterborough identifies its potential high growth firms as NESTA research suggests that around 6% of companies create about 54% of all jobs.

It is also important to appreciate that new companies are not the only ones that grow rapidly. For every burgeoning start-up, there are many growth companies that built the foundations of their growth over many years. Around 70% of high growth firms are actually 5+ years old. A massive 62% of start ups actually die within 10 years.

Although, some of the most startling high-growth businesses of the last decade have been technology companies, specifically internet companies, another characteristic of high growth businesses is that they're not just technology companies. As NESTA noted, these firms can be in any region, sectors high or low technology.

According to the previous section, Peterborough has above average proportion of businesses with 10+ employees, however companies in the city surviving 3 years or less is slightly less than average. This mixed data means that in one respect Peterborough has the potential to have a high proportion of high growth businesses however the city's businesses have lower than average survival rates of 3 years. Further research is required in this area.

Earlier work by NESTA and the National Institute of Economic and Social Research suggests that the only commonality between high growth firms is innovation. Their research has shown that for UK firms, being innovative is strongly associated with high growth, with innovative businesses growing twice as fast in terms of both sales and employment as non-innovative ones. The implication of this is that by improving the way policy supports innovation, we can help support high-growth firms, even if we know that government struggles to identify them. Peterborough needs to create a supportive environment for innovation amongst its businesses in order to provide the necessary foundations for high growth. The other important point to note is that it is not the quantity of start ups that has a direct correlation with the number of high growth firms but the quality. It was pointed out earlier in this section that 62% of starts up die within 10 years. It is therefore high quality businesses with growth ambitions that the city needs to encourage.

With the current economic climate and the cut in public sector funding, the government is encouraging recovery through the private sector to offset the downsizing of the public sector and therefore it is evermore important for the city to identify and target these potential high growth firms and provide them with the necessary support to maximize job creation for Peterborough.

6.8.2 Innovation

Innovation is essential for raising productivity and improving marketshare. Of the three stages of innovation described below, Peterborough performs least successfully in stage 1, in particular, education and qualifications.

Innovation is of fundamental importance for promoting productivity growth and competitiveness of firms in the Peterborough sub-region. According to the Department for Business Innovation and Skills (BIS) Business innovation is a vital ingredient in raising the productivity, competitiveness and growth potential of modern economies. Providing the right economic conditions for, and using appropriate policy instruments to encourage innovation in the UK is a central objective.

Unlike many competitor cities and sub-regional economies, Peterborough does not have the benefit of a strong research base. The competitiveness of a modern "knowledge based economy" depends critically on the capacity of its firms to innovate. Although some sectors in Peterborough such as engineering have a long tradition of innovative activity, other sectors are clearly lagging in this respect. In part, this reflects the structure of industry in the Peterborough sub-region with its relatively low share of high tech industry and lack of large firms with R & D functions. However it also reflects the limited research and technology infrastructure in the sub-region capable of engaging with Peterborough firms. There is a need to attract and nurture companies with their R & D functions by establishing industrial parks dedicated to high tech-based industry.

Although the unitary authority does not have its own data on innovation, the East of England Innovation Baseline (March 2009) measures the region's innovation capacity and performance relative to other UK regions and internationally. The baseline reports on the three different stages of innovation in the economy.

Stage 1: Innovation Assets – the investment, infrastructure and inputs that generate ideas and the market for innovation.

Education and qualification performance are an essential part of stage 1. The region as a whole performs below the national average for workplace qualifications. In terms of education and qualifications attainment across the region, Peterborough has one of the lowest rates of GCSE attainment at 36/7% compared with Hertfordshire where 58% of pupils achieved five or more A* to C GCSE grades.

Stage 2: Innovation Links-The links and deals that make innovation commercially successful.

In term of linkages, the region overall has very good transport links, especially for journey times to London and international travel connections to Stansted and Luton airports. Peterborough is the best connected city by road/rail to London in the East of England.

Stage 3: Innovation Outcomes-output measures of innovation in practice.

Innovation provides a set of measurable outcomes including the overall contribution to the economy. According to the Insight East report, a greater share of firms within the East of England have the potential to innovate, compared to England as a whole. Cambridge, Bedfordshire and Peterborough perform strongly, with higher knowledge intensive business densities than the national average of 43.7%.

The overall contribution of innovation to the economy is reflected in economic output measures such as GVA. Within the East of England, there is significant variation in economic productivity amongst the sub-regions. Peterborough has the highest economic output (GVA) per capita (workplace based) in the region at £26,332 which reflects the location of high-value knowledge-intensive businesses within the region. Peterborough benefits from its fast transport connections to London.

6.9 Output and productivity

Peterborough's GVA per head is higher than the national and regional averages.

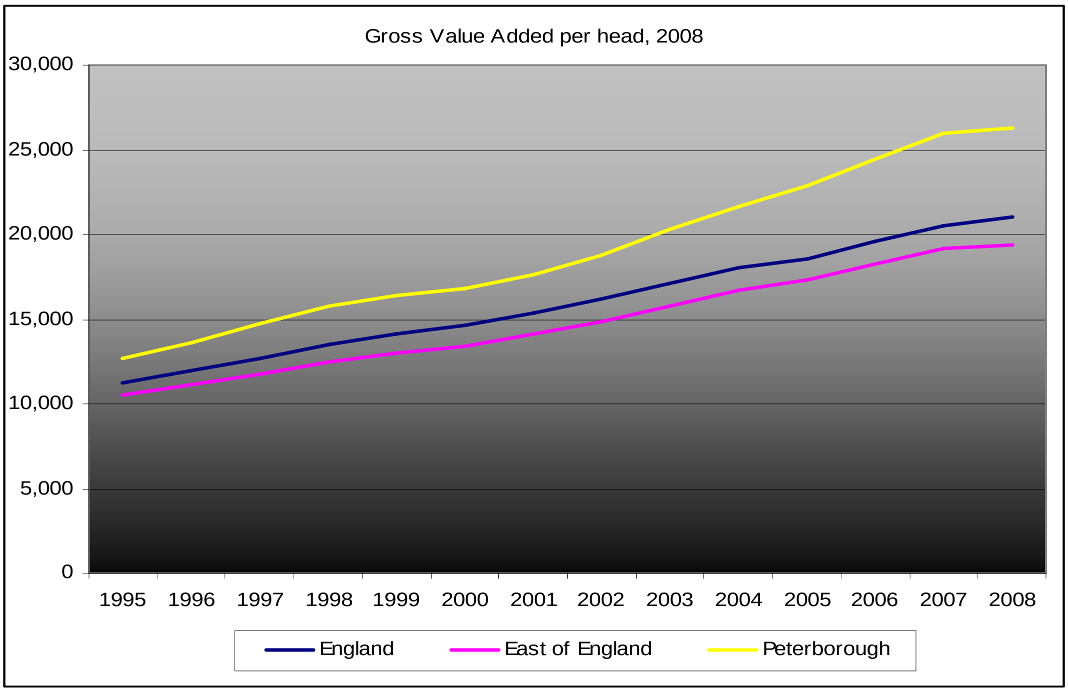
Gross Value Added (GVA) is the principal measure of the total value of goods and services that a geographical area produces and is an important indicator of the overall health of the local economy. GVA is calculated by summing the incomes generated in the production process. Its relationship with Gross Domestic Product (GDP), the measure for a country's net income, is defined as:

GVA + taxes on products – subsidies on products = GDP

Since aggregates of taxes and subsidies are available only at a national level, GVA is used as the measure of output at local levels (regional and sub-regional).

The graph below presents GVA per head in Peterborough. Interestingly, Peterborough's GVA per head is consistently higher than the national and regional averages. The latest data (2008) suggests that Peterborough's GVA per head is £26,332 compared to £21,049 nationally and £19,375 regionally.

Figure 24: GVA per head in Peterborough



Source: ONS Gross Value Added, 2008.

6.10 Employee jobs

Businesses in Peterborough in total, provided around 99,350 jobs in 2008 compared to 86,305 in 1998, an increase of 15% in the 10 year period.

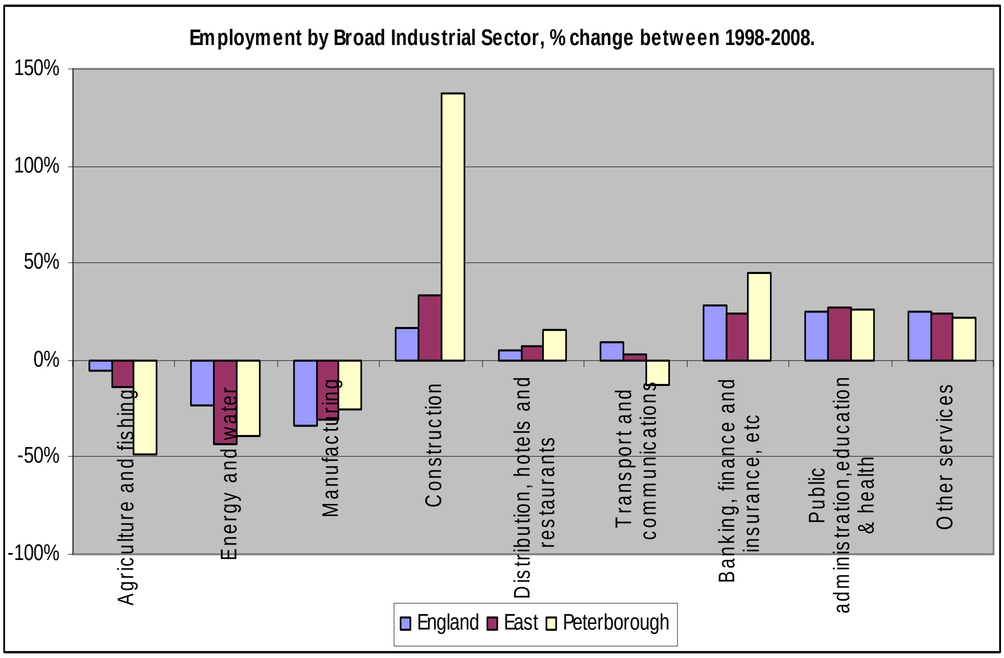
A thriving economy and a strong skills base are key factors for growing and developing an area. The table below shows the percentage of employees within the different sectors in 2008. According to ABI, during the period 1998-2008, Peterborough experienced a 15% increase in jobs compared to 9% nationally and regionally. The data demonstrates that at almost 28% the highest percentage of employees in the city are working in the banking, finance and insurance sector which is higher than the national and regional averages. Peterborough has a slightly lower proportion of employees in the public administration, education and health sector (21.9%) in comparison to England (26.4%) and the eastern region (25.3%).

Table 6 : Employee jobs

	England	East	Peterborough
Agriculture and fishing	0.9%	1.5%	0.5%
Energy and water	0.5%	0.4%	0.5%
Manufacturing	10.1%	10.3%	11.7%
Construction	4.6%	5.4%	3.4%
Distribution, hotels and restaurants	23.5%	25.0%	24.4%
Transport and communications	6.0%	6.0%	6.6%
Banking, finance and insurance, etc	22.7%	21.4%	27.6%
Public administration, education & health	26.4%	25.3%	21.9%
Other services	5.3%	4.8%	3.5%
Total	100.0%	100.0%	100.0%

Source: ABI, 2008. Employee Analysis, Nomis

Figure 25: Percentage change in employment by SIC between 1998-2008



Source: ABI, 2008. Employee Analysis, Nomis

6.11 Total jobs and jobs density

Job density data suggests that Peterborough's labour demand is higher than the available workforce.

Peterborough's jobs density –the ratio of jobs to working age residents has increased from 1.01 in 2000 to 1.10 in 2008. With a jobs density figure of more than 1, Peterborough's labour demand is actually higher than the available workforce. This is in contrast to England and the East of England, both of which suggest that the labour demand is not as high as its available workforce.

Table 7: Job Density

	Total Jobs			Jobs Density	
	2000	2008	Change 2000-08	2000	2008
England	25,210,000	26,611,000	1,401,000	0.83	0.83
East	2,621,000	2,813,000	192,000	0.80	0.81
Peterborough	98,000	112,000	14,000	1.01	1.10

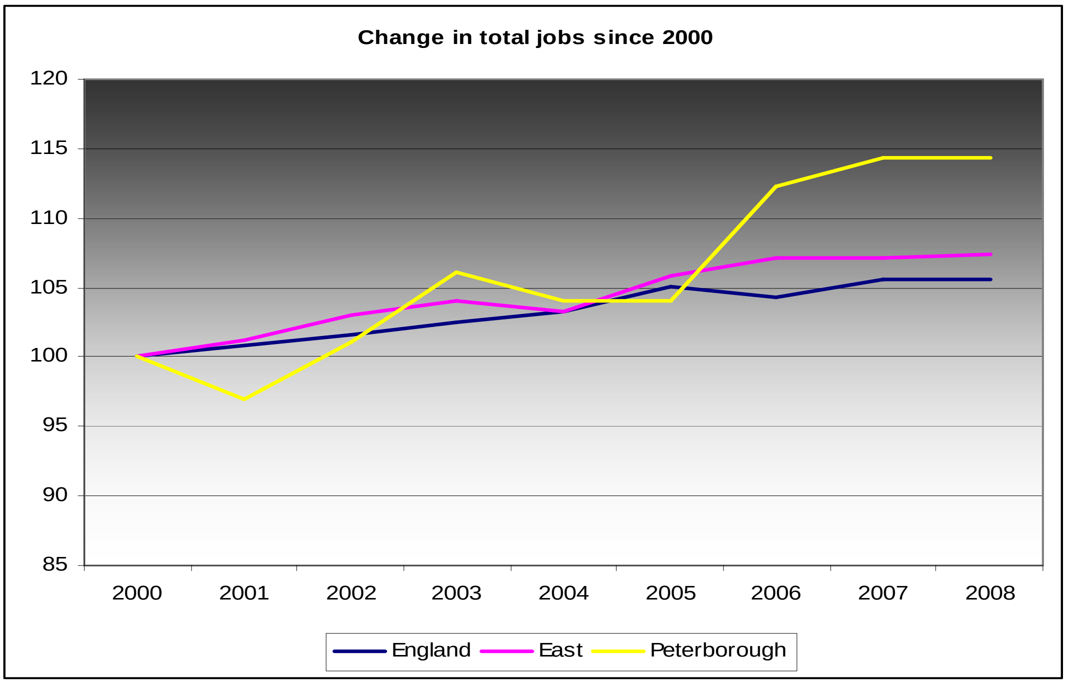
Source: Job Density, 2008, Nomis

6.12 Job growth

Peterborough has experienced a higher job growth than the national and regional averages.

According to ONS, Job Density data, in 2008, there were 14,000 more jobs in Peterborough than in 2000, which equates to an increase of just over 14%. This is significantly higher than the national and regional benchmarks, which experienced job growth of 5% and 7% respectively.

Figure 26: Change in total jobs between 2000-2008



Source: Job Density, Nomis, 2008

6.12.1 Office supply

Availability of office space increased between the beginning of 2008 up until mid 2009 when it reached a peak of 660,000sq ft, some 15% of stock. However, at the time of writing, it has now started to come back down. There has been no speculative development since 2007, and as a result there is a very limited amount of prime space available. There have been a number of refurbishment projects undertaken in the last few years. For example Stuart House, for example in the city centre currently has 22,561ft of vacant space (Savills, February 2011).

The Spring 2010 report stated that refurbishments are set to dominate the market for another 12 months at least as the climate is unlikely to be right for new development given occupiers' preference for low cost accommodation and the lack of development funding. For occupiers looking for prime new build space, the options are increasingly on pre-let developments, such as the many available in Hampton and at Threadneedle House in the city centre, which has consent to provide 35,465 sq ft of office accommodation.

6.12.2 Office demand

Take up fell for the third year running in 2009 as Peterborough's office market, which has been slow for most of the last decade, went into retreat. There are signs of tentative improvement such as a 56,000ft letting completed at the end of 2008 to Royal Sun Alliance (RSA) at Nene Hall.

Enquiries were very quiet at the time of writing. however some successful enquiries in 2010 include Merit Skills, Peterborough Dairies, Amazon and Utility Aid. Until we see significant improvement in net demand, in other words companies expanding or moving to Peterborough, this market will remain subdued. Source: *Eastern Region Commercial Survey, Spring 2010, Savills*

The RSA deal was a welcome sign that Peterborough still offers the potential to keep and attract large occupiers who recognise its competitiveness. However, sustained improvement in the number of deals being done and net stock absorption in Peterborough will not take place ahead of strong economic recovery which may not take place until 2012.

6.13 Occupational structure

Higher than average number of local residents are employed in lower skilled jobs, which is higher than the national and regional averages.

The skills levels of the local workforce generally influences an area's occupational and wage structure. The table below supports this argument with 35% of the city's population being employed in higher level jobs (manager and senior officials, professional and associate technical occupations) which is some 10% lower than the national and regional averages. Around 26% of Peterborough's population is employed in lower skilled jobs (process, plant and machine operatives and elementary occupations). This is 9% higher than the national average and is reflected in the lower wages of the city's residents. It should also be noted that the latest data (which was released at the end of April) shows an increase in the proportion of people in the city employed in lower skilled occupations and a decline in those employed in higher skilled occupations. One of the city's key priorities is to increase the proportion of higher skilled jobs which will have a positive impact on wage levels.

Table 8: :Occupation levels

Oct 2008-Sep 2009	England	East	Peterborough	Peterborough Numbers
Managers and senior officials	16.1	16.8	12.5	9,400
Professional occupations	14.0	13.9	10.4	7,800
Associate professional & tech occupations	14.7	14.4	12.0	9,000
Administrative and secretarial occupations	11.0	11.6	12.4	9,300
Skilled trades occupations	10.2	11.1	9.6	7,200
Personal service occupations	8.7	8.2	8.5	6,400
Sales and customer service occupations	7.4	6.9	8.1	6,100
Process, plant and machine operatives	6.6	6.3	9.5	7,100
Elementary occupations	11.0	10.5	16.8	12,600

Source: Annual Population Survey, Oct 09/Sept 10 data

According to the East of England Forecasting Model (Autumn 2009 forecasts) there will be an increasing demand for managerial, professional and associate professional roles which will generally require higher level (i.e Higher Education level) qualifications across most sectors. Even those that are forecast to decline in net terms due to replacement demand will have recruitment requirements. The occupational forecasts also suggest that the intermediate level skilled jobs are where the biggest changing demands will occur. Traditional craft related skills and administrative roles will continue to decline. There will be an increase in personal services and the sales and customer care sector in the city.

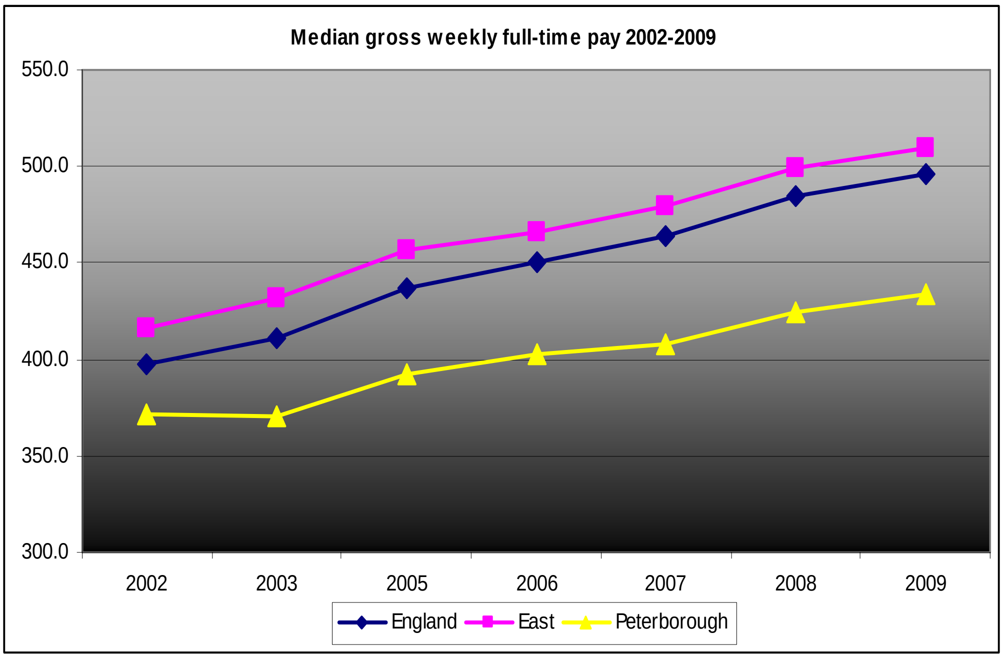
The Occupation Demand Forecasts report for the East of England 2011-2016 state that occupation demand not only arises from new jobs being created in an area, but it also results from existing employees retiring or otherwise leaving the labour market – so called "replacement demand." The vast majority of occupation demand forecast to arise in the East of England during 2011-16 is as a result of replacement demand.

6.14 Weekly pay

Pay and earnings are a key determinant for people in their choice of whether to enter or sustain employment. The rationale for this being, the higher the pay, the more attractive the job for the individual thus acting on an incentive to starting or staying in a job. There are 2 key indicators discussed in this section: workplace earnings (the pay of jobs located in an area) and residence based earnings (what residents earn). Income is a key indicator of the living standards of employees. There is also a direct correlation between earnings and labour supply/demand in the economy: the higher the earnings, the stronger the demand for labour. Higher earnings can also imply higher value jobs. The Peterborough Skills Gaps and Solutions report by Train Again discusses the correlation between low skills and average earnings. It identifies that the demand for low skilled labour inevitably translates into demand for low paid labour. It suggests that raising pay will not alter the low skills equilibrium, more specifically; the demand for low skilled labour to attend production lines will remain. Although higher pay would presumably attract more local/UK Labour, the work required would be low skills.

The figure below shows that wages in the city are not only lower than the comparator areas but also that they are increasing at a slower rate. This emphasises the need to attract high skills and higher value, knowledge based jobs into the city.

Figure 27: Median gross weekly full time pay



Source: Annual Survey of Hours and Earnings, resident analysis 2009

The table below presents the median gross weekly resident income and the disparity between male and female incomes. It suggests that Peterborough's high proportion of low skilled jobs and low qualification levels have a negative impact on the City's average wage rates. The figure below shows that although the earnings of local residents are following national and regional upward trends, local pay is still considerably lower than the national and regional averages.

It also illustrates that Peterborough's gross weekly income is £433.70, which is considerably lower than the national (£496.00) and regional average (£509.40). However in terms of the disparity between male and female incomes, it suggests that in Peterborough women earn around 20% less than their male counterparts. This is a lesser disparity than that seen nationally and regionally where female full time workers earn around 40% less than male workers. However it should be noted that these figures are for full time workers only, so are not affected by higher levels of part time working amongst women.

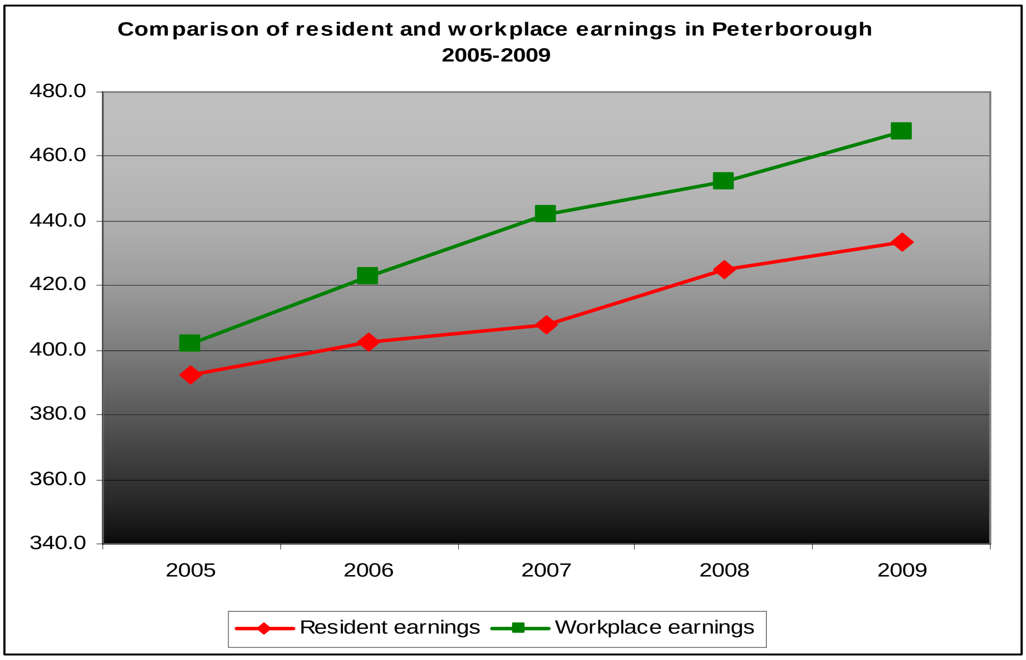
Table 9: Comparison between male / female earnings

	All Full-Time Workers	Male Full Time Workers	Female Full Time Workers	Female earnings as % of male earnings
England	£496.0	£498.3	£312.0	62.6%
East	£509.4	£525.8	£307.3	58.4%
Peterborough	£433.7	£431.5	£304.2	70.5%

Source: Annual Survey of Hours and Earnings (resident analysis) 2009

The graph below presents the disparity between the resident and workplace income. The large disparity implies that the higher paying jobs in the city are generally taken up by people commuting in from outside the city. This could either be due to poor perceptions of the city meaning that people tend to prefer to live out of it or that the local residents lack the skills required by businesses to fill the higher paid local jobs. This is discussed in more detail, later in the assessment. Another reason could be that the lack of executive housing in Peterborough for the higher earners, meaning they choose to live in neighbouring villages and market towns.

Figure 28: Comparison of resident and workplace earnings in Peterborough

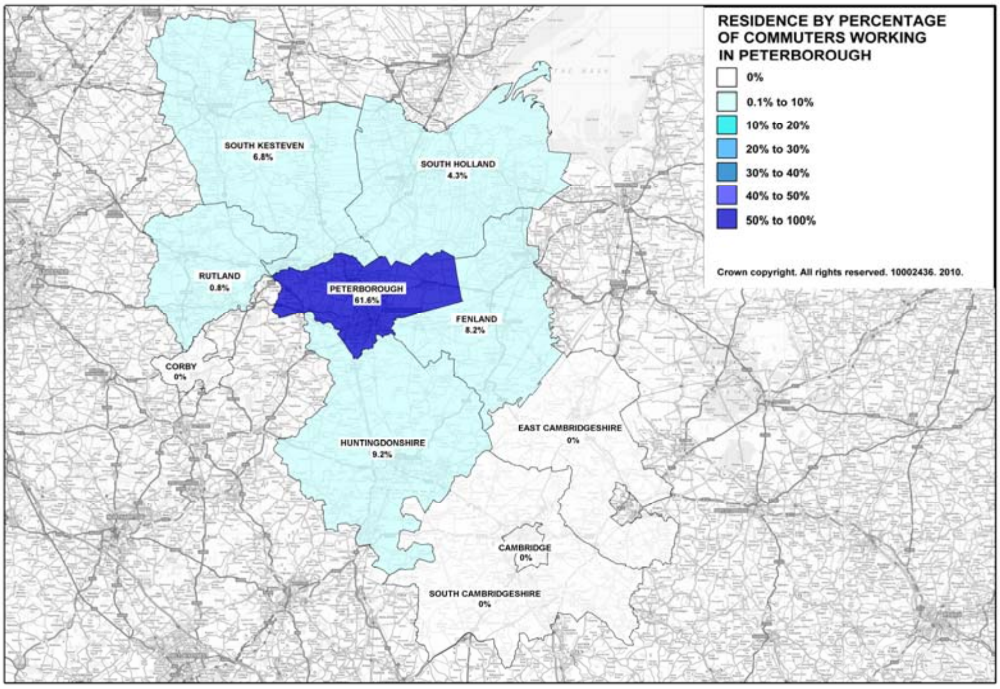


Source: ASHE resident and workplace analysis 2009

6.15 Travel to work area

Following on from the above, here we look at the travel to work patterns of the workers and residents of Peterborough. The figure below gives the places of residence of those working in the city. It demonstrates that the vast majority (almost 62%) of commuters who work in Peterborough also live in the city although a significant proportion also commute from neighbouring districts.

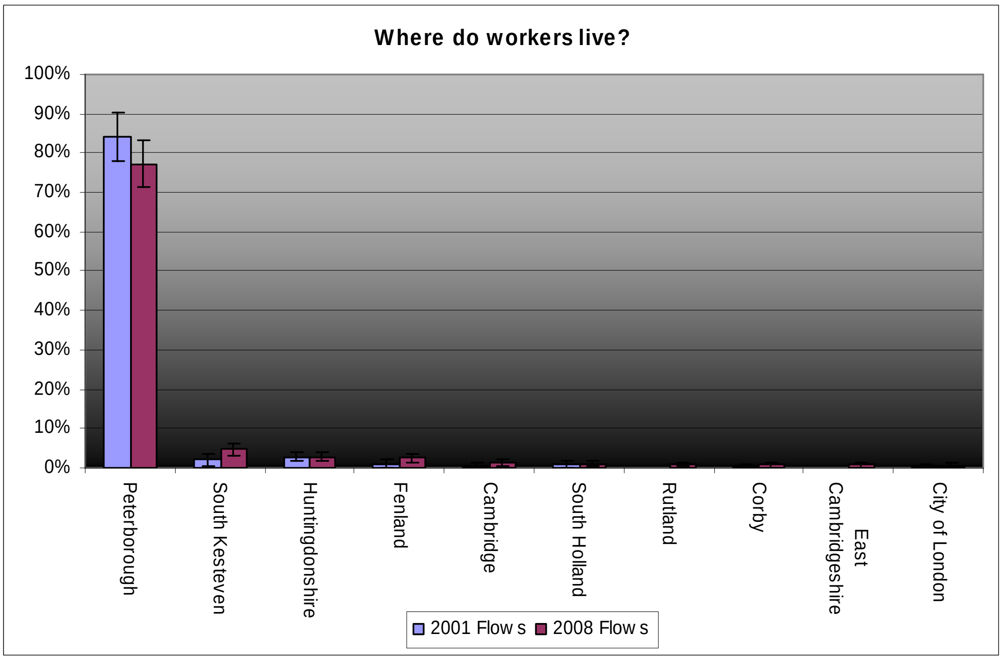
Figure 29: Residence of those working in Peterborough



Source: Commute APS, 2008

However an interesting finding (see graph below) is that the number of people who work and live in the city has decreased marginally by 2 % and consequently in-commuting to Peterborough has increased over time. In-commuting is largely from the neighbouring districts of South Kesteven, Huntingdonshire and Fenland.

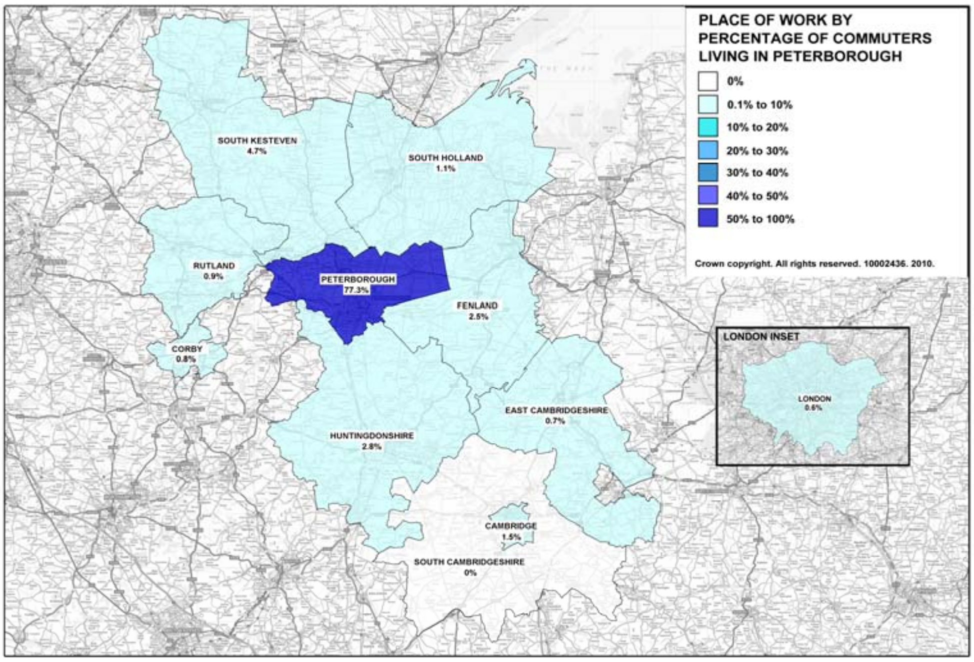
Figure30: Where do workers live?



Source: Commute APS, 2008

The figure below presents out-commuting patterns from Peterborough. It gives the workplace destinations of the working residents of a given district or unitary authority. As above it shows that the vast majority of residents live and work in the city.

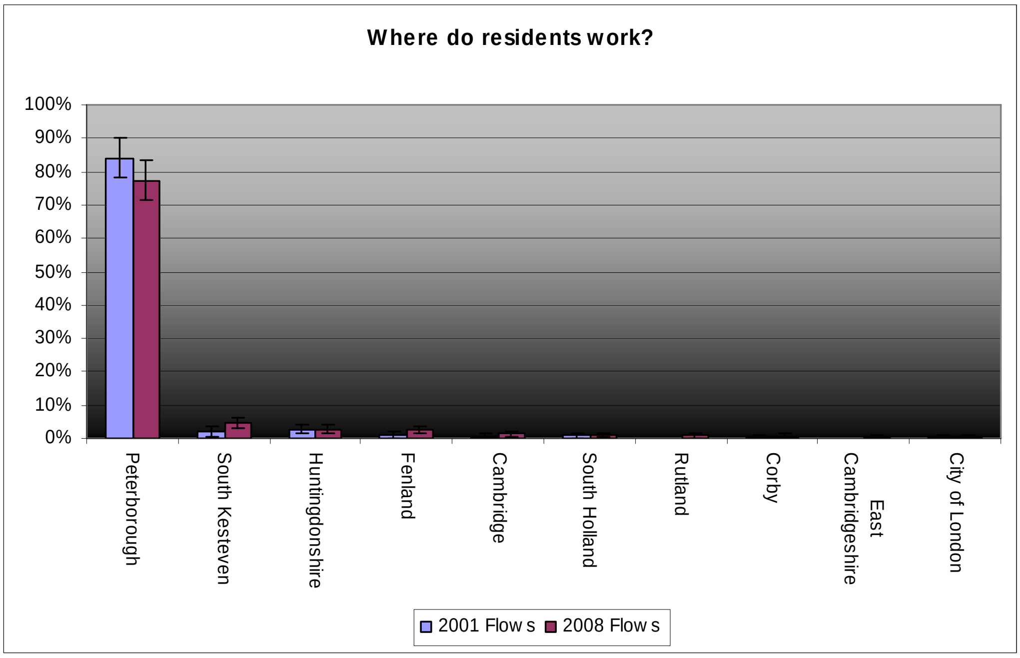
Figure 31: Place of work of residents in Peterborough



Source: Commute APS, 2008

The graph below presents the change in commuting pattern of the city’s residents from 2001 to 2008. It suggests that the proportion of people commuting from Peterborough has increased slightly. South Kesteven and Fenland for example have seen an increase in employees who reside in Peterborough.

Figure 32: Where do residents work?

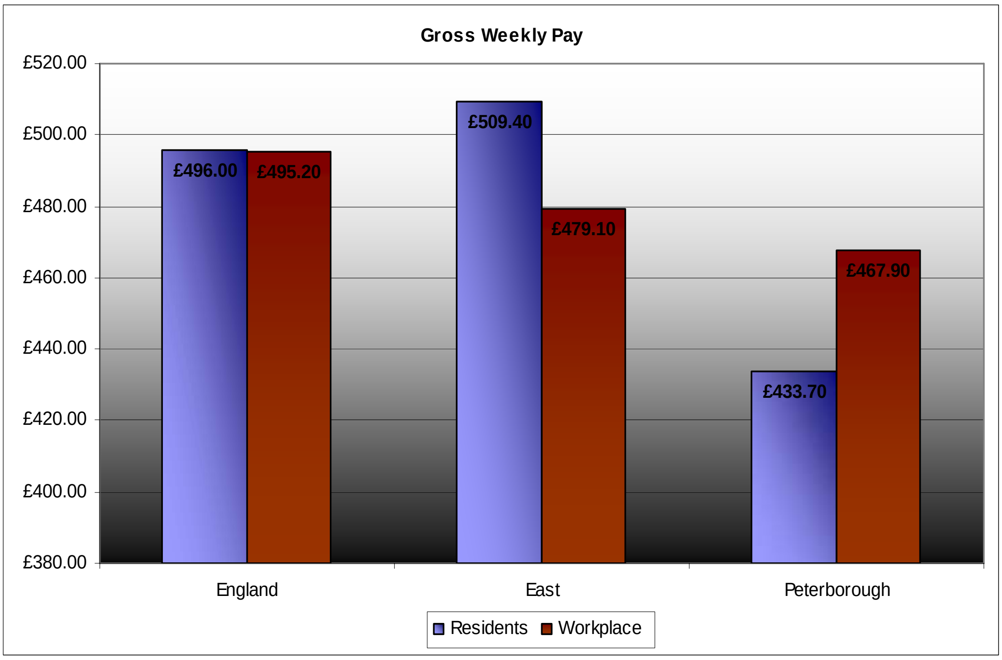


Source: Commute APS, 2008

As discussed in previous sections, the net in-commuting can be partially explained by the low skill levels of the city residents. The figure below shows that Peterborough has a lower percentage of highly qualified residents compared to the regional and national averages and a higher percentage of people with no qualifications. This suggests a potential gap between the needs of high paying local jobs and the skills and qualifications of the local labour force.

Another reason behind the disparity presented below could be that the higher skilled (and highly paid) workforce of Peterborough have a preference to live in neighbouring towns and villages which could be a result of the image and perception of the city. The figure below presents the disparity between resident and workplace income. (Earnings are discussed in more detail in section 6.14)

Figure33: Disparity between resident and workplace income

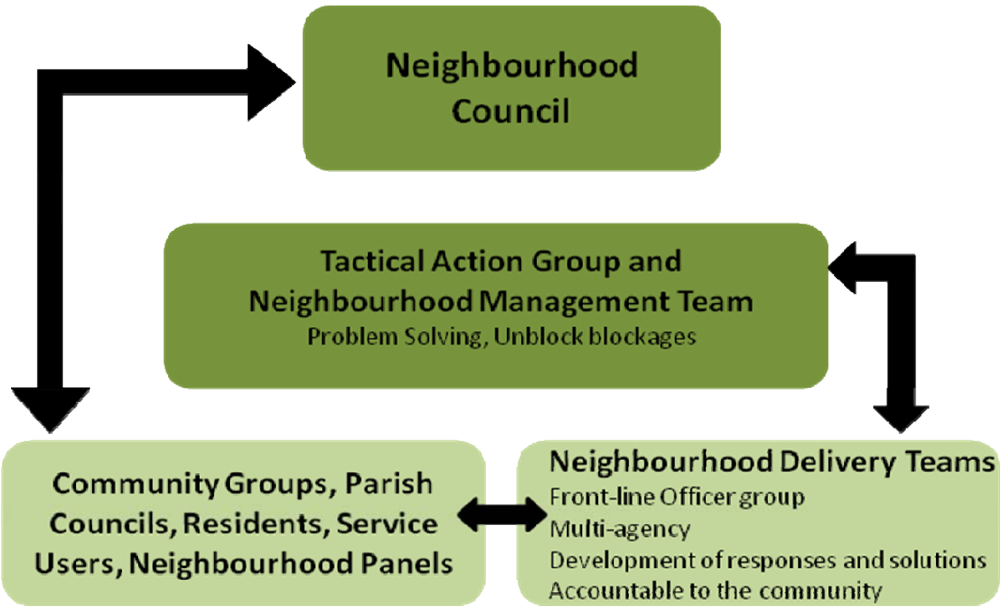


Source: Annual Survey of Hours and Earnings, resident and workplace analysis, 2009

7 People and Communities

7.1 Community and neighbourhood profiles

Figure34: Neighbourhood Governance structure



In May 2009 seven Neighbourhood Councils were formed. These seven Neighbourhood Councils were spread across the three Neighbourhood Management areas as follows:

Table 10: Neighbourhood Councils

Neighbourhood Council Name	Wards Covered
Rural North	Northborough, Barnack, Glinton and Wittering, Newborough, Eye and Thorney
Peterborough North	Werrington North, Werrington South, Paston and Walton
Peterborough West	Bretton North, Bretton South, West and Ravensthorpe
Dogsthorpe, East and Park	Park, Dogsthorpe and East
Central and North	Central and North
Orton With Hampton	Orton with Hampton, Orton Longueville, Orton Waterville
Fletton, Stanground and Woodston	Stanground Central, Stanground East, Fletton

The first public meetings of these Neighbourhood Councils were held in October 2009 and representatives from Parish Councils, Youth Council, Police Authority, Fire Authority, community and residents groups, voluntary groups, schools and active members of the public receive standing invitations to the meetings to take part in discussion but only elected ward Members have voting rights.

Each Neighbourhood Council meets four times per year and meetings are held within each locality on a rotating basis to allow for easier public access. Each meeting is supported by a staffing structure involving officers from Neighbourhoods, Democratic and Legal Services.

The new **Neighbourhood Management** and Neighbourhood Council model divides the City into 7 management areas where greater focus can be made on local issues affecting local people. This targeted approach has enabled the partnership to meet specific needs of communities in different wards, including Rural and those defined as deprived **Super Output Areas.** The areas of work identified by the communities are then prioritised and performance managed through the Neighbourhood Council s which are represented by each Councillor for the relevant wards.

Financial Inclusion work is developing in the City with a designated forum addressing the issues of the poorest most socially excluded individuals and families in the City. Targetted advice and support on Credit Unions, access to affordable loans, banking and budgeting is provided for within this remit. A joined up approach to loan sharking and managing debt is anticipated to see a reduction in poverty across the City, particularly in the most deprived areas of Peterborough.

The Disability Forum bringing partners together from across the City addresses the needs of disabled people through dedicated partnership working across the authority

The Gypsy and Traveller steering group delivers outcomes for the Gypsy and Traveller community and an action plan is performance managed by the Director of Operations to ensure Gypsy and Traveller communities are not excluded from mainstream service provision for vulnerable groups.

The City's Cohesion Board incorporates a wide range of leaders from across the City to address issues relating to Cohesion and Integration. 4 priorities have been identified for 2011/12 which include dedicated support for vulnerable, deprived and excluded communities

The internationally recognised **New Link New Arrivals Service** has been restructured for 2011/12 to deliver services to all vulnerable communities in Peterborough, which we believe will reflect a broader range of positive interventions across communities and within neighbourhoods. Link Officers will be based in community centres, children's centres and local facilities offering advice and support on access to wide range of services including welfare and benefits, healthy living, community safety, community involvement and participation. The support will be available to all vulnerable individuals in the community that are socially excluded, to tackle inequalities and create opportunities for improvement of health and wellbeing. Language provision for those individuals for whom English is not their first language will also be available.

7.2 Demographics

Peterborough has a slightly younger profile in comparison to England and the region. Although the proportion of the 15-29 age group has increased at a slower rate than nationally and regionally, the city still enjoys a higher than average proportion of local population who are of working age.

The Mid Year Population Estimates data suggests that a total of 171,300 people live in the city of Peterborough with approximately 65% falling into the working age population (age 16/64) category which is comparable to both the national and regional averages. Peterborough has a slightly younger profile in comparison to England and the Eastern region with 40% of the population aged 29 and under compared with 38% in England and 36% in the East. Peterborough also has a slightly smaller proportion of people aged 65+ in comparison to the regional and national averages.

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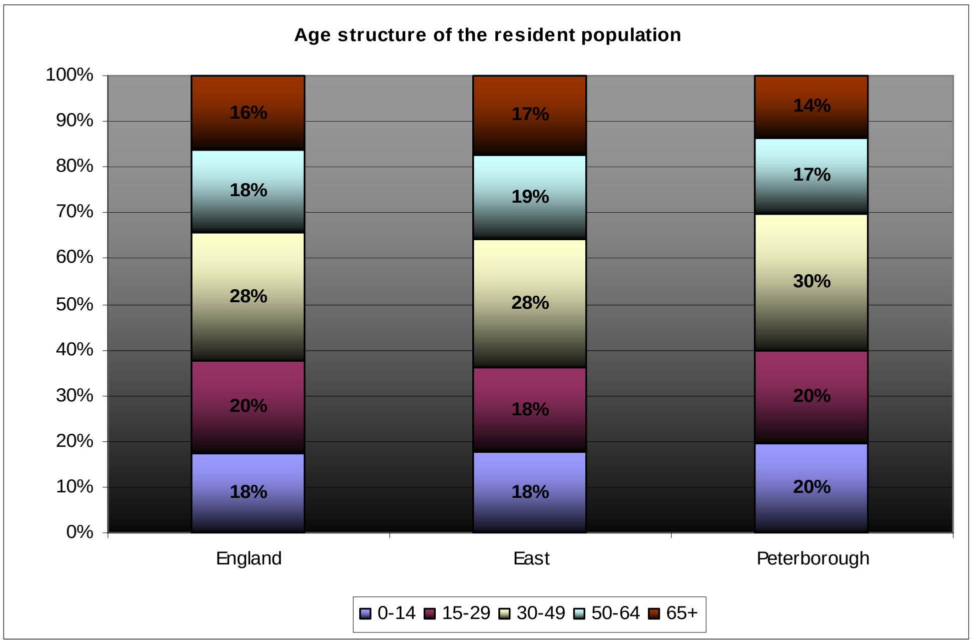
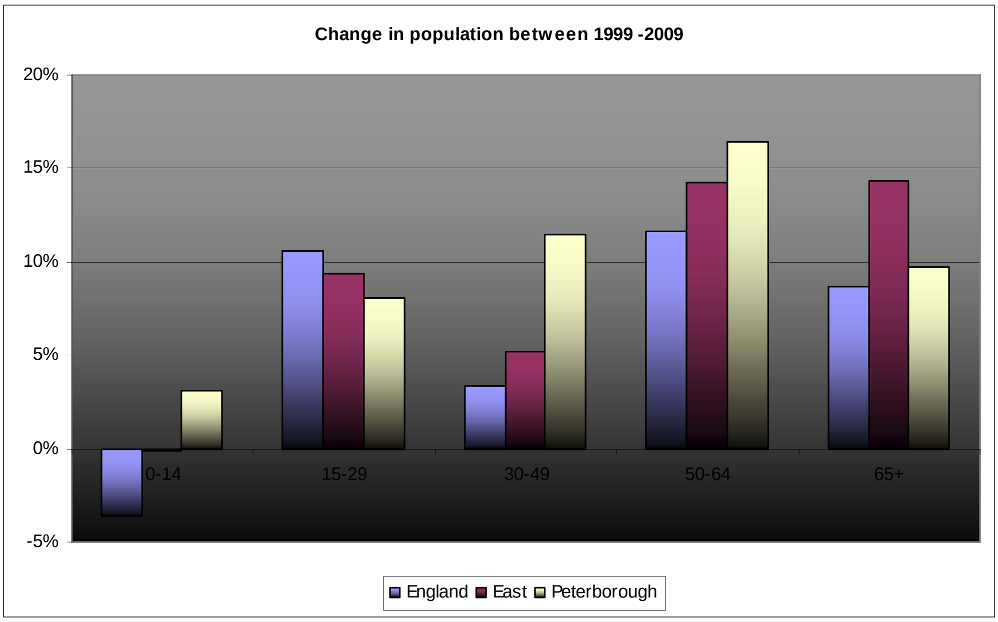
Figure 35: Age structure of the resident population



Source: Mid Year Population Estimates 2009

The figure below presents the change in population between 1999 and 2009. It shows that whilst the England and the East of England have experienced a slight decline in the 0-14 age group, Peterborough has seen a 3% increase in this age group.

Figure 36: Change in population between 1999 and 2009



Source: Mid Year Population Estimates 1999 & 2009

The 15-29 age group in the city has experienced a slower growth rate than that of the regional and national averages perhaps implying that young people are moving elsewhere for university or work once they have completed their schooling in the city.

Peterborough has seen a massive 27% increase in the 30-64 age group whilst England and the East have experienced an increase of 15% and 19% respectively.

Overall there has been a population growth of around 10% in Peterborough (14,900 people) whilst England and the East of England have seen a total growth of 6% and 8% respectively. This growth rate mirrors that of the national picture but is slower than that of the eastern region as a whole, which has seen a population increase of around 8% between 1999 and 2009.

The table below provides a summary of the information provided with a breakdown of the key age groups that are vital for the local economy. There has been an increase of 17.4% of 18-24 year olds in the city and an increase of 11.5% in the local working age population.

Table 1: Change in Peterborough population between 1999 and 2009

Population Summary	1999	2009	% Change
Aged 18-24	13,200	15,500	17.4%
Working Age Population	100,300	111,800	11.5%
Total Population	156,400	171,300	9.5%

Source: Mid Year Population Estimates 1999 & 2009

7.2.1 Population by ethnic group

Peterborough has a higher proportion of non-white population in comparison to the region.

According to the Mid Year Population estimates for 2008, Peterborough's population in 2007 was about 13% non White British compared to around 12% in England and around 7% in the region. Peterborough has a significantly higher than average Pakistani population compared with the national and regional averages.

Table 12: Population by ethnic group

	England	East	Peterborough
White	88.2%	91.6%	86.8%
Mixed	1.7%	1.5%	1.8%
Indian	2.6%	1.6%	2.7%
Pakistani	1.8%	1.0%	4.5%
Other Asian	1.4%	1.0%	0.9%
Black	2.8%	1.9%	2.1%
Chinese	1.5%	1.3%	1.1%
Total	100.0%	100.0%	100.0%

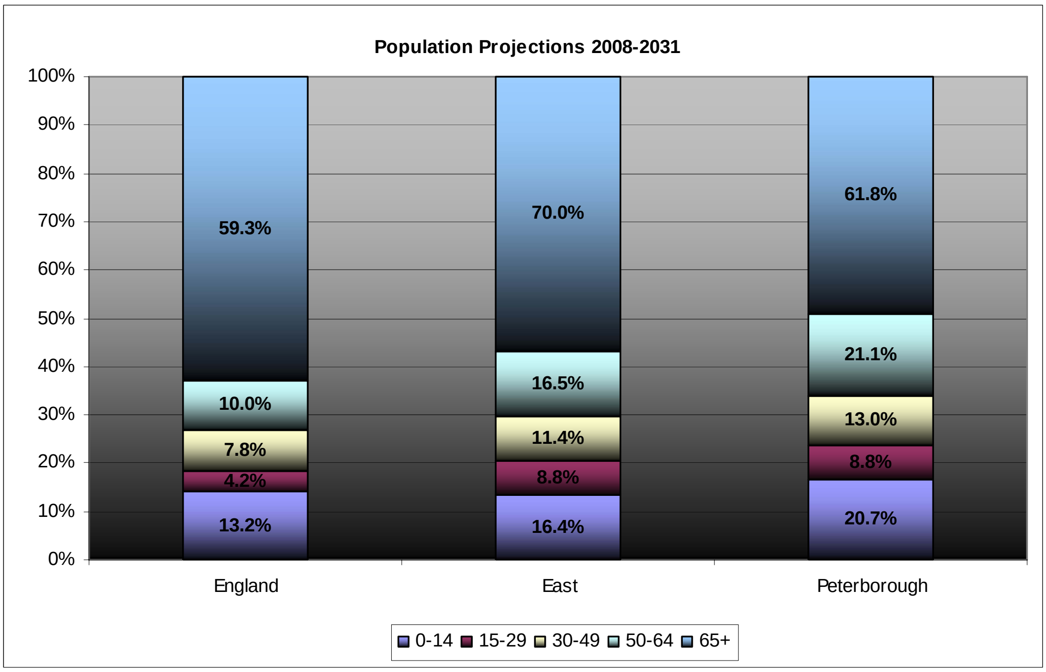
Source: Mid year population estimates 2007

7.2.2 Population projections

Peterborough will experience an absolute increase in population between 2008 -2031. The working age population in particular is set to experience an increase double that of England in percentage terms. This implies that there will be a higher demand for jobs in the city. In terms of age structure, the 65+ age group is showing the most significant increase by 2031

The sub-national population projections suggest that there will be an absolute increase in the population of all ages. More specifically, there will be a 21% increase in the proportion of 0-14 year olds in Peterborough between 2008 and 2031. This is higher than both the regional and national averages. The working age population in Peterborough is set to increase by around 43% during this period. This is double that of the national average and some 6% higher than the regional average. This suggests that there will potentially be a higher demand for jobs in the city with the working age population increasing rapidly over the next 20 years. The 65 and over age group is set to increase at the fastest rate potentially putting a pressure on healthcare facilities.

Figure 37: Population projections 2008-31

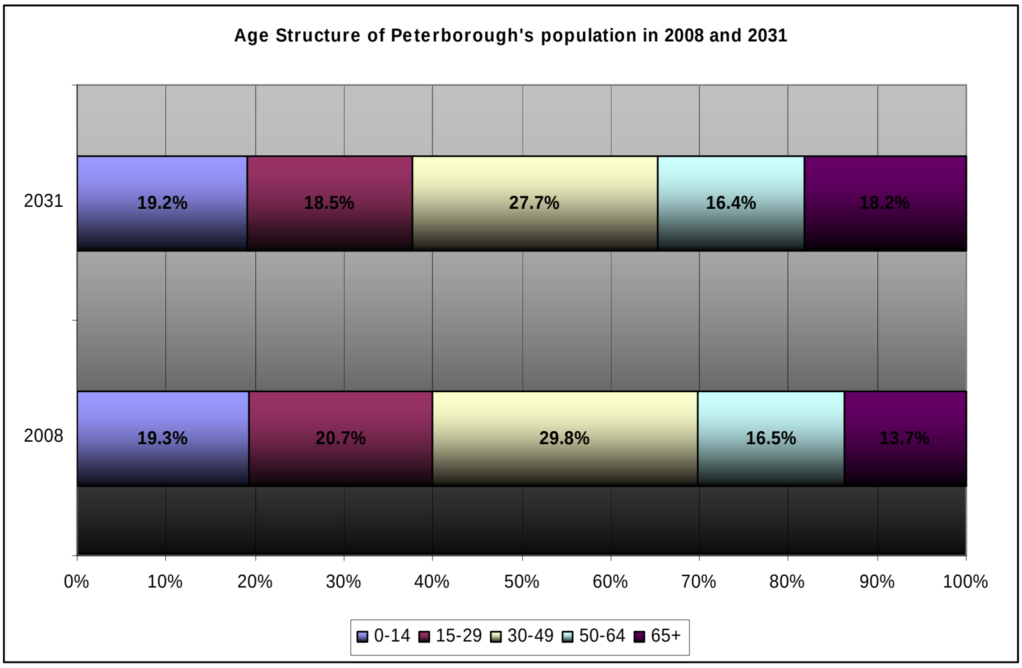


Source: Sub-national Population Projections, 2008 ONS,

The figure below presents the age structure of the population in 2008 and 2031. The age groups appear to make up similar proportions of the overall population in 2031. The 65+ age group is showing the most significant change where there will be a 5% increase in this age group between 2008 and 2031.

7.2.3 Age structure

Figure 38: Age structure of the resident population in 2008 -2031



Source: Sub-national Population Projections, 2008 ONS,

7.3 Rural communities

Research into the rural areas in Peterborough is currently limited. Census 2001 provides the vast majority of data is available at ward level, however due to the age of the data and the dynamics of change within Peterborough, most of it is of little relevance. Therefore, this section looks at the aspects of rural communities where data is available, namely population and unemployment.

7.3.1 Population in rural areas

The table below presents the population proportions in the rural wards in the city. Just over 12% of the city's population live in the rural areas of the city which is highlighted below:

Table 13: Population in rural areas

Ward	Number of people	Percentage of population
Barnack	2,743	1.6%
Bretton North	9,475	5.5%
Bretton South	3,082	1.8%
Central	10,900	6.4%
Dogsthorpe	9,068	5.3%
East	9,891	5.8%
Eye and Thorney	5,599	3.3%
Fletton	10,012	5.8%
Glinton and Wittering	6,871	4.0%
Newborough	2,647	1.5%
North	5,979	3.5%
Northborough	2,538	1.5%
Orton Longueville	10,105	5.9%
Orton Waterville	8,017	4.7%
Orton with Hampton	10,120	5.9%
Park	9,835	5.7%
Paston	7,948	4.6%
Ravensthorpe	7,695	4.5%
Stanground Central	8,274	4.8%
Stanground East	3,107	1.8%
Walton	5,313	3.1%
Werrington North	7,424	4.3%
Werrington South	6,354	3.7%
West	8,176	4.8%
Total	171,173	100.0%

Source: Mid Year Population Estimates 2009.

7.3.2 Population estimates by ward or parish

The table below presents the population change for the rural parishes and wards in the Peterborough Unitary Area from mid year population estimates data.

It should also be noted that this data is by parish rather than ward. Rural parishes with the most pronounced growth between 2001 and 2009 in percentage terms were Wothorpe (30%) and Ailsworth (21%). Due to the relatively small size of these parishes, however, the increases involved small numbers of people. The largest percentage population decreases were experienced in Upton (-17%) and Thornhaugh (-16%). Overall the rural parishes in Peterborough have seen a population decrease of 4.7% between 2001 and 2009.

Table 14 : Mid year population estimates for rural parishes

Parish	1991	2001	2009	% change 2001-2009	Area (hectares)
Ailsworth	400	420	510	21%	636
Bainton	220	310	310	0%	703
Barnack	890	870	860	-1%	1,198
Borough Fen	130	130	120	-8%	1,167
Castor	810	830	790	-5%	1,373
Deeping Gate	440	470	480	2%	219

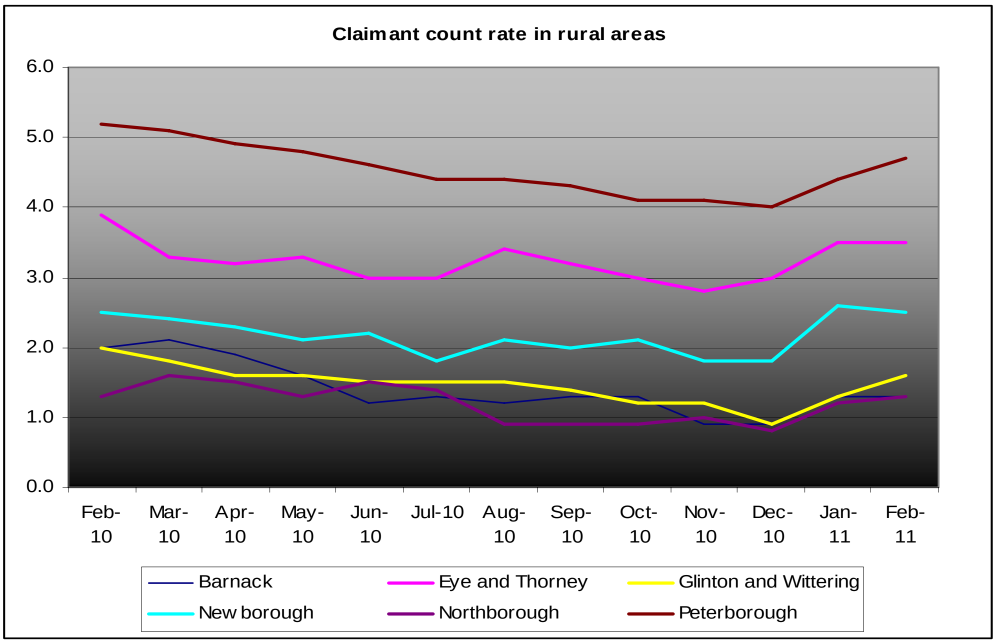
Etton	140	160	140	-13%	531
Eye	3,220	3,810	4,160	9%	1,100
Glinton	1,650	1,770	1,690	-5%	553
Helpston	740	830	870	5%	754
Marholm	170	150	130	-13%	568
Maxey	630	700	660	-6%	660
Newborough	1,320	1,390	1,490`	7%	2,282
Northborough	1,250	1,350	1,290	-4%	487
Peakirk	330	320	390	22%	240
Southorpe	120	140	150	7%	761
St Martin's Without	30	40	40	0%	360
Sutton	110	130	140	8%	372
Thorney	2,220	2,190	2,130	-3%	8,818
Thornhaugh	210	190	160	-16%	1,097
Ufford	250	230	230	0%	479
Upton	70	60	50	-17%	491
Wansford	440	450	480	7%	158
Wittering (AF)	2,650	2,320	2,490	7%	1,100
Wothorpe	290	230	300	30%	258
TOTAL	**18,730**	**19,490**	**18,570**	**-4.7%**	**26,365**

Source: Population and Dwelling Stock Estimates, 2009

7.3.3 Unemployment in rural wards

Claimant count data is released on a monthly basis and is the most upto date indicator of employment at ward level. The latest data for the rural wards of Peterborough suggest that the claimant count rate is significantly lower than Peterborough overall. Peterborough's current claimant count rate currently stands at 4.7 % whereas that of the individual rural wards in the city varies from 1.3% in Northborough and Barnack to 3.5% in Eye and Thorney.

Figure 39: Claimant Count for rural wards



Source: Claimant Count rates and proportions, Feb 2011, Nomis

Overall, rural areas have a higher proportion of sole traders and micro businesses (than urban areas) with home-based working continuing to grow and in-migrants being important in starting up new business. These business owners are often engaged in multiple activities with positive impacts on the economic and social vitality of local communities. Currently there is limited broadband cover in these rural districts and it is essential to enhance broadband connectivity in these areas in order to ensure continued entrepreneurial activity as well as continued increase in home-working. This will also help keep unemployment levels low.

The Rural Working Group was set up in April 2006 to develop, in co-ordination with Peterborough Association of Local Councils and Peterborough City Council, a long-term and sustainable framework for engaging the rural communities within the area of the Peterborough unitary authority.

Through a series of rural workshops a Rural Vision and Strategy was produced. This has become part of Peterborough's Community Strategy 2008-2021.

The shared vision states that the rural areas and villages of Greater Peterborough are valued as an important asset in the future of Peterborough. They have strong independent local identities and sense of heritage and belonging, choosing to retain their rural way of life, supported by their own social and economic structure (e.g. school, church, pubs, small businesses), enabling their communities to be sustainable and to evolve. Peterborough's rural communities, including boundary urban/rural areas offer countryside of great natural beauty, open landscapes, accessible green spaces rich in wildlife and areas and buildings of historical interest for the benefit of all. They offer sustainable places to live and work, visit and enjoy – for their communities and the people of Peterborough and beyond.

Conserving this unique heritage will be an important part of the future development of Peterborough, contributing to our wider ambitions to 'grow the right way' and to be recognised as the national environment capital. A strong rural voice is vital to ensure that the challenges and opportunities facing rural areas are managed in a way that both supports and empowers rural communities and the people who live and work in them.

The strategy is underpinned by 4 priorities:

- Environment
- Access and transport
- Economic
- Housing.

The rural action plan which underpins the Strategy states the aspirations for rural areas. Although this work was undertaken in 2007, the vast majority of these aspirations are still applicable:

- Expand the network of interconnecting foot paths and cycle ways around Peterborough
- Increasing opportunities for visitors to experience and enjoy
- Developing nationally important wildlife landscape features
- Supporting the enjoyment and use of the areas historic buildings
- Enhance the well-being through engagement in cultural activities
- To live in a safe rural environment, with local landscapes that are maintained and improved for the benefit of residents and visitors
- Regeneration of allotments to recognise the increasing demand.

7.3.4 Deprivation in rural communities

Although rural areas tend to be associated with prosperity, the deprivation data highlights some of the issues within rural areas in the city. It presents the deprivation levels at Lower Super Output (LSOA) level in Peterborough under the seven domains: employment, income, skills and training, barriers to housing and services, living environment, health and crime. The rural areas of the city generally fare well in terms of the domains of deprivation and are generally ranked amongst the least deprived wards in the city. However parts of the Eye and Thorney ward suffers considerably from income, employment, health and crime deprivation. However all the rural wards in the city suffer from barriers to housing and services (accessibility). Although there is no data to support this claim, it is widely recognized that many of these rural areas suffer from poor broadband provision which is vital to allow businesses to prosper and grow. Many of the LSOA's within these rural wards are actually amongst the top 10% most deprived nationally in this domain. Deprivation is described in more detail later in the report.

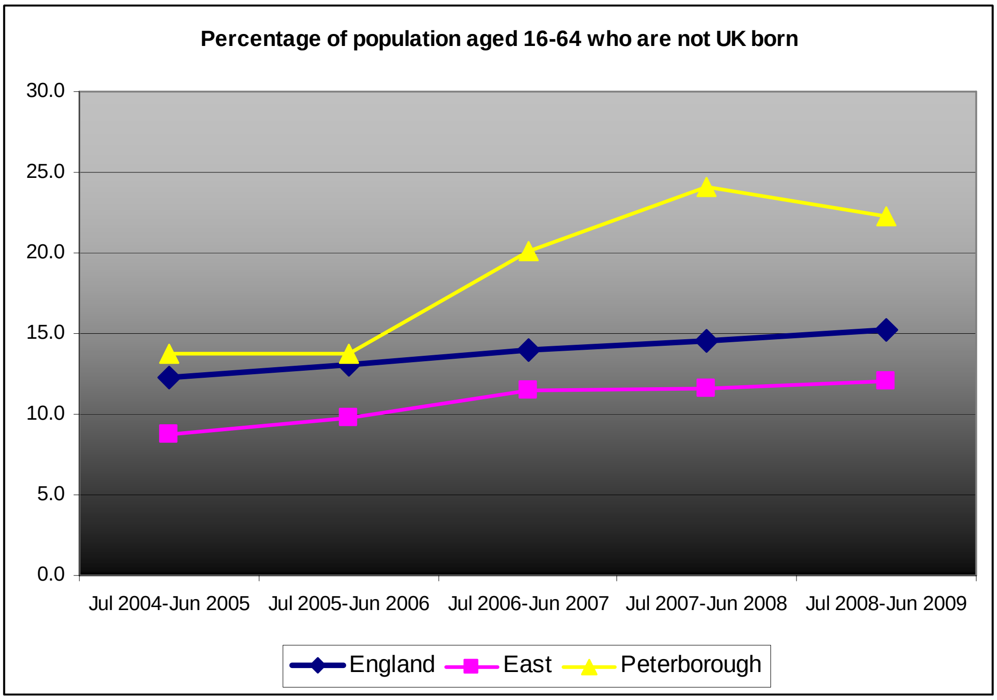
7.4 Migration

It is nationally recognised that migration is a crucial driver of economic growth and that migrants are essential to fill jobs, which do not get taken up by local people and therefore are essential for some sectors to function properly. However it is also recognised that it increases competition for work in certain sectors, more traditionally lower skilled jobs. Migration levels in the city have tended to be higher than the regional and national averages.

A migrant is counted as a resident for the population estimate if they intend to stay or actually do stay in the country for at least 12 months. Migration by age, sex and location is estimated from ONS from data from registrations with GP's and this is a source of internal migration figures. International migration is estimated from survey data and some administrative records however the information is much less reliable. No records are made of internal out-migration. International migrants include British citizens leaving for and returning from periods of residence aboard as well as movements of nationals of other countries. In recent years the term migrant worker has been increasingly associated with individuals from the new EU countries. In May 2004, ten countries joined the EU: Cyprus, Czech Republic, Estonia, Hungary, Lativa, Lithuania, Malta, Poland, Slovakia and Slovenia. From that date, Cyprus and Malta had full free movement and right to wok throughout the EU, while the remaining eight countries (the A8) were subject to certain restrictions. In 2007, the EU was also joined by Bulgaria and Romania (The A2). Nationals of these two countries were allowed gradual access to the UK labour market. Migration to the UK from the A8 and A2 countries is one of the most important socio-economic phenomena shaping today's Peterborough (A study of Migrant Workers in Peterborough). Within Peterborough, the predominant migrant groups are Polish, Czech, Slovak, Portuguese and Lithuanian.

To demonstrate the diverse nature of the city, the figure below presents the proportion of the local population who were born outside the UK. It shows that this figure has increased dramatically since July 2005-Jun 2006 after the enlargement of the EU and is now significantly above the national and regional averages. The latest data shows that 22.3% of the local working age population are not UK born compared to 15.2% nationally and 12% regionally.

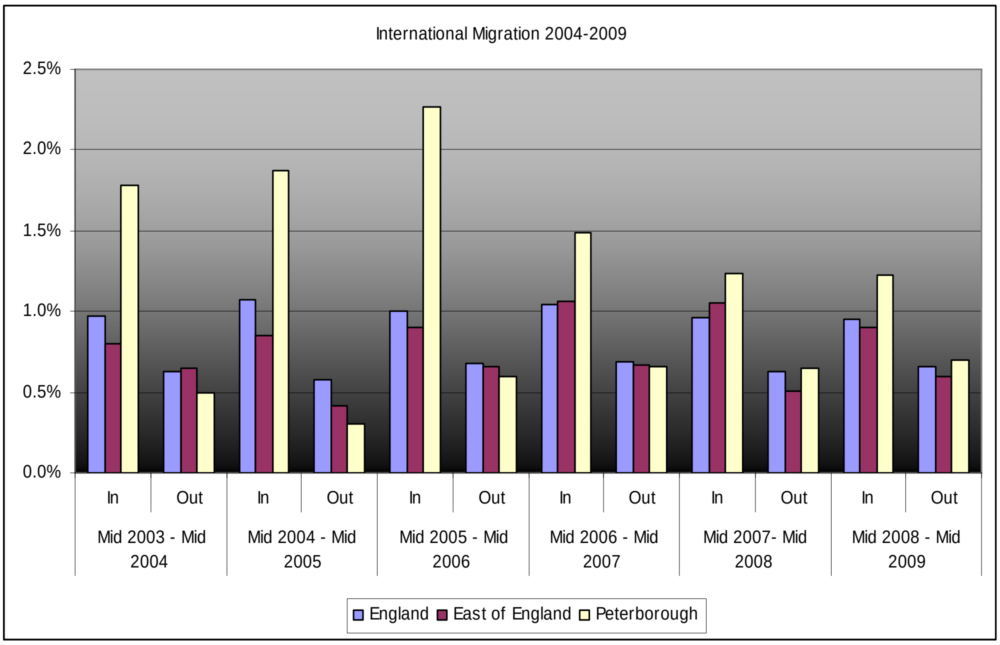
Figure 40: Percentage of population aged 16-64 who are not UK born



Source : Annual Population Survey, Jul 2008-Jun 2009

The figure below presents the trends in international migration between the years of 2004 and 2009. Peterborough's in-migration levels are significantly higher than regional and national averages. In-migration levels in the city reached their peak in 2005/6 and have since decreased gradually to levels almost on a par with the national and regional averages.

Figure 41: International migration 2004-2009



Source: ONS 2008-2009.

According to the estimates below, between 2003 and 2009 net international migration to Peterborough increased from 2,100 in 2003/4 to 2,800 in 2005/6. Since then, it has shown a gradual decrease to 900 in 2008/9.

Table 15: International and internal migration.

	International Migration			Internal Migration		
	In	Out	Net	In	Out	Net
Mid 2003 - Mid 2004	2,900	800	2,100	7,200	7,900	-700
Mid 2004 - Mid 2005	3,100	500	2,600	6,900	7,700	-800
Mid 2005 - Mid 2006	3,800	1,000	2,800	6,500	8,500	-2,000
Mid 2006 - Mid 2007	2,500	1,100	1,400	6,900	8,800	-1,900
Mid 2007- Mid 2008	2,100	1,100	1000	7,100	8,100	-1,000
Mid 2008 - Mid 2009	2,100	1,200	900	7,000	7,900	-900

Source: Migration Indicators Tool, ONS

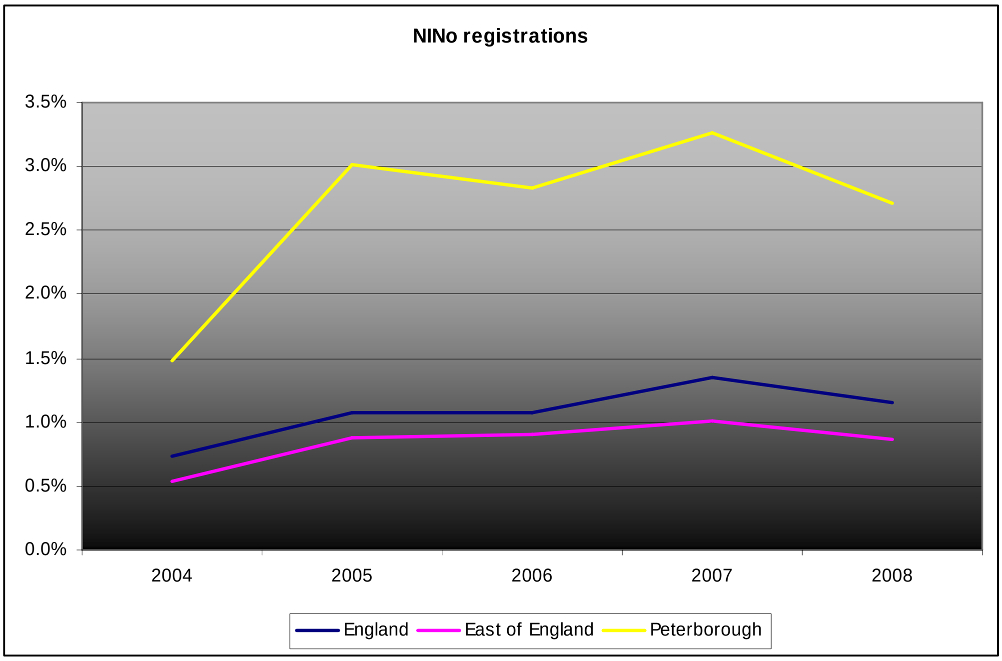
7.4.1 NINo registrations

The data covers adult overseas nationals entering the UK and allocated a National Insurance Number (NINo) on the National Insurance Recording & Pay As You Earn System (NPS). Allocation of a NINo includes all reasons i.e. the figures cover benefit/tax credit recipients as well as workers.

All adult overseas nationals allocated a NINo are included, regardless of their length of stay in the UK.

Migrant NINo registrations are used to calculate proportions for the NINo indicator. Obtaining national insurance registration number is essential for employment and welfare system. Proportions are calculated using Population Estimates data. Peterborough has had a significantly higher proportion of migrant NINO registrations compared to the national and regional averages although the recent data suggests that between 2007 and 2008, the number of registrations in the city were declining at a faster rate than nationally and regionally.

Figure 42: NiNo registrations



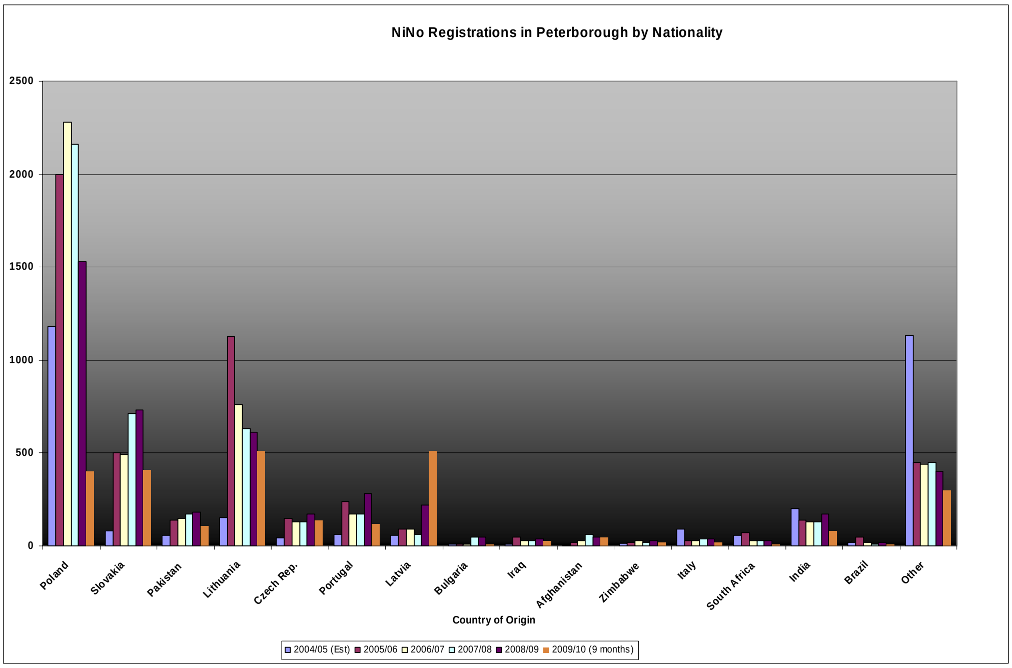
Source: DWP 2007-08

7.5 NiNo registrations in Peterborough by nationality

Overall, the highest number of registrations has been by Polish nationals and reached their peak in 2006/07. The latest 2008/09 data shows that in general NINO registrations have fallen since 2004/05 although registrations by Latvian nationals appears to have increased since 2007/08. The sharp increase in registrations from 2005 onwards would be as a result of the expansion of the European Union. 38% of national insurance registrations since 2005 have been by Polish migrants, 15% by Lithuanians and 12% by Slovakians. (Source: New Link Centre, Peterborough). The latest data released by DWP which covers the period April 2009-March 2010.The salient points from the latest data release are as follows:

- 25.5k NINo registrations to overseas nationals in Peterborough since mid 2002
- A 13% drop in registrations compared to last year. Down to 3960 from 4550. Nationally the drop was 17%.
- A8 and EU nationals account for about 80%, and non-EU 20%. A8 and A2 nationals are 73% of registrations
- 35% drop in Indian migrants
- 29% drop in Portuguese migrants
- 63% drop in Polish migrants - 560 compared to 1530 in 2009-10
- 38% increase in Lithuanian migrants - up to 840 from 610.
- 350% increase in Latvians. 770 from 220 in 2009-10. This and the Lithuanian increases in the past 12 months reflect dramatic reductions in the size of their economies over the same period
- 250% increase in Iraqis
- Peterborough still received the second highest number of migrants in the region, second only to Luton.

Figure 43: Nino Registrations in Peterborough by Nationality



Source: New Link Centre, Peterborough

Between 2004 and 2009, just over 25,000 overseas people registered for a National Insurance number in the city. The sharp increase in registrations from 2005 onwards would be as a result of the expansion of the European Union. 38% of national insurance registrations since 2005 have been by Polish migrants, 15% by Lithuanians and 12% by Slovakians.

7.6 Worker registration scheme by nationality in Peterborough

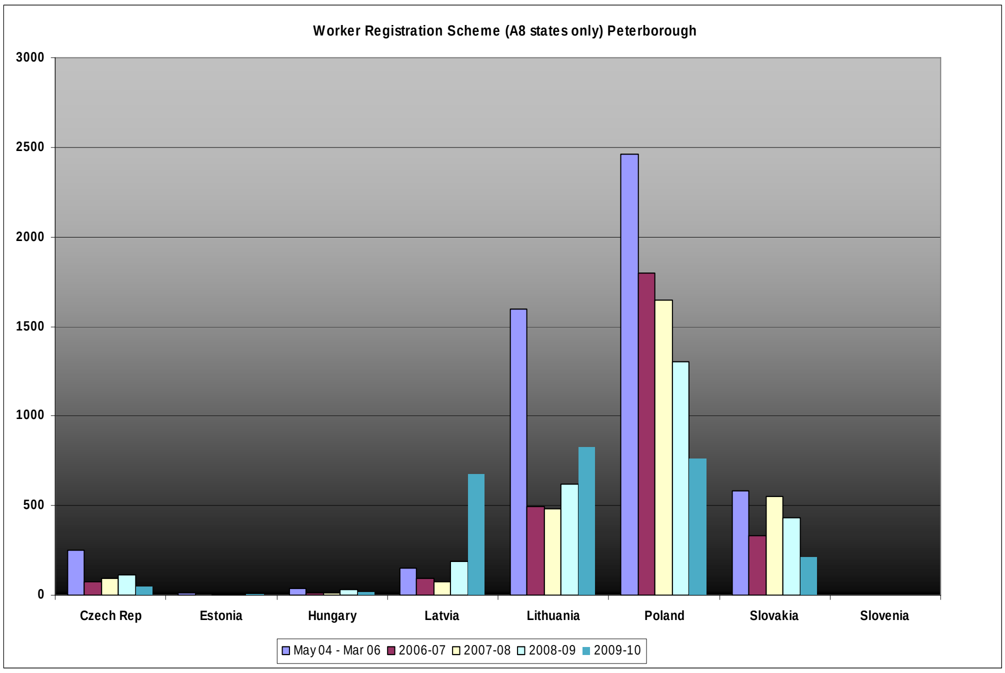
The Worker Registration Scheme was introduced in 2004 when new countries joined the European Union. It allows us to monitor where citizens of those countries (except Malta and Cyprus) are coming into our labour market, the type of work they are doing, and the impact this has on our economy.

You will normally have to register under the Worker Registration Scheme if you wish to work for an employer in the United Kingdom for more than one month and are a citizen of the following countries:

Czech Republic; Estonia; Hungary; Latvia; Lithuania; Poland; Slovakia; or Slovenia.

The Worker Registration Scheme was introduced by the Home Office in 2004 for A8 migrants. It requires individuals from these countries to obtain a workers certificate. It enables monitoring of which national groups are coming into the UK labour market and the type of employment they are undertaking. The figure below presents the Worker Registration Scheme figures by nationality. It shows that the highest number of registrations is from Polish migrants followed by Lithuanian migrants. The lowest proportion of WRS registrations comes from Slovenians and Estonians.

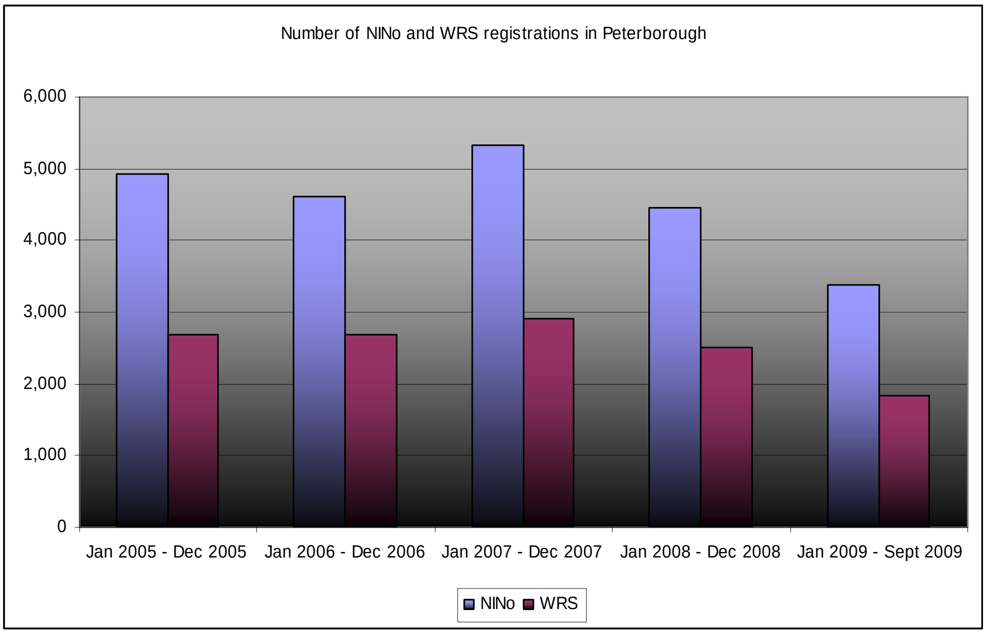
Figure 44: Worker Registration Scheme by Nationality in Peterborough



Source: New Link Centre, Peterborough

The Worker Registration Scheme (WRS) figures show that between 2005 and 2009, WRS figures were at their highest in 2007 with the highest number of registrations overall being from Polish migrants.

Figure 45 : Number of NiNo and WRS registrations in Peterborough



Source: Migration Indicators Tool, ONS

According to Home Office data, the majority of people who have registered for work in Peterborough have registered for factory related work (e.g process work, packing, warehouse work.)

A study of migrant workers in Peterborough was undertaken in June 2009 by the University of Salford. The studies assess the views and experience of migrant workers on the benefits and challenges of living and working in Peterborough. Supporting the data above, the report identifies that the predominant migrant groups in the city are Polish, Czech. Slovak, Portuguese and Lithuanian.

Future Considerations

There is a need to monitor intentions and aspirations of migrant communities at regular intervals, recognising differences between ethnic and national groups.

Peterborough was and still is a very popular destination for international migrants, particularly those from Eastern and Central Europe. The city has seen a surge in migrants after the enlargement of the EU in 2004 where EU members increased from 15 to 25. Economic drivers were the key reasons to relocate; to take a job they had been offered, to earn more money or to come to look for work.

As identified earlier in this assessment, Peterborough has a higher than average proportion of low skilled jobs for which English language skills are not essential. This is very attractive to migrant workers. Additionally, low cost housing is readily available making it a very attractive location. The city is very accessible to low skilled jobs which are located in neighbouring districts with excellent road/rail connections. In addition, Peterborough has a very diverse community making it easier for migrants to settle due to lower levels of racial tensions compared with other towns and cities in the country. Initially many migrants came alone to work but as it has been easier to settle here, they have brought over their families which in turn is leading to incomes being spent more locally as opposed to wages being sent home to their families, thus contributing to the Peterborough economy.

Throughout the years, migration numbers have remained steady in Peterborough however, there has been a change in the patterns of nationalities looking to settle in the city. Migrants in the city are a temperature gauge of what is happening internationally. For example there was a surge in Polish migrants in 2005/6 but these have since tailed off as the country's economy has picked up. More recently there has been a surge in Latvian migrants as their economy is struggling in what is thought to be the deepest recession in the EU.

Despite the range of skills and qualifications that migrant workers often have, there is a tendency to undertake work that is not commensurate with their previous occupation or status in their home country. It has been found that migrant workers are often found in low paid work with limited occupational mobility. This can be due to the need of finding a job as soon as possible, as well as the often temporary nature of their employment, which can create a situation whereby people settle for particular jobs.

Migrant workers have been traditionally associated with lower skilled occupations however as their technical and language skills are improving, this is changing and they are beginning to seek higher skilled jobs. They are considered to have an excellent work ethic and ambition and are thought of very positively by a number of local businesses. It has also been highlighted that migrant workers in the city are essential in filling a skills gaps. One large company in the city even stated that if it wasn't for migrant workers readily available in Peterborough, they would have relocated to another part of the country.

Another concern of migrant workers is the lack of regulation and care when people are in employment, which can lead to exploitation and can often act as an obstacle to social cohesion. Segregation of new migrants through poor pay, long hours and shift pattern working can limit their capacity for integration into their working environment and life outside of it. There have been concerns about the impact of migrant workers on employment opportunities of the indigenous population however previous research shows no adverse conditions on either.

Challenges ahead

Wanting to learn English is a significant draw for many post enlargement migrants to the UK (Floodgates or Turnstiles, Institute for Public Policy Research). however one of the key challenges is the need to improve language provision. There are currently large waiting lists of people who have signed up to go on ESOL courses but due to the popularity of the course and shortage of courses, some waiting lists are up to a year. In order to attract the higher value jobs into the city, it is essential the local population can speak English fluently.

The large number of different nationalities and cultures arriving in Peterborough post 2004 created many challenges for both new and settled communities. These issues include

- Learning English – many migrant workers have limited or no English language proficiency. There is insufficient English Language provision across the City as numbers of migrants have increased at a faster rate than anticipated. Whilst the lower paid employment sector often does not require high level English skills, many migrant workers that originally intended to stay for a short time in seasonal work, have now decided to settle in Peterborough and have brought their families here.

- Access to services – Migrant workers do not have the understanding of how systems work in the UK, rights and responsibilities, how the education systems work and our laws and regulations to name a few. Language difficulties can also provide a barrier to access and interpretation and translation policies need to be implemented across the Public Sector and beyond

- Appropriate information and advice – Services often have a lack of understanding of who these new communities are, what services are needed and how best to appropriately meet these needs

- Employment and Exploitation – many migrant workers come with skills and experience from their home country that could help fill skill gaps within the city. There is a need to identify these skills and work with employers to match their needs. At the lower end of the Employment Market, 'picking, packing and plucking' there is evidence of considerable exploitation in terms of pay and conditions.

- Community tensions, both inter and intra community – A lack of understanding of different cultures and negative media portrayals can often result in increased levels of perceived and actual tensions between communities and increased levels of hate crime.

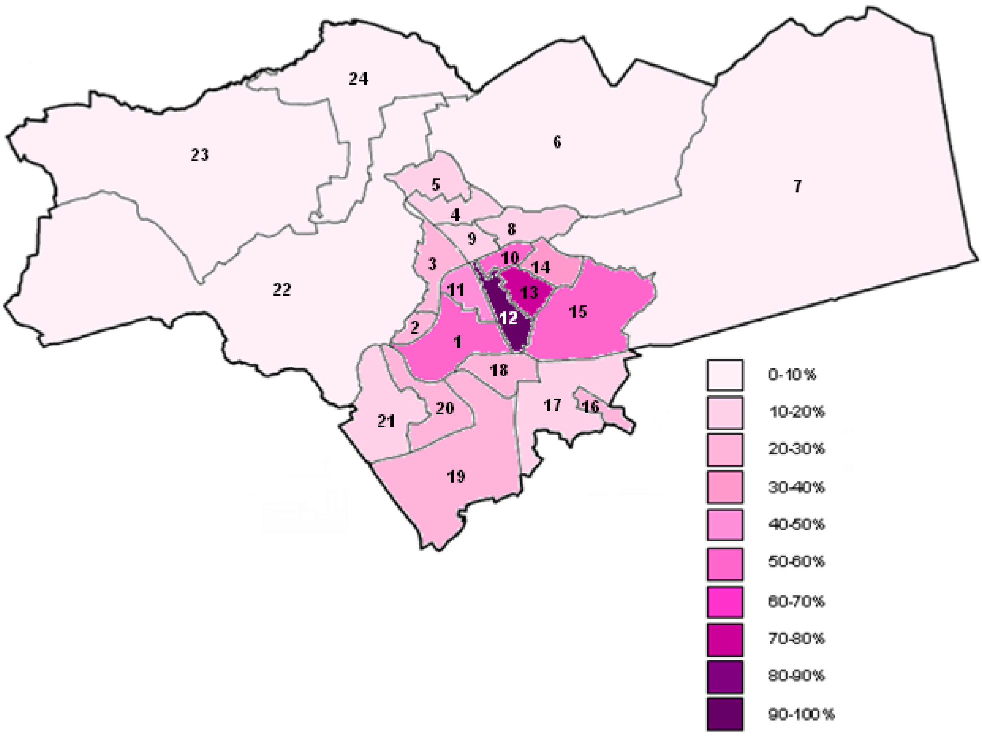
- Housing – The arrival of large numbers of migrant workers with no accommodation saw an increase in demand for privately rented housing. A number of rogue landlords took advantage of this opportunity for business and migrant workers often found themselves exploited in overcrowded accommodation with poor conditions and facilities. These properties were often to be found in neighbourhoods where there had previously been family homes where people knew their neighbours and there were good community relations. The sudden arrival of many young single men in overcrowded accommodation, impacted very negatively in some areas of Peterborough, particularly around the Millfield and New England areas, resulting in neighbourhood conflicts and negative attitudes to migration per se in many instances.

7.7 English as additional language and minority ethnic new arrivals in city schools

The impact of the high numbers of new arrivals has affected city schools and colleges too. The numbers of children coming from an ethnic minority background has been growing steadily over the past few years. The map below shows the percentage of each wards child population that come from an ethnic minority background.

The map shows that the urban areas of the city have higher percentages of children from an ethnic minority background. Central ward (12) has the highest percentage of ethnic minority pupils in the city with 91.5%. However, Barnack ward (23), which is one of the rural areas of the city has the least amount with 3.9%.

Figure 46: Percentage of Pupils from an Ethnic Minority Background by Ward



NB: Year 1 to 11 pupils only

Source: January 2010 School Census, PMI Team, PCC

The number of children with English as their second language is also increasing within the city. The table below shows the percentage of children from year 1 through to year 11 who have English as their second language.

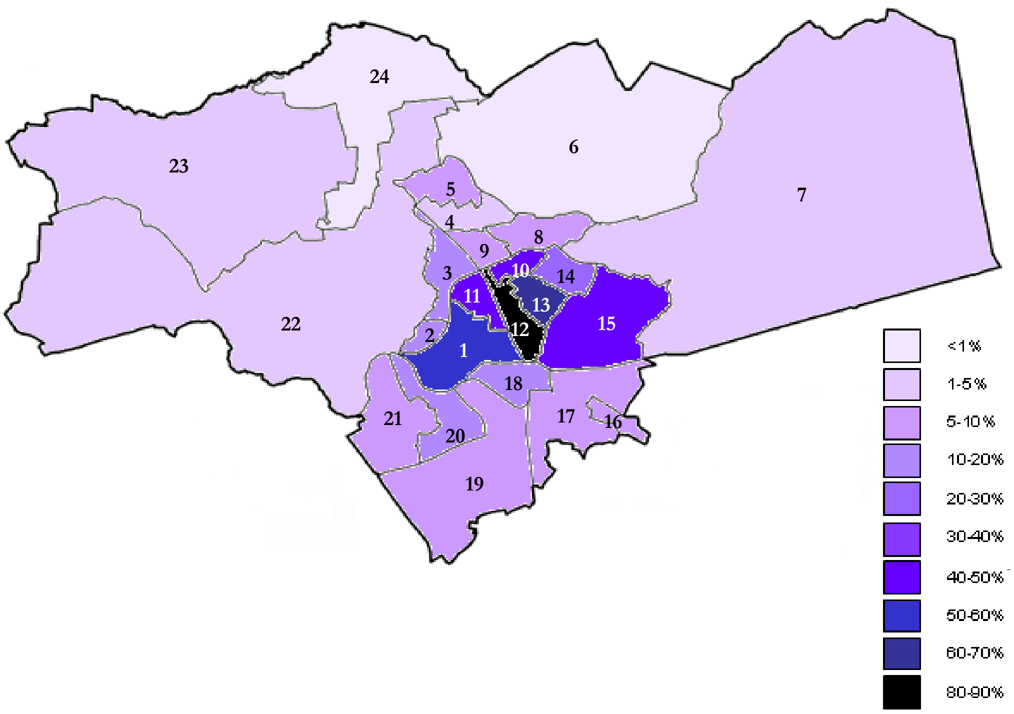
Table 16: Children with English as their second language

	2005	2006	2007	2008	2009	2010
Primary	17.80%	19.40%	21.70%	25.10%	26.60%	28.48%
Secondary	14.00%	15.60%	17.20%	19.00%	20.60%	21.78%

Source: January 2010 School Census, PMI Team

The following map shows the proportion of children with English as an Additional Language (EAL) across the city.

Figure 47 : Percentage of Pupils with English as an Additional Language (EAL) by Ward



NB: Year 1 to 11 pupils only

Source: January 2010 School Census, PMI Team

The distribution of children and young people with EAL is very similar to that of the ethnic minorities map. The wards with the highest EAL are Central (12), Park (13) and West (1). The lowest in the city are the two most rural wards; Northborough (24) and Newborough (6).

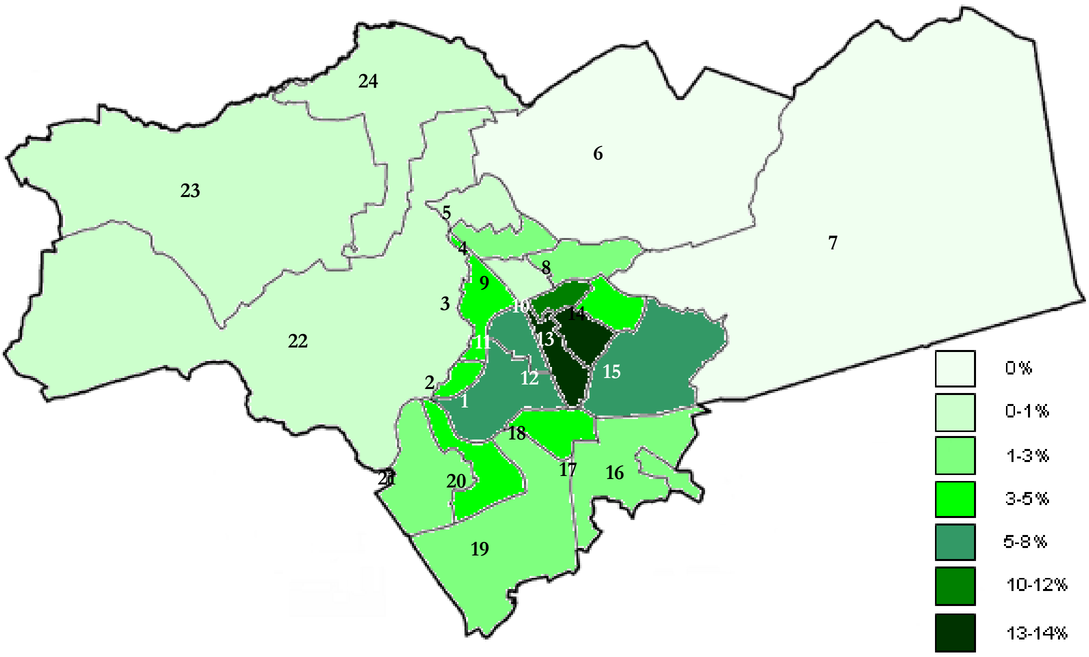
There are currently over 80 languages spoken in Peterborough among school children alone. The top ten languages from the 2010 January School Census were:

1. English
2. Punjabi
3. Urdu
4. Polish
5. Portuguese
6. Lithuanian
7. Slovak
8. Gujarati
9. Czech
10. Chinese

The next map shows the proportion of Minority Ethnic New Arrival (MENA) children across the city. This is an estimate worked out using the following information from the school census:

- Ethnicity is not white British or information not obtained/refused
- Language is not English or not obtained
- School start date is within the last 2 years of census date
- Reception age along with years 1 and 7 are removed

Figure 48: Estimated percentage of pupils who are a Minority Ethnic New Arrival by Ward



Source: January 2010 School Census, PMI Team

The MENA map shows the same similarities in proportion across the city as the Ethnicity and EAL maps. Central ward (12) has 13% MENA pupils compared to 0% in both Eye and Thorney (7) and Newborough (6).

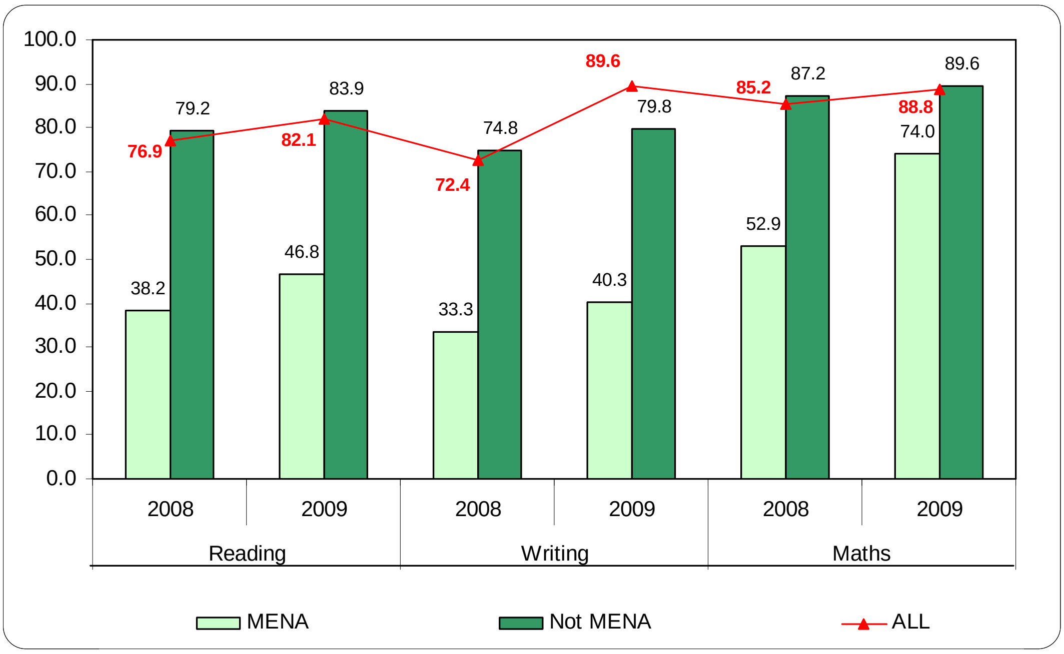
7.7.1 Educational achievement of minority ethnic new arrival pupils

As Peterborough is a 'hot spot' for new arrivals, we have focused on these pupils for the purpose of this assessment.

- The performance of these pupils in **Reading** has steadily improved since 2005 where 23.2% of them achieved the expected level. In 2009, the percentage rose to 46.8%.
- The trend for **Writing** is the same with 2005 showing just 25% of these pupils achieving the expected level. The 2009 results show an increase to 40.3%.
- **Maths** results are always higher because language difficulties don't have as much of an effect. In 2005, 48.2% achieved the expected level compared to 2009 where 74.0% achieved.

These trends are showing that MENA pupils are progressing as well as the rest of their peers and that the gap is narrowing each year. The increase in achievement over the years could suggest that the actions set out by the ethnic minority consultants to ensure children new to the country achieve their potential despite language barriers are working. It could also be the result of teachers having a better understanding of language barriers and are now more able to adapt their teaching styles in order to suit those pupils who have limited English.

Figure 49 : Percentage of Pupils Achieving Level 2 or Higher at Key Stage 1



Source: ABFAB Database, PMI Team

7.8 Gypsies and travellers

Travellers suffer severe levels of economic and social disadvantage. Data for Peterborough shows that the number of caravan sites in the city has increase gradually between January 2009 -2010. There are key issues with this community revolving around educational attainment and health issues.

The CLG bi-annual Count of Gypsy and Traveller Caravans takes place twice a year and records the number of caravans on both authorised and unauthorised sites across England. The information below shows data from the bi-annual count of Gypsy and Traveller Caravans in England, which took place in January 2010. The data for Peterborough shows that the number of caravan sites in the city has increased gradually since January 2009 from 158 to 179 in January 2010.

The following table details the count to January 2010 of Traveller and Gypsy Caravans, with a comparison of 2009 annual figures. The graph includes those sites that are currently:

- Owned by Peterborough City Council
- Privately owned sites
- Sites that do not have planning permission but are ‘tolerated’
- Unauthorised Encampments.

The CLG bi-annual count of Gypsy and Traveller Caravans records caravans but does not include the number of Travellers living in the caravans. The most recent research undertaken relating to Traveller and Gypsy communities in Peterborough by East of England Development Agencies estimated the total number of Traveller and Gypsy individuals including family members at 2000.

Table 17: Number of caravans to date:

	January 2010	January 2009
City Council Sites	2 x Sites & 128 Caravans	2 x Sites & 109 Caravans
Private Sites	9 x Sites & 43 Caravans	9 x Sites & 47 Caravans
U/A Encampments on private land owned by Gypsies/Travellers with no planning permission – tolerated	1 x Site & 4 Caravans	1 x Sites & 2 Caravans
U/A Encampments on private land owned by Gypsies/Travellers with no planning permission – not tolerated	0 x Sites	0 x Sites
Temporary & U/A Encampments on land not owned by Gypsies/Travellers with no planning permission - tolerated	0 x Sites	0 x Sites
Temporary & U/A Encampments on land not owned by Gypsies/Travellers with no planning permission – not tolerated	1 x Sites & 4 Caravans	0 x Sites

Source: CLG, 2010

This annual count is only a snapshot in time as it takes place on a specified day each January. It does not provide the total number of unauthorised encampments that have occurred within the Peterborough area over a 12 month period which for the year 2009/10 was 51 on Council land and 4 on private land and for the period April 2010 to date is 55 on Council land and 10 on private land. Nor does any of this information take into account how many of the unauthorised encampments are undertaken by the same family group.

The Peterborough Strategy for Gypsies and Travellers 2009-14 has an overarching vision to:

"make Peterborough a place where Gypsies and Travellers have equality of life chances and the same opportunities as other members of the community, enabling them to participate, contribute, shape and access services provided by agencies working together and to experience good race relations within and between communities."

It is widely acknowledged that Gypsies and Travellers have the poorest life chances of any ethnic group today. The Strategy states some of the issues of this community in the city.

- Health issues: A recent study by Sheffield University, funded by the Department of Health, has shown that life expectancy for men and women is ten years and twelve years less than the national average respectively. The study showed that average levels of perinatal mortality, still births and infant mortality are significantly higher within Gypsy and Traveller communities than the national average. Self-reported chest pain, respiratory problems and arthritis are also significantly higher than the national average and depression and anxiety are identified as significant issues.

- Educational attainment: In Peterborough, as nationally, levels of attainment of Gypsy and Traveller children and young people are significantly below national averages at all key stages and this gap increases as children get older. A similar picture is seen for rates of school attendance which are lower than that of any other ethnic group. At the end of the Primary phase, the local percentage of pupils achieving the expected level in Literacy was 79% against 40% of Gypsy and Traveller children. In terms of numeracy, 76% of all Peterborough pupils were achieving the expected level, against 47% of Gypsy and Traveller children. These patterns mirror national trends. In the Secondary phase, at the end of Key Stage 4, the position is even more marked, with relatively small numbers of young people remaining in education.

Key actions that arose from the strategy to tackle highlighted issues and ensure that Gypsies and Travellers have equal opportunities are as follows:

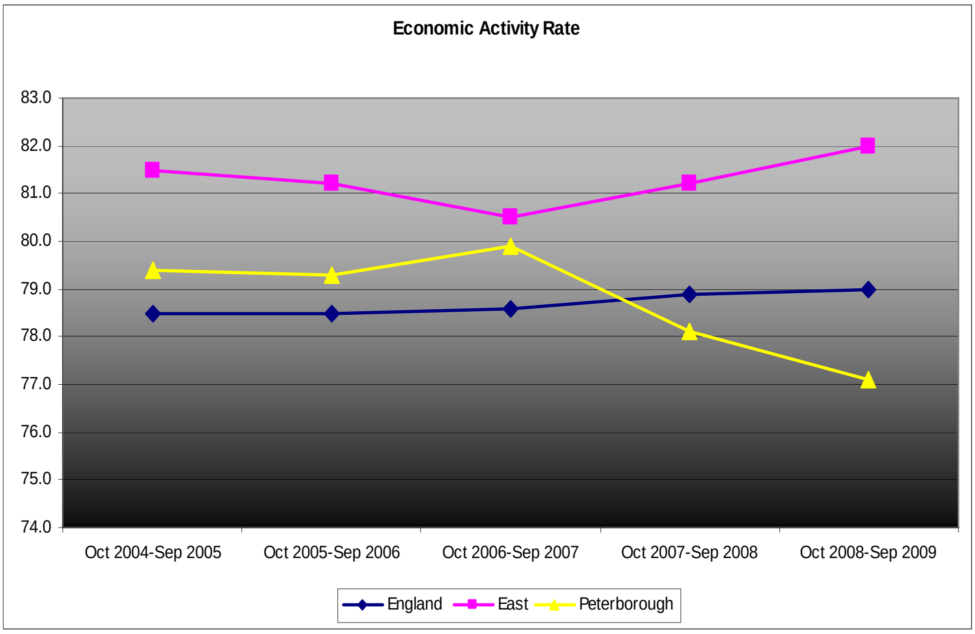
- Strengthen links between mainstream services and Gypsy and Traveller communities
- Tackle racism against Gypsy and Travellers
- Develop sufficient, appropriate, well- maintained sites over the next five years
- Develop a range of appropriate information materials for Gypsies and Travellers
- Deliver a range of quality services for Gypsies and Travellers

7.9 Economic activity

An economically active person is defined as a person who is either employed or unemployed and has been actively seeking work in the last four weeks or is available to start work in the next two weeks. Economically inactive is defined as being out of work and not seeking or available for work. This definition includes students and those unable to work though sickness. Peterborough has experienced a drop in economic activity during the recession.

The economic activity rate is a recognised indicator for assessing labour market participation levels in a particular area. The latest Annual Population Survey data suggests that around 77,000 are economically active in Peterborough. This relates to an economic activity rate of almost 77.1% amongst the city's working age population. This is significantly lower than the national and regional averages, which are 79% and 82% respectively. The graph below shows the trend in the economic activity rate since October 2004. The trend shows that Peterborough has been severely impacted by the recession, as it shows a sharp drop in the economic activity rate after September 2007. The trend is quite different from national and regional benchmarks. The Eastern level average shows that the economic activity rate has actually increased slightly and the national picture suggests that the rate is also showing an increase during this period.

Figure 50: Economic Activity Rate



Source: APS Oct 08/Sept 09 data, Nomis

7.10 Employment rate

Employment rate is defined as the number of people in employment expressed as a percentage of the relevant population. Peterborough's employment rate has seen a sharp decline between 2008-2009.

At the time of the latest data release, the employment rate in the city stood at 69.9% which is below both the regional and national averages of 73.5% and 70.5% respectively. Since 2004/2005, Peterborough's employment rate has gradually declined, however it was on a par with the national benchmark in 2008/09. The latest data suggests that Peterborough's employment rate has decreased at a faster rate than that of England and therefore the gap between the city and the national figure has widened.

Table 18: Employment Rate

% working age	England	East	Peterborough	Peterborough (Numbers)
Employment Rate	70.5	73.5	69.9	73,800
Male Employment Rate	75.6	79.3	75.7	39,900
Female Employment Rate	65.5	67.7	64.1	33,900

Source: APS Jul 09/Jun 10 data, Nomis

Figure 51: Employment Rate

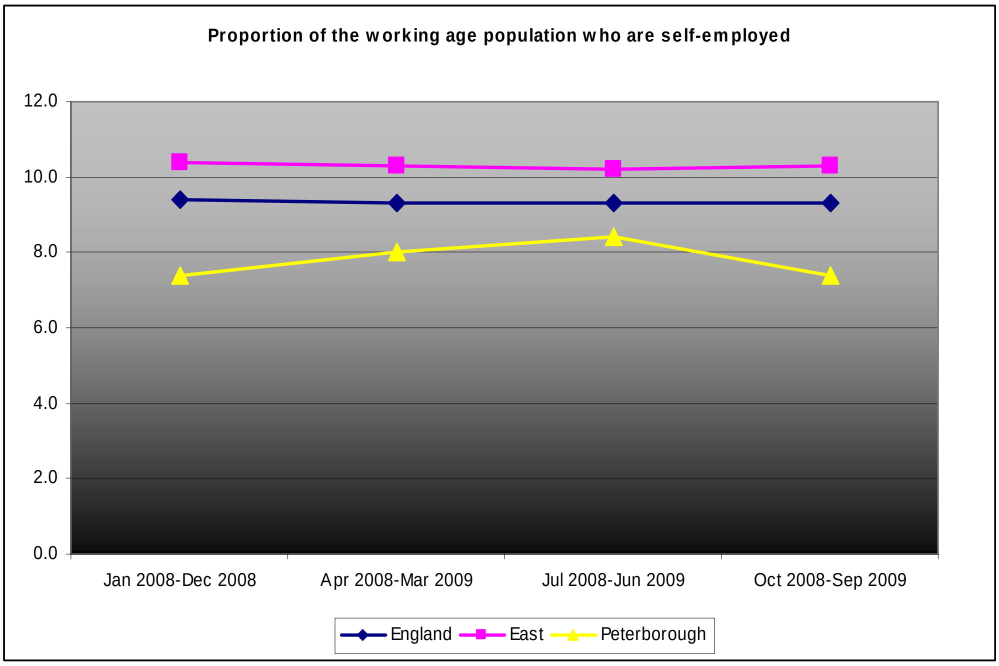
Source: APS Jul 09/Jun 10 data, Nomis

7.11 Self employment

Peterborough has relatively low levels of self-employment and it appears that the recession has seen levels drop drastically.

Peterborough has relatively low levels of self-employment in comparison to the national and regional averages. Over the period Oct 2008 to Sept 2009, 7.4% of the local population was classed as self-employed compared to 10.3% across the Eastern region and 9.3% nationally. The data below also suggests that the recession has potentially affected self employment locally, more so than across England and the region as there is a marked drop in local figures from July 2008-June 2009 to Oct 2008-Sep 2009.

Figure 52: Proportion of working age population who are self-employed



Source: Annual Population Survey, Oct 08 Sept 09, Nomis

Figure 53: Proportion of working population who are self employed by gender

Source: Annual Population Survey, Oct 08 Sept 09, Nomis

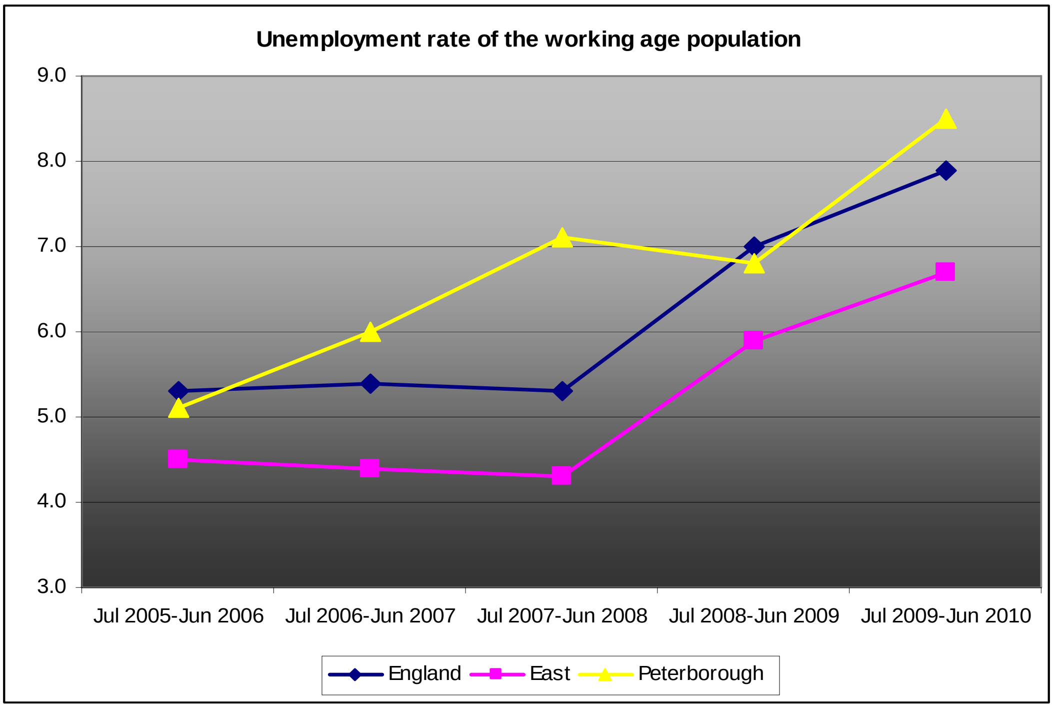
7.12 Unemployment

Peterborough has seen unemployment levels rocket during the recession and levels are currently far higher than the national and regional averages.

The overall trends from the Annual Population Survey data shows that unemployment levels have increased by more than 3% since 2005/2006 with the fastest increase being between 2008/2010 during the recession. The figure also suggests that Peterborough was more severely impacted by the recession than comparative areas with a 1.7% increase between July 2008/June 2009 to July

2009/Jun 2010 whilst England and the East experienced an increase of 0.9% and 0.8% respectively. This is discussed in more detail later on in the assessment.

Figure 54: Unemployment rate of working age population

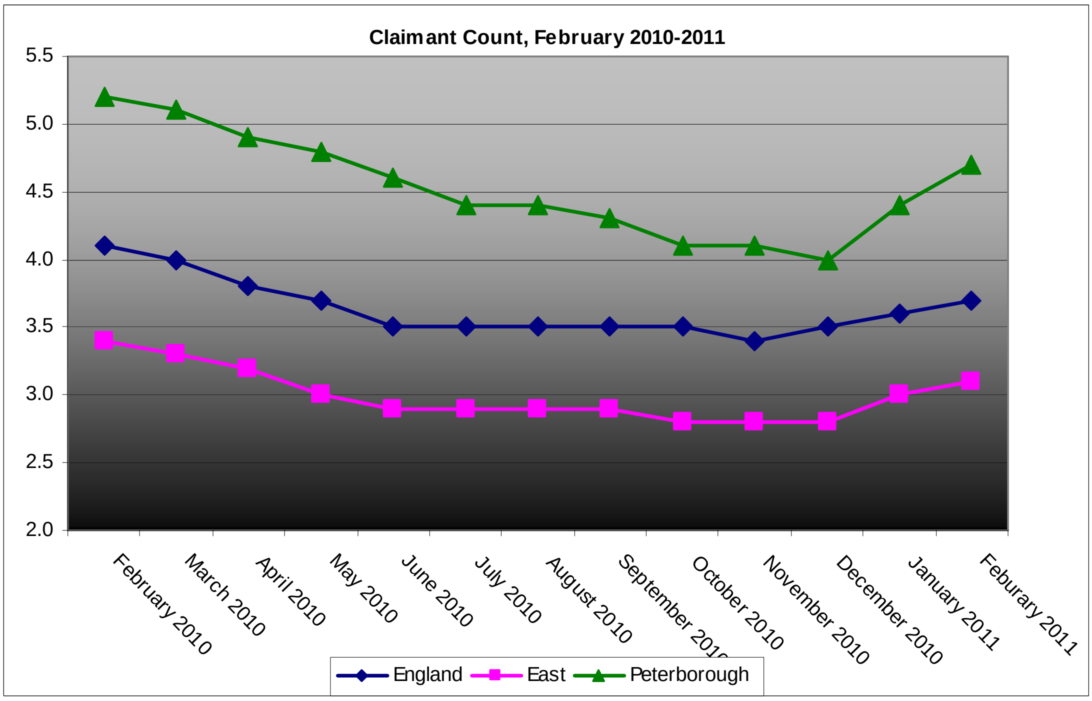


Source: Annual Population Survey, July 2009 / June 2010, Nomis

One of the most reliable and up to date indicators to measure the impact of the recession on employment is the Jobseekers Allowance Claimant Count.

Claimant count benefit claimants are people who are out of work claiming Jobseekers Allowance. The figure below shows that after 10 consecutive months of decreasing unemployment, there has been an increase in 2011 so far and the rate currently stands at 4.7% from 4.4% last month. This equates to a total of 5277 claimants in Peterborough, an increase of 828 since the beginning of the year.

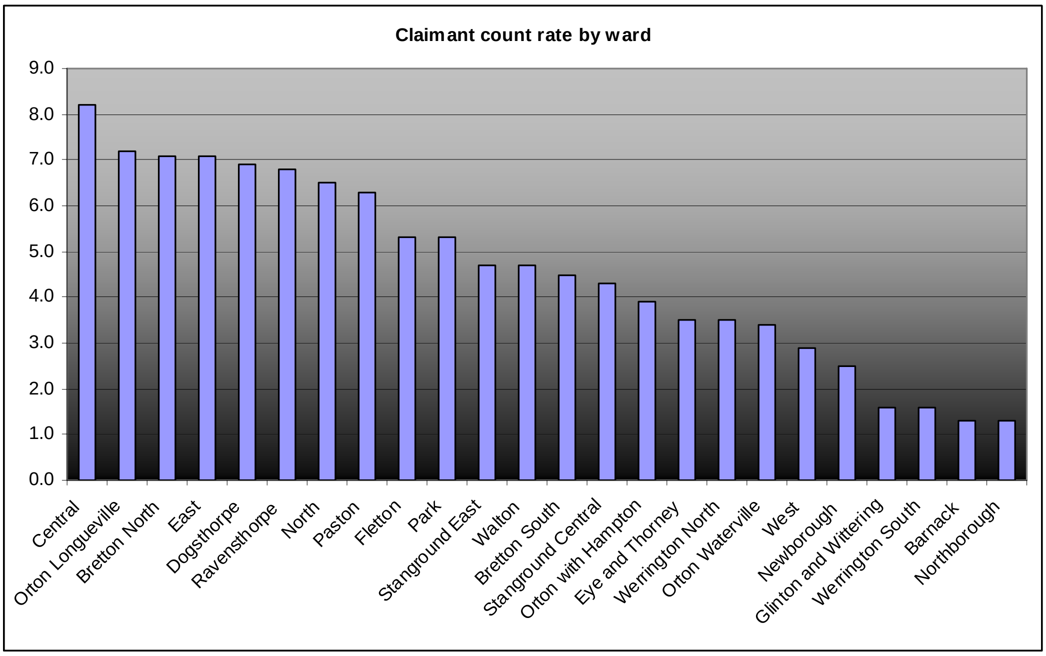
Figure 55: Claimant count rate



Source: Claimant Count rates and proportions. Nomis, August 2010

The figure below presents the claimant count by ward. It shows that at 8.2% Central has the highest proportion of claimants. Following closely behind are the wards of Orton Longueville and Bretton North who's claimant count levels are 7.2% and 7.1% respectively. The lowest proportion of claimants can be found in the rural areas of Barnack and Northborough, which are both at 1.3%.

Figure 56: Claimant count rate by ward



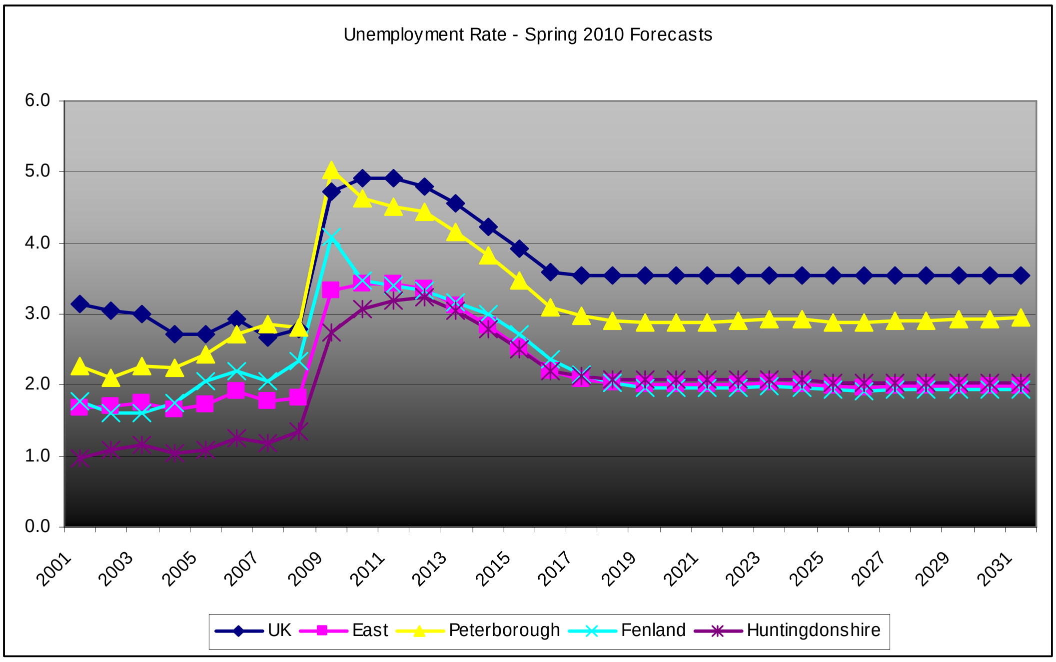
Source: Claimant Count rates and proportions, February 2011, Nomis

7.13 East of England Forecasting Model

The East of England Forecasting Model (EEFM) Spring 2010 provides economic forecasts for the city until 2031.

It is important to remember that the EEFM forecasts are policy neutral. In other words, they assume policies will not change. Therefore it is best to look at them as a way of providing a benchmark to show what could happen if policy-makers do nothing, The figure below presents the Spring 2010 unemployment rate forecasts and compares Peterborough to the neighbouring districts of Huntingdonshire and Fenland. According to these forecasts, Peterborough's unemployment rate reached its peak in 2009. This mirrors national and regional trends as well as those of the neighbouring districts. According to the data, unemployment in the city will begin to drop from 2010 onwards and will level out at 2.9% from 2018.

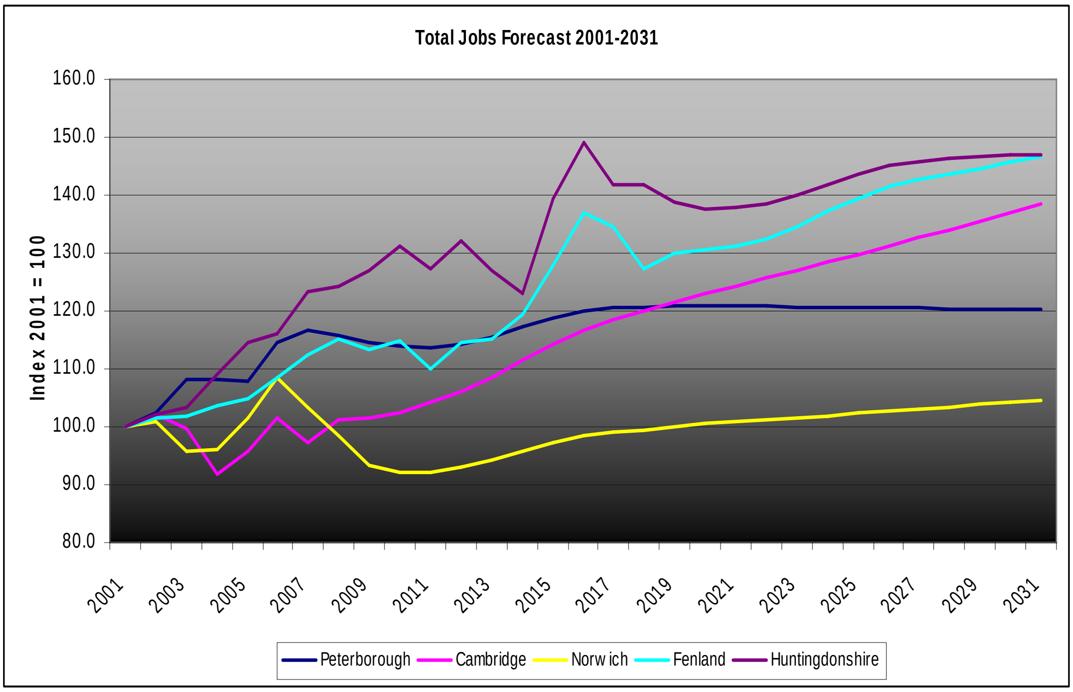
Figure 57: EEFM Unemployment rate forecasts



Source: EEFM Spring 2010 Forecasts, Insight East

The figure below presents the jobs forecast from 2001 to 2031. According to these forecasts, Peterborough's job growth will dip slightly during the recession. Total jobs increase slightly until 2017 and then remain steady from 2017. In comparison to this Cambridge is showing an increase in total jobs after the recession from 2009 onwards whereas Norwich, although has a lower level of total jobs than Peterborough is also showing a steady increase post recession. Pro-active marketing for inward investment is required to ensure jobs continue to increase beyond 2017 to tackle levels of unemployment. It is essential that there are a sufficient amount of jobs to cater for the population forecasts predicted for the city between 2008-2031.

Figure 58: EEFM Total jobs forecasts

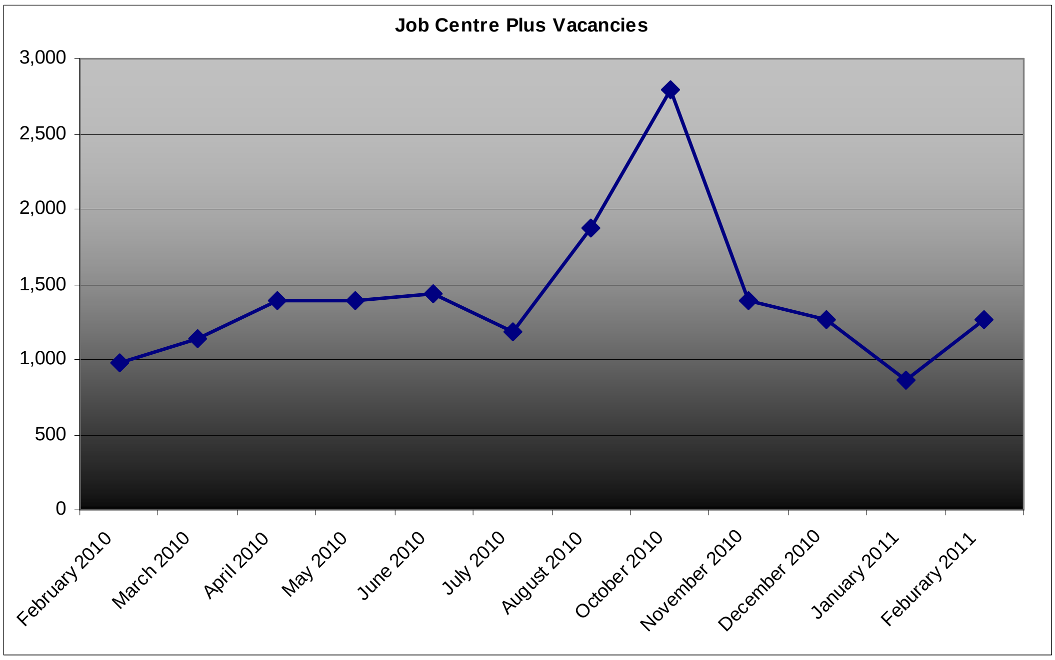


Source: EEFM Spring 2010 Forecasts, Insight East

7.14 Notified vacancies at Jobcentre Plus

Notified vacancies at Jobcentre Plus are a good indicator of short term employment prospects. The figure below presents the total notified vacancies in Peterborough. It shows that during the 12 month period from February 2011, notified vacancies reached a peak in October 2010 with 2,796 vacancies. January 2011 saw the lowest number of vacancies over the twelve month period at just 859. However January is traditionally the time when job vacancies are at their lowest as seasonal employment is coming to an end. The number of job opportunities has increased by 47% between January and February 2011.

Figure 59: Notified job vacancies



Source: Jobcentre plus vacancies, Nomis, February 2011data.

The table below presents the change in Jobcentre Plus vacancies between 2007 and 2010 by industry. Peterborough is showing a number of anomalies. Vacancies in manufacturing have increased by 89% in the city whilst England has seen a 5% decrease and the eastern region has seen an increase of just 9%. Vacancies in the transport and communications sector in the city have increased from 19 in 2007 to 91 in 2010 which equates to an increase in vacancies of 379% whilst England and the region have seen a decrease in vacancies in this sector. The banking, finance and insurance sector (one of Peterborough's key sectors) has seen a 4% increase in vacancies since 2007 whereas England has experienced an increase of 15% and the region an increase of 29%.

Table 19: Change in Jobcentre plus vacancies by occupation between 2007-2010

Industry	England	East	Peterborough
Agriculture and fishing	34%	84%	-
Energy and water	64%	190%	-
Manufacturing	-5%	9%	86%
Construction	4%	-2%	55%
Distribution, hotels and restaurants	15%	9%	63%
Transport and communications	-11%	-37%	379%
Banking, finance and insurance, etc	15%	34%	4%
Public administration, education & health	23%	79%	41%
Other services	41%	33%	263%
Total % change	15%	29%	30%

Source: Jobcentre plus vacancies, Nomis, September 2007 & 2010 data

8 Skills

Education, skills and training are recognised as major contributors to future economic growth and success of an area. Developing a robust and sustainable economy depends on a workforce that is able to accommodate, changing environmental and advancing technology and also ensure they have the most current qualifications required in a specific sector. Low adult skills levels increasingly puts pressure on the economy through difficulties in recruitment, worklessness and low rates of progression. It is essential for there to be collaboration between the university and employers as it can encourage links and confidence between highly skilled people and develop local opportunities whilst also attracting investment from outside the region.

According to the Skills Survey undertaken by Trainagain, May 2010, it was confirmed that the majority of employers in the city think training is important. The survey found that the majority of companies deliver induction training and undertake compulsory training within the first 6 months of recruitment.

According to the Trainagain report, skills shortages refer to the need for new people with the right skills to join the workforce of a particular sector. This forms the bulk of Further Education work, training people to fit job vacancies of the future. Skills gaps, on the other hand, are about existing people in the workforce not having the right skills perform the job they are doing. This is a very specific problem which requires a specific remedy. It delivers the skill to the person who is required to do the job.

The East of England Skills Insight report, June 2010 suggests that employment growth over the next five years is forecast to be dominated by business services. This is a broad ranging sector, encompassing, for example, professional services(e.g. lawyers, accountants, architects), R&D, property related services, recruitment agencies, cleaning companies, call centres marketing and travel agencies. Growth in employment is expected across most parts of the service sector with retail and hotels and restaurants responsible for the next largest shares of new jobs. A growth is predicted in the public services sector but this may be optimistic with regard to the coalition government's public expenditure constraints. However, a growing population is likely to place increasing demands on public services. The construction sector is forecast to regain most of the jobs during the recession. However, job losses, in manufacturing are expected to continue. A further 20,000 losses are expected over the next five years.

8.1 Qualifications of the working age population

Qualification Levels and their equivalents:

- **No qualifications: No academic; vocational or professional qualifications**
- **Level 1: 1+ "O" levels/CSE/GCSE (any grade); NVQ level 1; Foundation GNVQ**
- **Level 2: 5+"O" levels; 5+ CSEs; 5+ GCSEs (grade A-C); School Certificate; 1+ A levels/AS levels; NVQ level 2; Intermediate GNVQ or equivalents.**
- **Level 3: 2+ "A" levels; 4+ AS levels; Higher School Certificate; NVQ level 3; Advanced GNVQ or equivalents**
- **Level 4/5: First degree; Higher Degree; NVQ levels 4-5; HNC; HND; Qualified Teacher Status; Qualified Medical Doctor, Qualified Dentist, Qualified Nurse; Midwife; Health Visitor or equivalents.**
- **Other qualifications/level unknown: Other qualifications (e.g. City and Guilds; RSA/OCR; BTEX/EDexcel); Other Professional Qualifications)**

According to Insight East, (Skills Insight Report, June 2010) poor skills levels is an issue throughout the region. The report suggests skills levels in the East of England compare unfavourably with many of our domestic and international competitors. This is in part due to the low public funding particularly for post-16 provision. It appears that the region also suffers from a "training deficit" with firms and individuals less likely to participate in training of any form than their counterparts elsewhere. The under 25's are the most disadvantaged age group.

The East of England also has the lowest number of degrees per capita in the UK. Despite some high profile universities, it appears that for the region as a whole, local higher education access for residents is very limited. More specifically Peterborough is said to be within a “cold spot” for higher education.

The skills levels of the local workforce influence an area’s occupational and wage structure. These consequently impact on the output and productivity of an area. National research also shows that those with higher levels of qualifications are more likely to be in employment and that high level skills are needed to meet employer demands. The table below shows that the proportion of people holding higher level qualifications in Peterborough (NVQ3/4) is considerably lower than the national and regional averages. Around 27% of the working age population in England possess NVQ level 4 qualifications compared to just under 21% in Peterborough. We should see a positive change in these figures in future years with the development of the university in Peterborough. This is discussed in more detail later on in the section.

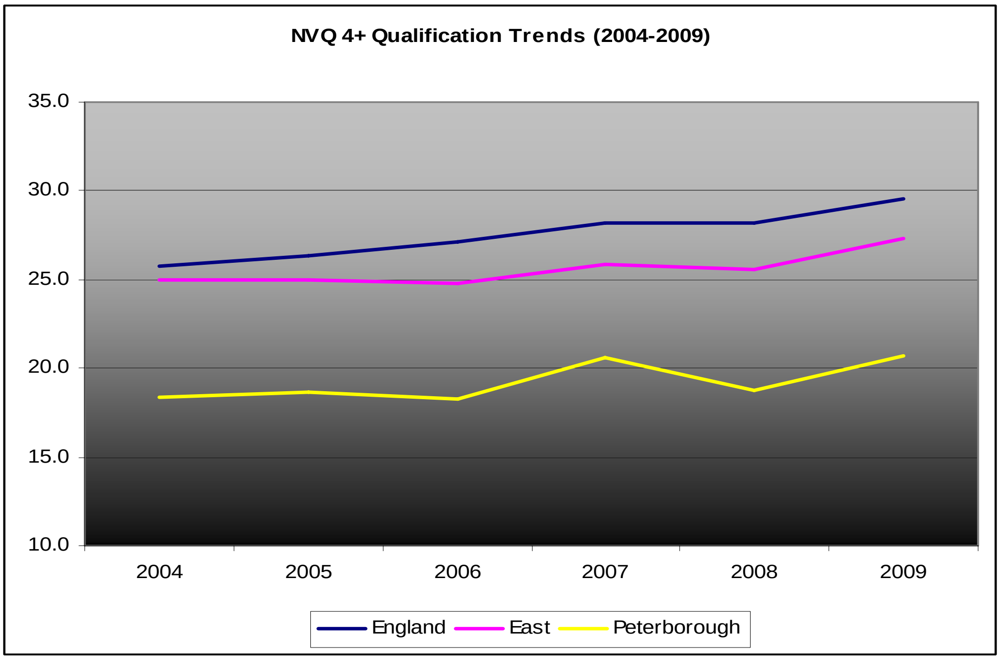
Table 20: Qualification levels of the working age population

	England (%)	East (%)	Peterborough (%)
NVQ4+	29.6	27.3	20.7
NVQ3+	48.9	46.9	37.5
NVQ2+	65.0	64.2	55.1
NVQ1+	79.0	79.9	72.5
0ther qualifications	9.0	8.8	13.3
No qualifications	12.1	11.3	14.2

Source: Annual Population Survey, Jan 2009 –Dec 2009

The figure below shows the NVQ 4+ qualification trends for Peterborough and compares them with England and the eastern region. It shows that NVQ4+ qualifications in Peterborough are well below average although they are beginning to show an upward trend.

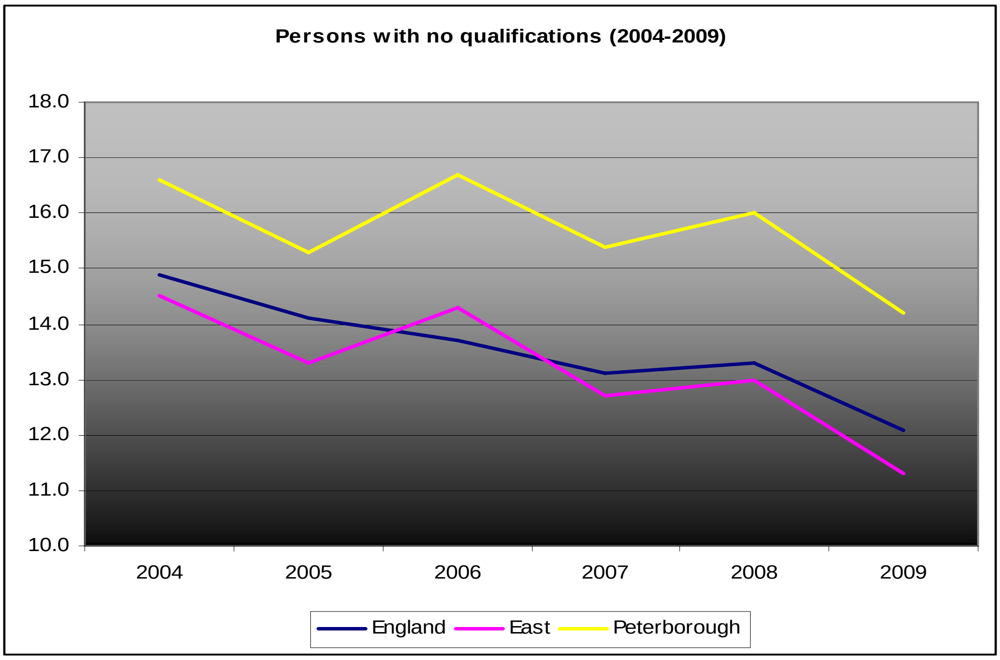
Figure 60: NVQ 4+ qualification levels



Source: Annual Population Survey, 2004-2009

The graph below presents the people in Peterborough with no qualifications. Although this is showing a downward trend, there are still a considerably higher proportion of working age people in Peterborough with no qualifications. The proportion of people in Peterborough with no qualifications currently stands at 14.2% and at its highest in 2007, was 16.7%.

Figure 61: Persons with no qualifications (2004-2009)



Source: Annual Population Survey, 2004-2009

8.2 Key Stage 4 Performance Trends

The table below presents the results of the KEY Stage 4 results in Peterborough for the school year 2008/2009. It shows that Peterborough is underperforming against all the indicators when compared to the national averages.

8.3 Level 2 performance by age 15 (2008/2009) and comparison with national figures

Table 21: Level 2 performance by age 15

	Level 2 (5+ A*-C including maths and English GCSE's	Level 2 (5+ A* - C)	Average total point score per pupil
Peterborough	40.6%	62.6%	393.5
England (all schools)	49.8%	70.0%	413.5

www.dcsf.gov.uk, 2008/2009

Table 22: Key stage 5 performance

	Number of pupils at the end of Key Stage 4	Percentage of pupils who achieved GCSE and equivalent				
		5+ A*-C grades	5+ A*-C grades including English and Maths GCSEs	5+ A*-G grades	5+ A*-G grades including English and Maths GCSEs	Any passes
England	574,142	70.0	50.9	93.7	92.2	98.7
East	64,830	69.0	52.0	93.9	92.7	98.7
Peterborough	2,182	62.2	40.7	90.6	87.0	97.6

Source: www.dcsf.gov.uk, 2008/2009

8.4 Further Education:

8.5 GCE 'A' Levels

The table below presents GCE results and compares them to the national and LSC level average. The results show that the average points score per student and per examination entry in Peterborough is well below the LSC and national average. This suggests under performance in schools in the city. These poor qualification levels mean that fewer people will make it into higher education and thus will have a direct impact on wage and occupation levels and also the proportion of people in the city entering higher education.

Table 23: A-level average points score

	Average point score per student	Average point score examinations entry
Peterborough Average	651.6	203.3
England Average (excluding independent schools	726.5	211.1

www.dcsf.gov.uk, 2010

8.6 Individual School Performance (Ofsted Gradings)

The current Ofsted gradings for secondary schools in the city are as follows:

Table 24: Ofsted gradings for secondary schools

Date	Provider Name	Provider Type	Grade
11/11/2009	Arthur Mellows Village College	Maintained School	Outstanding
01/05/2007	Bushfield Community College	Maintained School	Good
24/06/2010	Hampton College	Maintained School	Outstanding
05/03/2010	Jack Hunt School	Maintained School	Good
26/02/2008	Ken Stimpson Community School	Maintained School	Satisfactory
27/02/2008	Orton Longueville School	Maintained School	Satisfactory
04/03/2010	St John Fisher Catholic High School	Maintained School	Satisfactory
04/12/2008	Stanground College	Maintained School	Satisfactory
22/11/2007	The King's School (the Cathedral School)	Maintained School	Outstanding
14/11/2008	The Voyager School	Maintained School	Satisfactory
08/07/2010	The Thomas Deacon Academy	Non-maintained	Good

The current Ofsted gradings for post 16 provision across the city are as follows:

Table 25: Ofsted gradings for post 16 provision

Date	Provider Name	Provider Type	Grade
11/11/2009	Arthur Mellows Village College	Maintained School	Good
01/05/2007	Bushfield Community College	Maintained School	Good
24/06/2010	Hampton College	Maintained School	Good
05/03/2010	Jack Hunt School	Maintained School	Good
26/02/2008	Ken Stimpson Community School	Maintained School	Good
27/02/2008	Orton Longueville School	Maintained School	Satisfactory
04/03/2010	St John Fisher Catholic High School	Maintained School	Satisfactory
04/12/2008	Stanground College	Maintained School	Satisfactory
22/11/2007	The King's School (the Cathedral School)	Maintained School	Good
14/11/2008	The Voyager School	Maintained School	Satisfactory
08/07/2010	The Thomas Deacon Academy	Non-Maintained Academy	Good
18/04/2008	Peterborough Regional College	General Further Education College	Satisfactory

8.7 Academies

Academies are publicly funded independent schools, free from local authority and national government control. Other freedoms include setting their own pay and conditions for staff, freedoms concerning the delivery of the curriculum, and the ability to change the length of their terms and school days.

Free schools are all-ability state-funded schools set up in response to parental demand.

The Schools White Paper also makes reference to an expected increase in the numbers of academies in the coming years. They describe this as being the norm in the near future. Peterborough has a substantial and growing Academy sector. Peterborough now has 5 secondary sector Academies (Arthur Mellows, Kings, Ormiston, Bushfield and Thomas Deacon) and Orton Longueville has recently had approval to become an academy from September 2011. This leaves currently 7 non academy secondary schools soon to be 6 and at least two of the remaining 6 are also looking into becoming an academy. Academies are publicly funded independent schools, free from local authority and national government control. Other freedoms include setting their own pay and conditions for staff, freedoms concerning the delivery of the curriculum, and the ability to change the length of their terms and school days.

Free Schools are also part of the Government's vision. Free schools are all-ability state-funded schools set up in response to parental demand. Free Schools will be set up by a wide range of proposers – including charities, universities, businesses, educational groups, teachers and groups of parents – in response to parental demand, to improve choice and drive up standards for all young people, regardless of their background. Free Schools will provide an inclusive education to young people of all abilities, from all backgrounds, and will be clearly accountable for the outcomes they deliver. Peterborough local authority has invited interest in a free school to be located on the old Hereward school site in the centre of the city.

These new schools will have the same legal requirements as academies and enjoy the same freedoms and flexibilities to help them deliver an excellent education and drive up standards in our schools across the country, particularly in disadvantaged areas. These freedoms include:

- the ability to set their own pay and conditions for staff
- greater control of their budget
- freedom from following the National Curriculum
- freedom to change the length of terms and school days
- freedom from local authority control.

Like academies, they will be funded on a comparable basis to other state-funded schools and will not be profit making

8.8 Peterborough Regional College

Peterborough Regional College is now a vocational college providing education and training provision for those aged 14+. It has a wider range of further and higher education courses and has around 7000 students enrolled in total. It serves the city as well as surrounding areas which include rural and semi rural areas. The college comprises a main campus as well as another two smaller sites. Courses are offered from pre-entry to higher education and there is provision in 14 subject areas. Almost 7000 students in total. In 2009/10, the college enrolled:

- 3088 full time students
- 3827 part time students
- 3069 16-18year olds
- 3486 19+ students
- 400 work based learners especially in construction, engineering and hairdressing.

The colleges work in partnerships is good and results in provision that meets both the local community and business needs well. The College has a large number of established partners made up of both public and private sector organisations.

There is a longstanding partnership between the college and a large local engineering company. The apprenticeship provision taught by the college has been influenced in content and delivery mode by this company. Similarly, higher education provision has been designed for employees in engineering.

The colleges work in partnerships is good and results in provision that meets both the local community and business needs well. The college has a large number of established partners made up of both public and private sector organisations.

Peterborough Regional College is made up of 3 sites. Along with the main Park Crescent Site, the college has 2 further sites. These comprise the City Learning Centre which offers computer training and free English and maths courses and the Broadway Media and Journalism Centre.

8.9 City College Peterborough

Peterborough Adult Learning Service, of which City College Peterborough is the hub, has an annual turnover approaching £5m and a throughput of around 6,500 learners.

In spite of being a relatively small provider, the breadth and scope of provision offered is substantial and the Service is proactive in seeking new business. It is active in all three areas of funded provision: 14-19, Adult Responsive and Employer Engagement.

City College Peterborough (CCP), delivers a wide range of programmes and courses for young people and adults including employability skills, NEET prevention, personal development, interests and hobbies. During the 2009/10 academic year, over 6,500 students attended at least one course through CCP and the College works with over 160 business in and around the City. CCP also delivers a number of Apprenticeship programmes.

CCP has a reputation for helping young people and adults achieve their potential delivering a range of part-time and full-full time programmes.

CCP works with the City Council and schools providing part-time and full-time programmes for 14-16 year olds at risk of being disengaged from school. Students on this programme benefit from working in small, supportive groups learning work-related skills combined with support with their English, Maths, ICT and personal development skills. Groups include MENA cohorts who need additional support with their English to help them integrate into schools and the local community.

Peterborough has a wide range of ethnic groups living in the city and experienced an influx of migrant workers over recent years. The city is also a designated location for Asylum seekers and refugees and the College supported over 700 students attending ESOL programmes to achieve a recognised English qualification to help them integrate into their local community and improve their career prospects. City College Peterborough is a designated Home Office site for people living and working in the local community to sit their British Citizenship test and the College also works with local ethnic groups and faith centres to promote community cohesion through learning and development. A group of faith leaders from one of the City's mosques recently completed a teaching qualification course (PTTLS) to help them pass on their skills within the local community.

Courses are delivered at the College's Brook Street site in the City centre and at the John Mansfield Campus in Dogsthorpe, and through over 70 schools, community and faith centres across the city.

Businesses can also benefit from a wide range of programmes delivered either through the College or on their own premises. Employers currently working with City College Peterborough include Peterborough City Council, Peterborough NHS/PCT, Perkins, Peterborough Environment City Trust, Monarch Automotives, and local franchises including Prontaprint and Cartridge World.

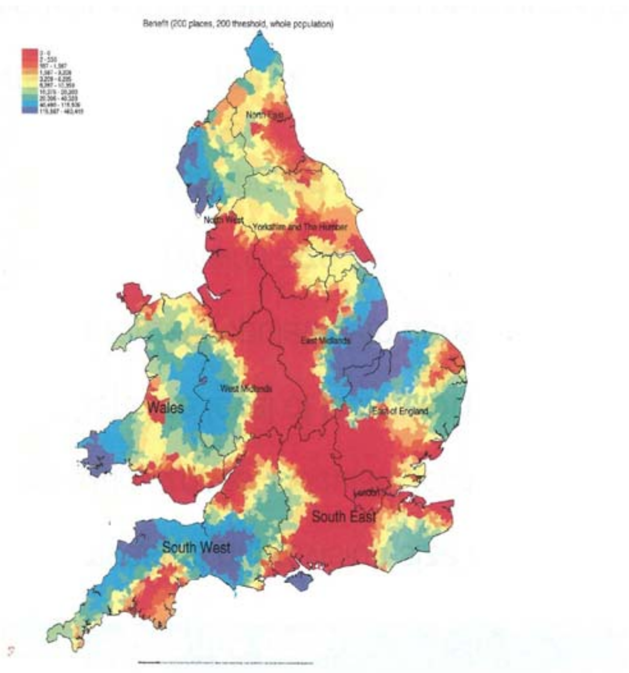
8.10 Higher Education

Creating a university for Peterborough and surrounding region is at the core of the Peterborough City Council's economic strategy and it is one of it's highest priorities. The short to medium term goal is to attract a minimum of 4000 higher education students to study in the city (at present 1000 / 1500) by

2015/16. This is essential if the city is to raise the skill levels of residents and will thus contribute to the creation of a vibrant and dynamic city.

Peterborough sits at the epicentre of the county's largest and poorest performing region in terms of take up of higher education, affecting over one million people. It is generally recognised that over recent years this situation has had an adverse impact on the skills levels and academic achievement of the resident population resulting in lower than national average achievement levels. Skill levels and educational attainment are directly linked to economic performance in any location and in Peterborough, this is viewed as a serious threat to the future of the city's prosperity.

Figure 62: Higher education participation in England

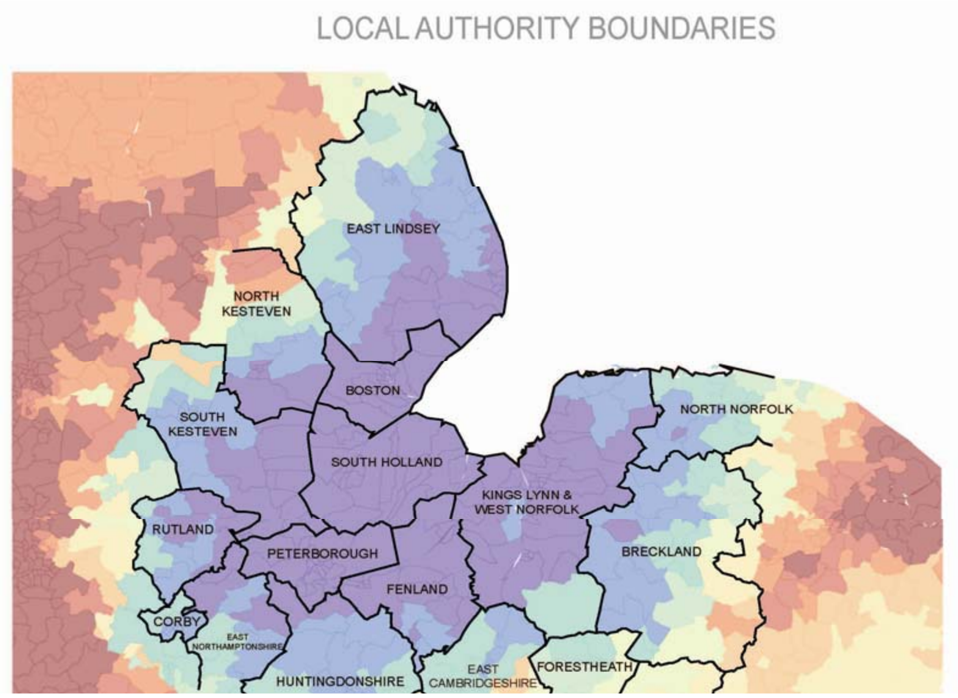


Source: HEFCE

Closer inspection of the region reveals in the extent of the problem. Peterborough's vision is to establish and develop higher education provision that encompasses both teaching, research and business support activities across a broad range of academic disciplines, ultimately establishing centres of academic excellence with national / international profile.

The map below shows Higher Education participation across England and Wales. It demonstrates that Peterborough sits at the heart of the largest and poorest performing region (in terms of Higher Education take up)

Figure 63 : Higher education participation in the East of England



Source: HEFCE

8.10.1 The multi-university concept for Peterborough

To achieve the broader range of higher education provision required and to significantly accelerate the growth in student numbers desired, a 'multiversity' approach to the on going development of higher education in the City has recently been adopted.

Branded 'Universities @ Peterborough', other invited universities (and HE training providers) will join Anglia Ruskin University, University Centre Peterborough and the Open University, already delivering higher education in the City, to significantly enhance and advance the range and scope of higher education provision offered.

The multiversity model has been proven to be successful elsewhere around the country in areas with similar economic challenges. The multiversity model offers Peterborough a way forward that lessens the impact of recent funding cuts in higher education and at the same time, offers new and improved opportunities for partnership working in support of key local employers and important business clusters.

In future years a city centre located higher education campus is planned providing centralised teaching, research and social facilities in addition to student accommodation.

8.10.2 University Centre Peterborough

A joint venture between Anglia Ruskin University and Peterborough Regional College – with support of Peterborough City Council – secured £9 million funding for the construction of a bespoke higher education building that opened in October 2009.

University Centre Peterborough (UCP) offers a range of full and part-time higher education programmes designed to equip students with work-ready skills to support local businesses. UCP has a particular remit to increase the number of students progressing from further to higher education.

In addition, Anglia Ruskin University plans to open a refurbished building in the south of the city later this year. This will expand the range of health-related courses they deliver currently provided at Peterborough District Hospital. These are likely to include midwifery, radiography, physiotherapy and veterinary nursing. A key objective of the establishment of a University Centre is to support and assist the growth and performance of key business sectors within the area.

Student numbers at the university have increased from 212 FTE's in 2009/10 to 540 FTE in 2010/11.As well as local students, around 80 students are from around the UK places as far away as Dorset and Newcastle. UCP which currently holds around 32 degree courses requires 4000 students in order to gain full university status.

The key issues that have been highlighted in further developing the university to this level is the lack of infrastructure in the city to support the student experience including culture, retail and leisure amenities, student accommodation and overall a safe student friendly environment. All of which are currently absent, preventing UCP from being a university of choice for many students.

With the changes in government and tuition fees trebling in 2012, the target of 4000 students will become tougher to achieve. In this difficult economic climate, the short to medium term vision is to gain university college status with a long term aim (10-15 years) of becoming the University of Peterborough.

Many companies in the city are finding it extremely difficult to recruit and retain people with the right skills in the city, especially the higher skilled employees. Many organisations in the city who have recruited high calibre staff find they move on after they have gained experience and generally retaining staff in Peterborough is highly challenging. Once they have gained the correct experience, they tend to move out of Peterborough. Local organisations have highlighted the importance of growing our own skills to ensure retention of local talent and preventing skills migrating out of the area. As suggested by the data provided by Annual Survey of Hours and Earnings, the better paying jobs in the city are taken up by people commuting in from outside the city. These high earners will also tend to spend their money elsewhere.

8.11 NEETS

Peterborough faces a tough challenge to reduce the proportion of NEETS in the city. Tackling this issue in turn, will reduce the proportion of people who are considered to be economically active.

Peterborough is regarded as a city of low aspirations which has a detrimental effect on skills levels in the city as achievement is strongly linked to aspirations. Research suggests that those regarded as NEET (Not in Education, Employment or Training) comprise several groups by virtue of dropping out of a course or losing a job. Research suggests that disengagement at this age can have disastrous repercussions and cause problems in the community in the form of nuisance and crime, leads to long-term costs in increased criminality, welfare dependency, housing and a wide range of social and economic factors. Lack of aspirations and issues around worklessness are intergenerational issues in the city –a culture of worklessness. The consequences of this are that individuals not breaking out of the cycle of worklessness experienced by their parents and staying in deprived areas can lead to spatial concentrations of worklessness as those who do break the cycle and move into employment may also move away from deprived areas.

The intergenerational impact of worklessness has formed an important aspect of debates around the culture of worklessness. Expectations of parents and community impact significantly upon social mobility and career choice.

These cultures of worklessness are characterised by: lowered incentives to work where peers are also unemployed and the informal economy has a strong pull factor, and a view of joblessness as unproblematic within a context of lowered aspiration, and short term horizons. (Understanding worklessness people and communities: a literature review, Helen Ritchie et al)

As most young people who find themselves in the NEET category have left school with no formal qualifications. Without intervention, it is likely that a large proportion of NEETs will end up featuring in the long term unemployed category. Although qualifications are not necessary for a number of jobs at entry level, where employers are most interested in attracting candidates with the right attitudes and social skills, evidence suggests that young people are realistic about the kind of jobs they aspire to, but their lack of social skills still makes it difficult for them to be successful and short term training initiatives for this group often have an adverse impact, by raising the prospects of securing a job.

The Apprenticeship Schools Children and Learning Act sets out the national aim to raise participation to 90% at age of 17. The target is based on a focus to re-engage disaffected young people, improve standards of vocational education and skills, stretch talented young people and also provide a competitive economy. Schools will be more responsible for the progression of their students and therefore the standard of careers advice and guidance provided at school will become imperative in making positive transitions into the labour market. Concerns have arisen from businesses regarding the basic skills of young people leaving education and many young people choosing to take vocational routes are unclear about the progression choices to make. Moreover, few young people who receive no qualifications in school go on to receive a good standard of education. The Act sets out clear progression routes for those studying at varying levels in chosen occupations strengthening the progression and status of vocational routes. Improving educational attainment often involves early intervention and identification of issues.

Reducing the proportion of young people who are not in education, employment or training (NEET) was a key priority for the last government and continues to be so for the new administration as well as for Peterborough. Being NEET between the ages of 16-18 is a major predictor of later unemployment, low income, teenage motherhood, depression and physical health. (Source: Connexions). According to the East of England Participation Study, (EEDA, 2008) Peterborough, along with Thurrock have the highest NEET rates in the region although there is an improving downward trend.

There are two key reasons for the high proportion of NEETS in the city. Firstly schools are purely focused on A-Level provision which forces many students not typically suited to these academic qualifications to drop out. Secondly there is a high proportion of people and an increase in those in the autistic spectrum learning difficulties and disabilities. There is also a high teenage pregnancy rate in the city and therefore a high proportion of young girls not available to work putting them in the NEET category.

Table 26: 16-18 NEET data:

	Nov 10		Nov 09	
	%16-18 NEET	% 16-18 not known	%16-18 NEET	% 16-18 not known
Peterborough	8.2%	1.7%	9%	2.8%
East of England	5.9%	5.4%	5.9%	4%
National	6.1%	5%	6.5%	4.4%
Statistical neighbours average	7.9%	6.2%	Data not available	

Source: Connexions, Peterborough

At the end of November 2010 around 8.2% of 16-18 year olds were NEET (not in education, employment or training) which represents 524 young people, a decrease of 24 from Nov 2009. The proportion of “not known” remains one of the lowest rates both regionally and nationally and means we know what most young people are currently doing. Therefore Peterborough’s NEET rate is very accurate in contrast to the national and regional averages. If you compare Peterborough to other areas on the combined NEET and “not known” category, the city fairs much better. Many areas could be said to keep their recorded NEET figures low because they fail to confirm that the young people are disengaged.

The target for levels of NEET for Peterborough is 7.1%. An analysis of current data suggests that it is unlikely that the local authority will achieve this target although NEET figures are expected to fall compared with 2009 figures.

Of the 524 NEET young people in Peterborough:

- 108 are not available for work (mainly 73 teenage parents/pregnant, 24 through illness)
- 13 have a start date agreed for education, employment or training.
- 357 are actively seeking education, employment or training.
- Highest pockets of NEETs are in the following wards: Orton Longueville (47), Dogsthorpe (40), East (38)

- Young people with qualifications below level 2, who've been involved with Youth Offending Service, attended alternative provision pre 16, who are care leavers, teenage parents or who have moderate learning/emotional behavioural difficulties are over-represented in the NEET group.
- Young people with English as an additional language are increasingly at risk of being NEET due to limited access to ESOL courses, though a new course through City College Peterborough is due to start in late November.

The proportion of young people aged 16-18 accessing learning (participation in learning) has increased to 84.5% in December 2010 compared to 77.9% in December 2008. This includes those in schools, colleges as well as work based learning.

Peterborough Regional College has responded to the challenge of reducing the amount of young people who are NEET throughout the year. The college has successfully delivered the contract for the Youth East ESF provision. The college is the county lead for the Cambridgeshire Youth East ESF contract, in this role they have facilitated the delivery of short engagement programmes that lead to the progression for young people in Cambridgeshire. The contract is nearing completion and will have delivered or exceeded profiles in all areas.

The college has offered places to 108 learners who are NEET. 103 of these learners took up places. Not all learners were entered in for examinations, however the key aim of the programme is to engage learners who are hard to reach.

City College Peterborough also has a key focus on NEET provision. The College delivers Foundation Learning programmes designed for NEET prevention for young people aged 16-18 in a wide range of subjects including motor mechanics, office skills, ITQ, hairdressing, catering and hospitality, construction and creative crafts. The programme is designed for NEET prevention and will enable students to gain a work-related qualifications combined with additional support to improve their English, Maths, IT and Personal Social Development skills. Over 400 students will benefit from this initiative during the current academic year.

Current challenges:

Between January and July 10, NEET levels were lower than they had been the previous year. This was due to a number of factors including focused work to engage NEET young people through a January Guarantee and additional government funding for around 130 extra places in learning for 16-18 year olds between January and March.

In August 2010, NEET levels rose to 11.3%, the same as the previous year. From September to date, figures again showed a small improvement on last year.

Peterborough's performance will be measured on the average NEET percentage over the 3 months November 2010 to January 2011. Overall we need to reach an average of 7.1% NEET during this period to meet the national target. Last year's performance was 8.5% overall. In practice this means there needs to be around 170 fewer 16-18 year olds to be NEET during Nov – Jan than there are currently.

Current and future actions:

There are a number of challenges and future actions in place to mitigate the issues:

- Work over the summer to engage with young people at risk of becoming NEET, and a range of programmes and activities to support their access to services and to learning opportunities through the September Guarantee

- The Next Steps event which takes place in late August (following GCSE results) with local learning providers – over 120 young people attended last year over the 2 day period for help and advice and to sign up for courses

- Early identification of and support for potential NEET young people at the start of Year 11, using predictive risk profiling with schools

- On-going tracking, support, outreach and follow up work with school/college leavers and NEET young people, including targeted support via locality teams and the connexions Youth Access Point in the Central Library.

- Partnership working with Job Centre Plus, e.g Under 18s Adviser working from Youth Access Point and supporting young people to access New Deal when they turn 18

- Appointment of a Young People's Employment Adviser to increase the number of young people securing work and training

- Development of new Foundation Learning courses and related opportunities for NEET young people, including a course aimed at young people whose first language is not English in partnership with City College

- Development of city wide NEET engagement programmes offering informal learning and development to support young people in finding work/learning, in partnership with a range of organisations including Peterborough United, Cross Keys Homes and Mears.

8.12 Citywide apprenticeship strategy

As employees, apprentices earn a wage and work alongside experienced staff to gain job-specific skills. Off the job, usually on a day-release basis, apprentices receive training to work towards nationally recognised qualifications. Anyone living in England, over 16 and not in full-time education can apply.

Apprenticeships can take between one and four years to complete depending on the level of Apprenticeship, the apprentices' ability and the industry sector. The minimum salary is £2.50 per hour; however, many apprentices earn significantly more. With university tuition fees set to rocket, it is thought that the popularity of apprenticeships will increase dramatically over the next few years.

A citywide apprenticeship strategy is being developed with key stakeholders. The key stakeholders being:

- The National Apprenticeship Service
- Opportunity Peterborough
- Peterborough City Council
- The Chamber of Commerce

A draft apprenticeship strategy will be in place by the end of November 2010. The Apprenticeship week in February 2011 will form a major catalyst for generating interesting in Apprenticeships and in increasing the number of apprenticeship places available across the city.

The 100 in 100 campaign is due to be launched in 2011 and will be hosted by University Centre Peterborough. It has a target of generating 100 new apprenticeship vacancies in 100 days. It is clear that local businesses are keen to develop the skills levels in the city.

The misconceptions around apprenticeships are posing an issue for the city. Many people associate apprenticeships with professions such as bricklayers and builders however there are over 190 apprenticeships across many sectors. Many people also associate apprenticeships as being for young people however there are 3 levels available for those aged 16 and over and as there is no age restriction for these, an increase in funding it high apprenticeships, they will be available to a wider range of people. Take up for these is expected to increase as university tuition fees become unaffordable for many.

Peterborough Regional College currently offers apprenticeships and advanced apprenticeships in 6 sector subject areas: Engineering, construction, business administration, hospitality, hair, childcare, health and social care. In 2009/10 268 apprentices and 251 advanced apprentices, including 242 new starts were on programmes, compared to 551 apprentices and advanced apprentices were placed with over 200 different employers. Due to current market of construction industry, more full time construction programmes have been offered to meet local demand.

City College Peterborough also works with young people, adults and employers delivering Apprenticeship programmes. CCP offers Apprenticeships in Dental Nursing, Business Administration, Customer Service, Team Leading, IT User, IT Professional and Motor Vehicle.

8.13 14 -19 curriculum pathways and progression

All 14 -19 learning pathways are available across the city. With the general qualification route (GCSEs and 'A' levels) being offered predominantly through the school providers and the vocational offer through the Peterborough Regional College and City College Peterborough.

The Foundation Learning pathway is offered in some schools but, predominantly at post 16 this is offered via the colleges.

A range of 'Diplomas' is offered in the city and these are well supported by business. Their most successful of the diplomas in terms of learner interest has been focused at post 16 and in the following sectors:

- Society, health and Development
- Media and Creative Arts
- Business Administration and Finance.

8.14 Employer engagement 14 -19

The city has a 14 -19 Employer Engagement Strategy and this has now been adopted as a providing a model for employer engagement across the city.

The 14 -19 team is currently working closely with Opportunity Peterborough and financial resources have been re-located to Opportunity Peterborough to support and promote this dialogue.

Work has continued linking employers with schools and colleges to support the delivery of work related learning.

A 'Big Conversation' event was held in November 2010 which brought employers and Post 16 students together to discuss young people's first experiences in the workplace and how work experience placements could be made more meaningful.

Peterborough Regional College offers a range of bespoke/full cost courses to meet the needs of employers. In 2009/10 these include courses in modern languages to ICT bite sized courses, food hygiene courses to a range of catering organisations from restaurants to garden centres. Some food hygiene courses have been tailored to particular customer needs. Full cost activity involved delivery of training to 952 employees. Many of these courses are delivered at employers premises. City College Peterborough also offers a range of compliance courses such as food safety, first aid etc together with other employability programmes.

8.15 STEM development

The city has placed a high premium on developing the STEM (Science, Technology, Engineering and Mathematics) business sector, particularly in relation to the environmental aspects of STEM. It has been acknowledged that the current government see investment in this area as being highly important in relation to future economic growth. In response to these developments, Peterborough Children's Services are using 14 -19 Targeted Capital funding to invest in the development of a 14 -19 STEM Centre within the new community football stadium development.

The STEM Centre will be operated and managed by the Regional College and will deliver high quality courses in STEM subjects at level 3. Courses on offer will cover both 'A' Level and vocational qualifications. The STEM Centre will create an important progression pathway for those young people studying STEM subjects into higher education provision in Peterborough via the University Centre Peterborough and to future courses on offer via the Universities @ Peterborough collaboration.

8.16 Childhood poverty

Child Poverty focuses on families, their circumstances and their surroundings. A key aspect is to consider the impact of growing up in poverty on life chances, assessing the formal achievements and informal social capital that underpin social mobility. Proposals for future pilot work include the development of an induction leaflet advising on in-work benefits for those on low incomes. Referral and assessment procedures will be developed to address the question of financial capability, introducing a number of sensitive trigger questions. This will ensure the economic conditions of household composition are considered alongside presenting issues.

8.17 LLDD (Learners with Learning Difficulties and Disabilities

There are around 7,500 children and young people in Peterborough with some degree of special educational needs (SEN), of which around 1,200 have a statement.

Peterborough has consistently recorded higher percentages of children and young people with SEN than the national average, as the table below demonstrates;

Table 27: Percentage of pupils with SEN in Peterborough Schools

	Primary				Secondary			
	2007	2008	2009	2010	2007	2008	2009	2010
England	19.2%	19.5%	19.7%	19.9%	18.3%	19.4%	21.0%	21.6%
Peterborough	23.9%	24.0%	23.6%	22.5%	20.6%	24.4%	24.6%	26.2%

Source: www.education.gov.uk/rsgateway (Special educational needs and additional support SFR, derived from the school census)

The year on year increase of children with SEN, particularly those young people on the autistic spectrum, places a considerable burden on the city in relation to resource need and skills development. Peterborough also experiences higher than average levels of emotional, social and behavioral disorders within the city secondary schools. These disorders are linked to the high levels of deprivation in some areas of the city and can cause issues for young people who are in transition from school into college or full time employment.

Table 28: Percentage of pupils with statements or school action plus in Peterborough Primary schools

	Primary Schools			
	Behaviour, Emotional & Social Difficulties		Autistic	
	2009	2010	2009	2010
England	18.5	18.5	6.2	6.5
Peterborough	15.3	17.2	8.5	9.1

Source: www.education.gov.uk/rsgateway Special educational needs and additional support SFR, derived from the school census

Table 29: Percentage of pupils with statements or school action plus, in Peterborough Secondary schools

	Secondary Schools			
	Behaviour, Emotional & Social Difficulties		Autistic	
	2009	2010	2009	2010
England	30.6	30.3	5.9	6.6
Peterborough	36.1	36.2	5.6	7.0

Source: www.education.gov.uk/rsgateway Special educational needs and additional support SFR, derived from the school census

9 Worklessness Assessment

9.1 Introduction

In Tackling Worklessness: A Review for the Contribution and Role of English Local Authority and Partnerships, Councillor Stephen Houghton highlighted the key role of local authorities in tackling worklessness and recommended that every local authority should undertake a Worklessness Assessment. He outlined a correlation between worklessness and broader health and social problems including economic and social exclusion outlined below.

The previous Government's response to the "Houghton Review", Stepping up to the challenge, agreed that local authorities should undertake such an assessment and that this should be integrated with the duty to undertake a Local Economic Assessment (LEA). The Coalition Government has also prioritised worklessness, recognising the need to address worklessness as an underlying cause of poverty. As such current proposed welfare reform is intended to "get Britain working again"

Tackling long term worklessness is a key priority on the inclusion agenda, with targets to reduce the number of people on incapacity benefits and extra funding in specific areas to support lone parents and disabled people into work. However, in the current economic climate such initiatives become even more important. Research from past recessions suggests that local action is a determining factor in the success of post-recession economies. Flexible working opportunities, work trials and voluntarily work placements can benefit both businesses and employees entering work after periods of unemployment. Training and learning new skills can also prepare people to take advantage of job opportunities when the economy recovers or access the current vacancies that are still hard to fill despite the recession. This involves both tailored support to take account of individual needs and a good knowledge of the local labour market and the barriers to participation.

This assessment is a short report outlining issues related to worklessness in Peterborough within the Local Economic Assessment. A high level of worklessness is associated with adverse social outcomes and is linked to deprivation. The assessment has the potential therefore to underpin efforts to tackle associated social and economic issues.

9.2 What is worklessness?

Worklessness includes everyone who is without a job. Both the unemployed and the economically inactive. Some people have voluntarily left the labour market; reasons for this might include early retirement or care responsibilities. However, some of the economically inactive population would like to work, but might need support to do so, including lone parents and / or those with learning disabilities. These people might be claiming benefits such as incapacity benefits, it is this cohort those economically inactive but who want a job, in addition to the unemployed, that make up the workless population.

Out of work benefit claimants are often used as a measure of worklessness. There are three main groups, those:

- In receipt of Jobseekers Allowance (JSA) –people out of work, looking for work and claiming benefits
- Receiving Incapacity Benefit (IB) –IB, income support, Employment and Support Allowance (ESA) and Severe Disablement Allowance (SDA)
- Claiming Income Support for Lone Parents (ISLP)

The "workless" population also includes those who are available for work, but not claiming benefits. This might include those "Not in Education, Employment or Training" (NEET), and hidden unemployment, for example. Those young people subsidised by parents/guardians, or people affluent enough not to claim benefits. These groups are difficult to "capture" statistically although there is anecdotal evidence to suggest they exist.

The Workless Population is defined by Improvement and Development agency for Local Government as all those people who are out of work but would like a job. This can include those labelled as "economically inactive" in addition to the unemployed who are known as "economically active".

In November 2010, 1,685 people in the city were claiming benefits for over 6 months which equates to a rate of 1.5% compared with 1.1% in England and 0.9% in the region. The proportion of claimants who have been claiming for over 12 months is also above the national and regional averages with 0.9% compared with 0.6% and 0.5% respectively.

9.3 Geography

Peterborough's labour market is relatively self contained with about 60% of Peterborough's residents working in the city. These figures have not changed significantly since 2001, however there has been a slight increase in the number of people working in the city, moving to neighbouring towns and villages such as Stamford and Bourne in Lincolnshire and Oundle in Northamptonshire.

9.3.1 The population of Peterborough

Peterborough has a slightly younger profile in comparison to England and the region. Although the proportion of the 15-29 age group has increased at a slower rate than nationally and regionally, the city still enjoys a higher than average proportion of local population who are of working age.

The Mid Year Population Estimates data suggests that a total of 171,300 people live in the city of Peterborough with approximately 65% falling into the working age population (age 16/64) category which is comparable to both the national and regional averages. Peterborough has a slightly younger profile in comparison to England and the Eastern region with 40% of the population aged 29 and under compared with 38% in England and 36% in the East. Peterborough also has a slightly smaller proportion of people aged 65+ in comparison to the regional and national averages.

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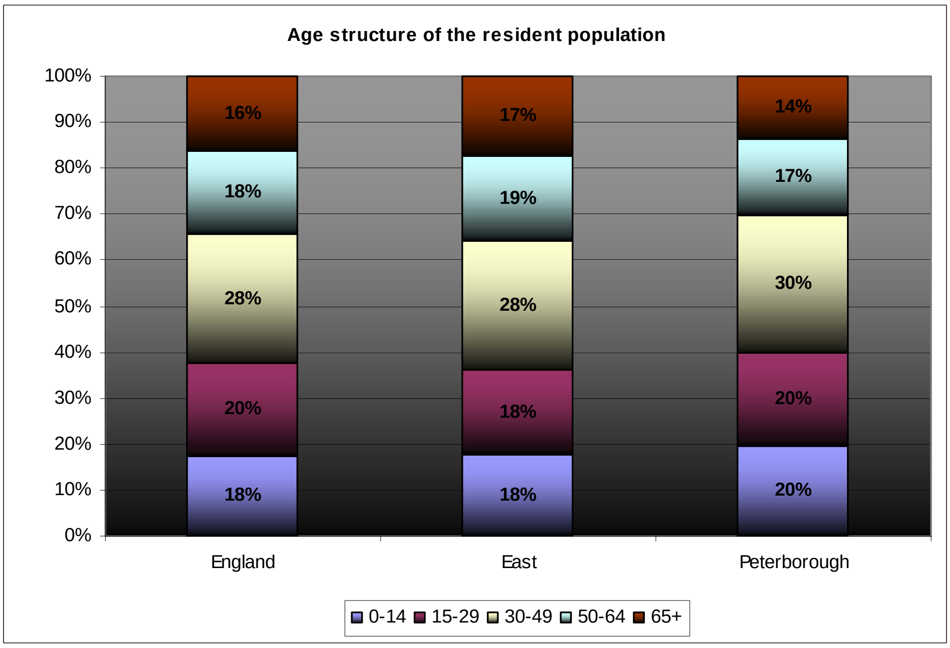
Figure 64: Age structure of the resident population



Source: Mid Year Population Estimates 2009

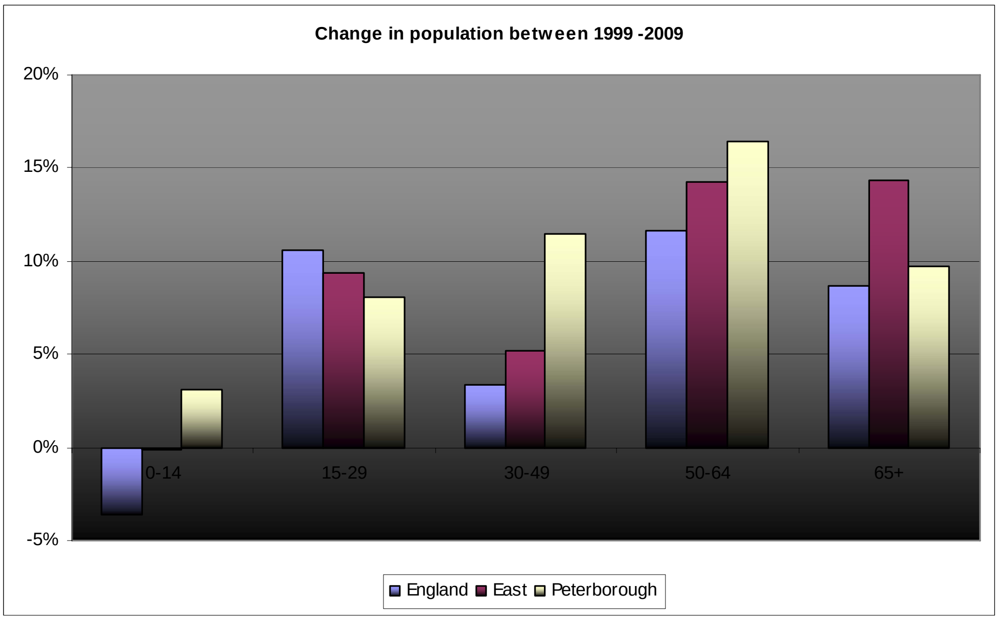
The figure below presents the change in population between 1999 and 2009. It shows that whilst the England and the East of England have experienced a slight decline in the 0-14 age group, Peterborough has seen a 3% increase in this age group.

The 15-29 age group in the city has experienced a slower growth rate than that of the regional and national averages perhaps implying that young people are moving elsewhere for university or work once they have completed their schooling in the city.

Peterborough has seen a massive 27% increase in the 30-64 age group whilst England and the East have experienced an increase of 15% and 19% increase respectively.

Overall there has been a population growth of around 10% in Peterborough (14,900 people) whilst England and the East of England have seen a total growth of 6% and 8% respectively. This growth rate mirrors that of the national picture but is slower than that of the eastern region as a whole which has seen a population increase of around 8% between 1999 and 2009.

Figure 65: Change in population between 1999 and 2009



Source: Mid Year Population Estimates 1999 & 2009

The table below provides a summary of the information provided with a breakdown of the key age groups that are vital for the local economy. There has been an increase of 17.4% in 18-24 year olds in the city and an increase of 11.5% in the local working age population.

Table 30: Change in Peterborough population between 1999 and 2009

Population Summary	1999	2009	% Change
Aged 18-24	13,200	15,500	17.4%
Working Age Population	100,300	111,800	11.5%
Total Population	156,400	171,300	9.5%

Source: Mid Year Population Estimates 1999 & 2009

9.3.2 Population by ethnic group

Peterborough has a higher proportion of non-white population in comparison to the region.

According to the mid year population estimates for mid 2008, Peterborough's population in 2008 was about 13% non white British compared to around 12% in England and around 7% in the region. Peterborough has a significantly higher than average Pakistani population compared with the national and regional averages.

Table 31: Population by ethnic group

	England	East	Peterborough
White	88.2%	91.6%	86.8%
Mixed	1.7%	1.5%	1.8%
Indian	2.6%	1.6%	2.7%
Pakistani	1.8%	1.0%	4.5%
Other Asian	1.4%	1.0%	0.9%
Black	2.8%	1.9%	2.1%
Chinese	1.5%	1.3%	1.1%
Total	100.0%	100.0%	100.0%

Source: Experimental Mid Year Population Estimates 2007

Table 32: Proportion of ethnic minority population

	% White	% Ethnic Minority
England	88.2%	11.8%
East	91.6%	8.3%
Peterborough	86.8%	13.1%

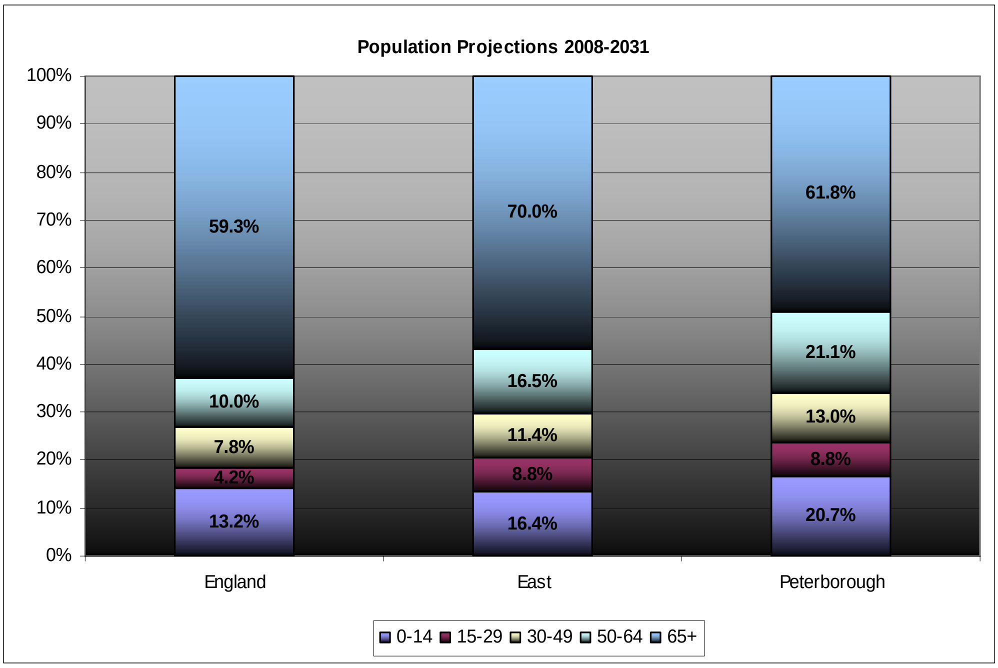
Source: Experimental Mid Year Population Estimates 2007

9.3.3 Forecast population change

Population projections suggest Peterborough's working age population will increase by about 43% between 2008-2031, resulting in a higher demand for jobs in the city.

The sub-national population projections suggest that there will be an absolute increase in the population of all ages. More specifically, there will be a 21% increase in the proportion of 0-14 year olds in Peterborough between 2008 and 2031. This is higher than both the regional and national averages. The working age population in Peterborough is set to increase by around 43% during this period. This is double that of the national average and some 6% higher than the regional average. This suggests that there will potentially be a higher demand for jobs in the city with the working age population increasing at a considerable rate over the next 20 years.

Figure 66: Population projections 2008-31

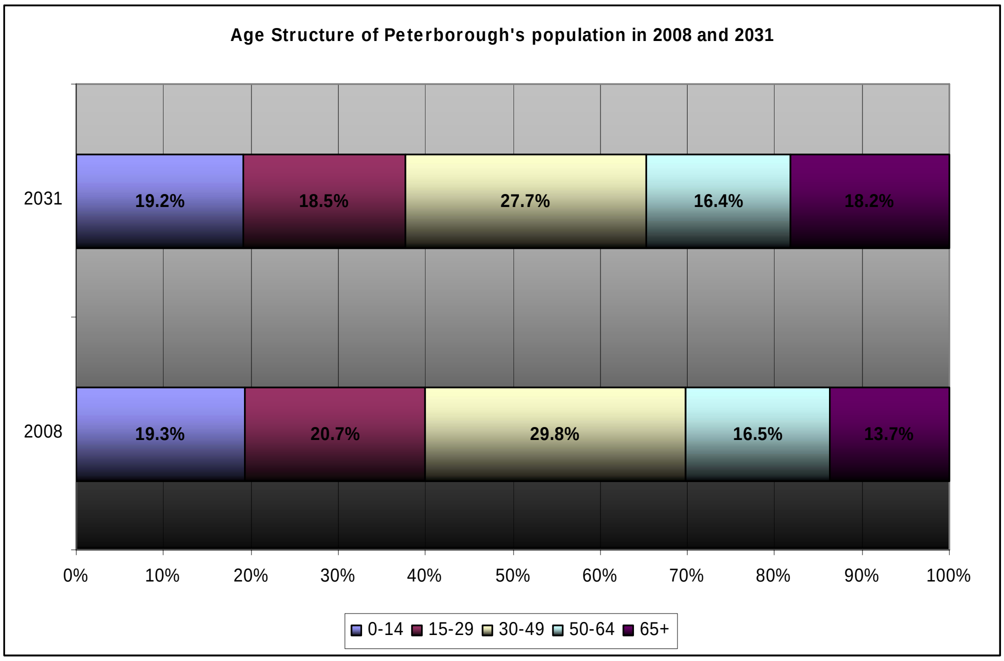


Source: Sub-national Population Projections, 2008 ONS,

The figure below presents the age structure of the population in 2008 and 2031. The age groups appear to make up similar proportions of the overall population in 2031. The 65+ age group is showing the most significant change where there will be a 5% increase in this age group between 2008 and 2031.

9.3.4 Age structure

Figure 67: Age structure

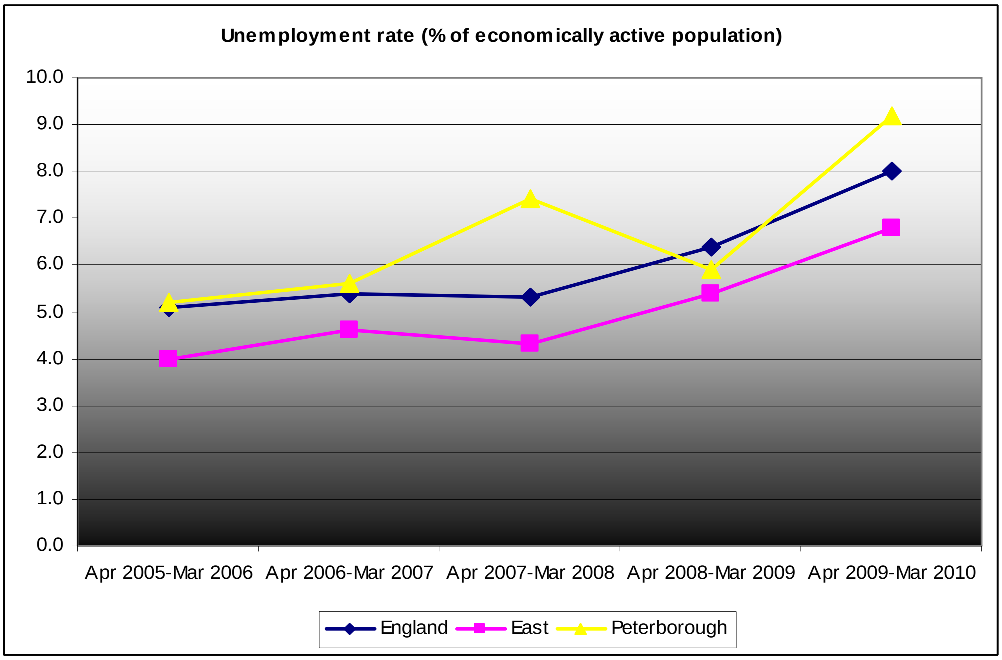


Source: Sub-national Population Projections, 2008 ONS,

9.3.5 Unemployment and economic inactivity

Unemployment levels in Peterborough have tended to be volatile since 2005 and have generally been higher than the regional and national averages. During 2008/9, unemployment levels in the city actually fell to below national levels but have increased again in 2009/10 and currently stand at 9.2%.

Figure 68: Unemployment rate



Source: Annual Population Survey, 2009/10.

Approximately 23% of working age population in Peterborough are economically inactive. This is higher than both national and regional averages. However the proportion of this population who want a job is around 8%, which is higher than the comparator areas suggesting more people who are economically inactive want to work in Peterborough than in the region and country as a whole. The table also demonstrates that the proportion of the ethnic minority population in Peterborough that is unemployed is considerably higher than in England or the region.

Table 33: Economic Inactivity

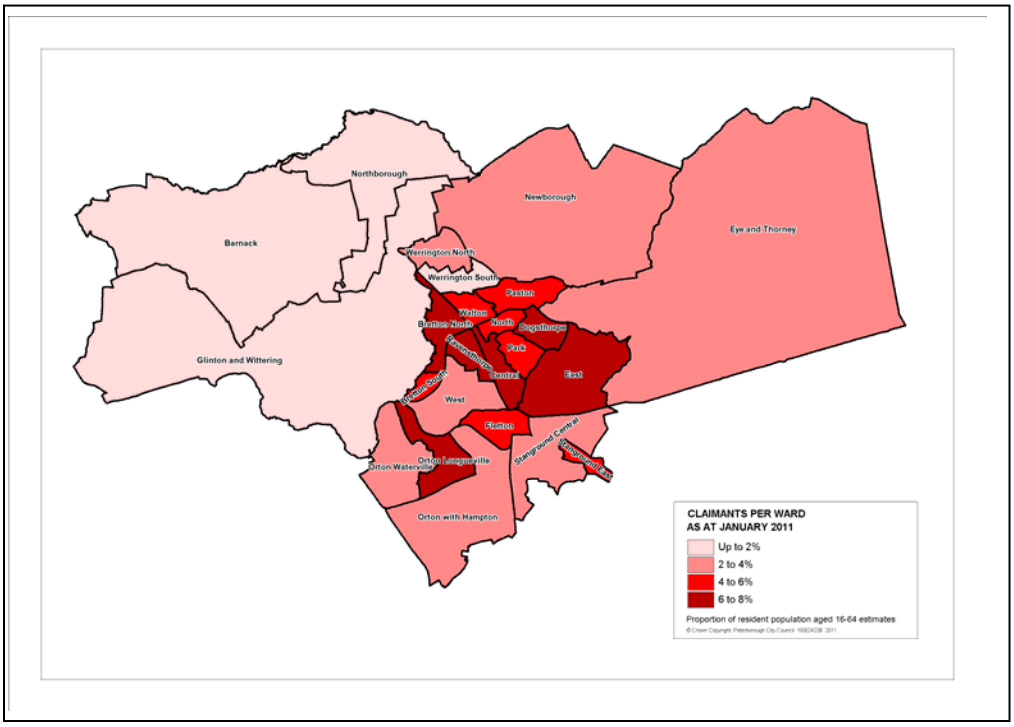
	England	East	Peterborough
% who are economically inactive - working age	21.0	18.0	22.9
% of working age who are economically inactive - want a job	5.5	5.1	7.9
% of working age who are economically inactive - do not want a job	15.5	12.9	15.0
% of ethnic minority of working age who are economically inactive	32.4	26.3	36.6

Source: Annual Population Survey, 2009/10.

9.3.6 Concentrations of worklessness

The distribution of working age benefit claimants within Peterborough is explored in the map below which compares the proportion of the working age population claiming benefits across the county's electoral wards. This shows that those wards with the highest rates of claimant count are mainly concentrated around the city centre with the rural wards especially Glinton and Wittering, Barnack and Northborough experiencing the lowest levels of benefit claimants.

Figure 69: Concentrations of worklessness in Peterborough



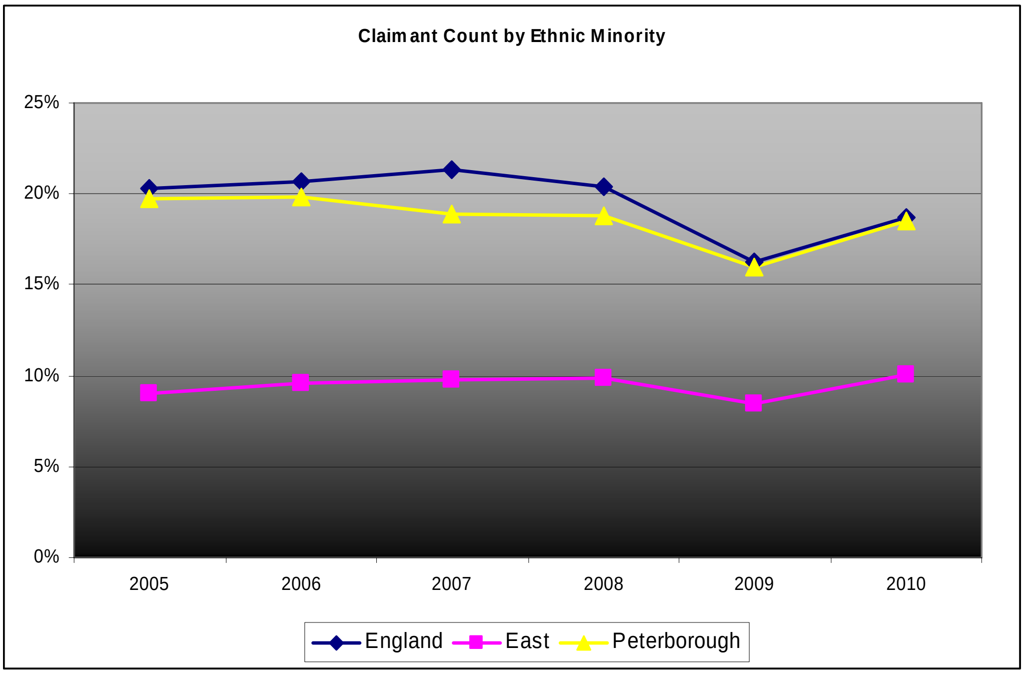
Source: Claimant Count rates and proportions, January 2011

9.3.7 Economic activity and unemployment by ethnic group

For ethnic minorities, language barriers and cultural issues can make it difficult for individuals to engage in economic activity. According to the East of England Economic Participation Study (EEDA, 2009) increasing economic participation in achieving greater social justice and higher economic growth. Maximising their economic potential is of particular importance but there are often challenges here. On one side, language barriers and cultural issues can make it difficult for individuals to engage in economic activity; on the other, inflexible and below standard support provision allied with cultural misconceptions can limit the opportunities available.

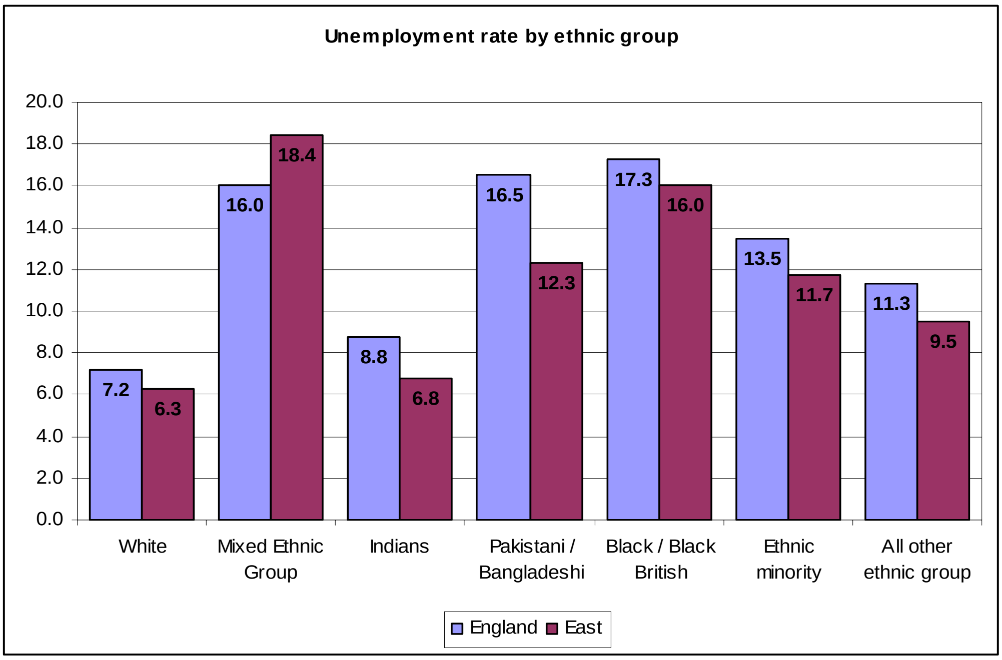
The figure below presents the claimant count rate by ethnic minority. It suggests the proportion of ethnic minority claimants is significantly higher than that of the East of England but slightly lower than the national average.

Figure 70: Claimant count by ethnic minority



Source: Claimant Count rates and proportions. Nomis, August 2010

Figure 71: Unemployment rate by ethnic group



Source: Annual Population Survey, 2009/10.

9.3.8 Occupation by ethnicity

The table below presents the occupation breakdown of white and ethnic minority population. It shows that in England, a large proportion of the ethnic minority population are employed in higher skilled occupations, in Peterborough, the large proportion of ethnic minorities are employed in lower skilled occupations such as process, plant and machine operatives.

Table 34: Occupation by ethnicity

	England		East		Peterborough	
	White	Ethnic Minority	White	Ethnic Minority	White	Ethnic Minority
% in employment employed as managers & senior officials	16.6	13.0	17.8	14.9	12.3	9.1
%in employment employed in professional occupations	13.6	16.4	13.0	19.9	10.8	9.1
% in employment employed in associate prof. & technical occupations	14.9	14.4	14.5	15.9	11.5	6.9
% in employment employed in administrative & secretarial occupations	11.4	9.5	11.7	9.2	13.0	3.9
% in employment employed in skilled trades occupations	10.7	6.3	11.2	6.3	8.3	12.5
% in employment employed in personal service occupations	8.6	9.6	8.1	7.1	7.7	14.8
% in employment employed in sales & consumer service occupations	7.0	9.8	6.8	7.5	9.3	12.4
% in employment employed as process, plant & machine operatives	6.5	7.7	6.0	7.1	8.1	20.4
% in employment employed in elementary occupations	10.8	13.3	10.9	12.0	18.9	10.9

Source: Annual Population Survey, 2009/10.

9.3.9 Economic activity and disability

Overall Peterborough has a higher than average proportion of working age population who consider themselves to be disabled in comparison to the national and regional averages. Around 56% of those considering themselves to be disabled in the city are economically active which is lower than the national and regional averages which are 55% and 61% respectively.

Table 35: Economic activity and disability

	England	East	Peterborough
% of working age population who are disabled	18.8	18.5	21.3
Economic activity rate (disabled)	55.0	61.2	56.0
Economic activity rate (not disabled)	81.6	82.9	81.6
Employment rate (disabled)	49.0	55.1	48.0
Employment rate (not disabled)	75.4	77.7	74.9

Source: Annual Population Survey, 2009/10.

9.3.10 Working age benefit claimants

The working age client group statistics published by DWP provides information on the numbers of people claiming at least one of the following working-age benefits: Bereavement Benefit; Carer's Allowance; Disability Living Allowance; Incapacity Benefit; Severe Disablement Allowance; Income Support; Jobseeker's Allowance and Widow's Benefit. These statistics are a useful way to gain an overall understanding of the size of the "benefit population.

Around 19,000 people in the city claim a benefit of some type equating to a rate of 17.2% of the population. This is higher than both national and regional averages.

The table below presents the proportion of working age population claiming one or more benefits. On average, there are a higher proportion of people in the city claiming benefits in comparison to the national and regional population.

Table 36: Proportion of working age population claiming one or more benefits

	England (%)	East (%)	Peterborough (%)
Job seeker	3.4	2.8	4.6
ESA and incapacity benefits	6.3	5.0	7.1
Lone parent	1.8	1.4	2.3
Carer	1.1	0.9	1.3
Others on income related benefit	0.5	0.4	0.6
Disabled	1.0	0.9	1.1
Bereaved	0.2	0.2	0.2
Out-of-work benefits	12.0	9.6	14.7
Total benefit claimants	14.3	11.7	17.2

Source: DWP working age client group, May 2010

9.3.11 Claimant count

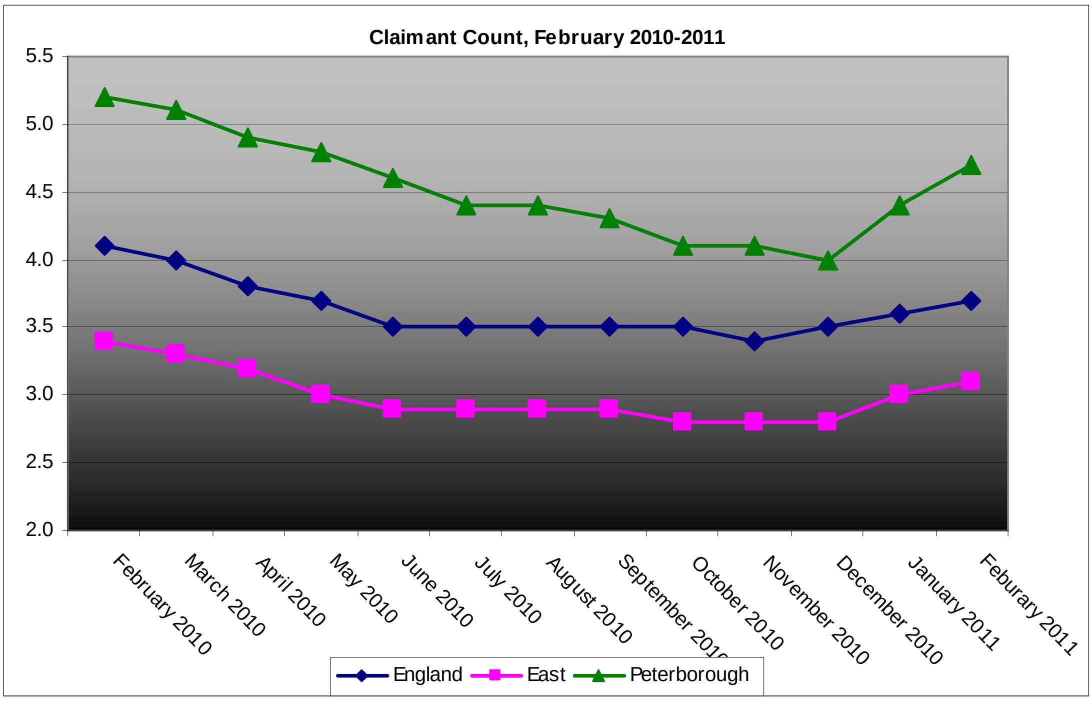
Out of work benefit claimants include both those individuals classed as economically active (Jobseekers Allowance claimants) and economically inactive (Lone Parents income support, Employment and Support Allowance, other income related benefits).

Jobseekers Allowance claimant count records the number of people claiming Jobseekers Allowance (JSA) and National Insurance Credits at Jobcentre Plus local offices. This is not an official measure of unemployment, but is the only indicative statistic available for areas smaller than Local Authorities.

One of the most reliable and up to date indicators to measure the impact of the recession on employment is the Jobseekers Allowance Claimant Count.

"Claimant count benefit claimants" are people who are out of work claiming Jobseekers Allowance. The figure below shows that after 10 consecutive months of decreasing unemployment, there has been an increase in 2011 and the rate currently stands at 4.7% (from 4.4% last month.) This equates to a total of 5,277 claimants in Peterborough, an increase of 828 since the beginning of the year.

Figure 72: Claimant count rate



Source: Claimant Count rates and proportions. Nomis, February 2011

9.3.12 Job Seekers Allowance

Jobseeker's Allowance is the main benefit for people of working age who are out of work. To qualify, recipients must be: available for and actively seeking work; between 18 and State Pension age and working less than 16 hours a week on average. Recipients of the benefit must also be capable of work. Those who are too ill may now receive benefits for people who are sick and disabled such as Employment Support Allowance.

It should be noted that JSA claimants are not an accurate measure of unemployment as not all unemployed people claim JSA.

Analysis of the Jobcentre Plus vacancies and JSA claimants by occupation found that the current economic climate has created a pool of claimants searching for jobs that are not available in the city and conversely vacancies in other occupations are still hard to fill due to claimants having different skills/experience/interest.

The data below highlights active customers by category and also gives a breakdown of all the vacancies by category. There are a total of 18,996 active customers on the register. The largest proportion, at 3009 active customers are under the elementary trade occupations category followed by 2,431, under the sales occupations category. The final column shows the number of customers per vacancy. The most competitive jobs by occupation appear to be those in Protective Service Occupations with 25 customers per vacancy, followed closely by health professional vacancies and skilled agricultural trades.

Table 37: Analysis of the Jobcentre Plus vacancies and JSA claimants by occupation

Active Customers from BIS BOXi Occupational Snapshot				Jul10 Vacancies received (NOMIS)			Number of Customers per Vacancy
	Number	%	Ranking	Total	% of all vacs	Ranking	
1	Corporate Managers	731	4%	9	125	3%	12
2	Mgrs/Proprietors in Agr/Services	190	1%	21	38	1%	20
3	Science/Technology Professionals	411	2%	11	82	2%	15
4	Health Professionals	18	0%	25	8	0%	24
5	Teaching/Research Professionals	254	1%	19	105	2%	14
6	Bus/Public Service Professionals	181	1%	22	24	1%	22
7	Science/Tech Assoc Professionals	308	2%	16	68	1%	17
8	Health/Soc Welfare Assoc Professionals	177	1%	23	220	5%	8
9	Protective Service Occupations	19	0%	24	0	0%	25
10	Culture/Media/Sports Occupations	394	2%	12	81	2%	16
11	Bus/Pub Service Assoc Professionals	340	2%	15	427	9%	3
12	Administrative Occupations	1886	10%	4	285	6%	7
13	Secretarial/Related Occupations	303	2%	17	60	1%	19
14	Skilled Agricultural Trades	343	2%	14	20	0%	23
15	Skilled Metal/Electrical Trades	583	3%	10	182	4%	10
16	Skilled Construction/Building Trades	787	4%	8	216	5%	9

17	Textiles/Printing/Other Skilled Trade	227	1%	20	164	4%	11
18	Caring Personal Service Occupation	1190	6%	6	365	8%	6
19	Leisure/Other Personal Serv Occupations	283	1%	18	33	1%	21
20	Sales Occupations	2431	13%	2	457	10%	2
21	Customer Service Occupations	362	2%	13	62	1%	18
22	Process/Plant/Machine Operators	879	5%	7	119	3%	13
23	Transport/Mob Machine Drivers/Opera	1410	7%	5	368	8%	5
24	Elmty Trades/Plant/Storage Rel Occupations	3009	16%	1	384	8%	4
25	Elementary Admin/Service Occupations	2280	12%	3	655	14%	1

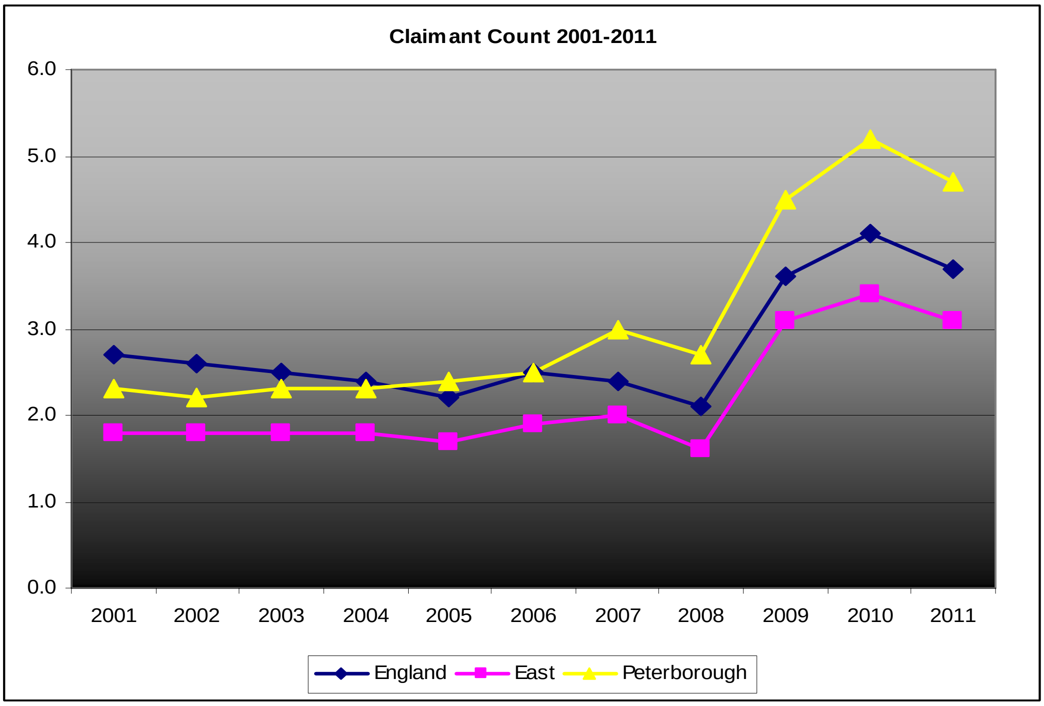
Source: Jobcentre Plus, August 2010

9.3.13 Claimant count benefits over time

The figure below presents benefit claimants over a 10 year period from 2001-2011. It shows that from 2000 to 2003, Peterborough's claimant count rate was less than that of England. From 2004 onwards, the city's claimant count rate increase gradually and in 2008, during the recession, the rate showed a dramatic increase in Peterborough as well as the East of England and England. Since the beginning of 2010 however, the rate appears to be showing a downward trend.

As a result of the recession, Peterborough experienced a sharp increase in unemployment consistent with the national picture. Claimant count rates rose sharply in 2009. The latest figures show that unemployment figures are reducing.

Figure 73: Claimant count as percentage of resident working age population 2001-2011

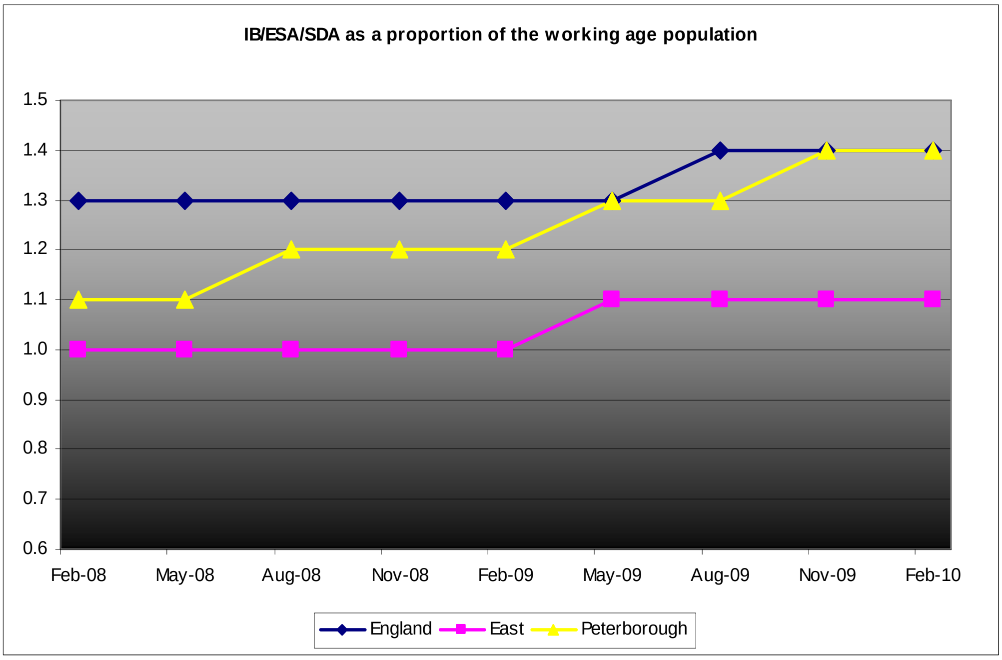


Source: Claimant count rates and proportions, 2011

9.3.14 Incapacity benefit, severe disablement allowance

Incapacity Benefit (IB) was introduced in April 1995 and is paid to people who are incapable of work and who meet certain contribution conditions. **Employment and Support Allowance (ESA)** was introduced on 27 October 2008 and replaced Incapacity Benefit for new claimants. Existing IB recipients will move to the new benefit system between 2010 and 2013. **Severe Disablement Allowance (SDA)** was paid to those unable to work for 28 weeks in a row or more because of illness or disability. Since April 2001 it has not been possible to make a new claim for Severe Disablement Allowance. The proportion of claimants in Peterborough has gradually increased since February 2008 and is considerably above the regional average and currently the proportion of benefit claimants in the city is the same as those claiming in England.

Figure 74: IB/ESA/SDA as a proportion of the working age population



Source: DWP benefits

The most common conditions associated with an IB/SDA claim in Peterborough are mental and behavioural disorders. Just under 40% of claims in the city are made for this reason which is of similar proportions to the national and regional averages. Diseases of the musculoskeletal system and connective tissues is the second most common reasons for claiming these benefits.

Detailed analysis below highlights the reasons given by claimants in requests for incapacity benefit or severe disablement allowance (where over 100 people have highlighted that condition). The high number with mental and behavioural disorders (2,470) is notable.

Table 38: IB/SDA Claimants -Condition

IB/SDA Claimants Condition	No of claimants
Mental and behavioural disorders	2,470
Diseases of the nervous system	430
Diseases of the circulatory system	260
Diseases of the respiratory system	130
Diseases of the digestive system	100
Diseases of the musculoskeletal system and connective tissue	1,030
Symptoms, signs and abnormal clinical and laboratory findings	950
Injury, poisoning and certain other consequences of external causes	320

Source: DWP benefits

National research suggests that there is a strong correlation between mental health and economic activity. Mental health problems are a cause as well as a consequence of unemployment. There is a link between stress in the workplace and psychological problems such as depression. Unemployment and economic inactivity are also associated with increased risk of mental/behavioural disorders and ill health. Long term health/behavioural disorders have broader social and economic repercussions and are thought to exacerbate social exclusion and poverty. Those affected by long term disorders require additional support to encourage them into stable employment.

9.3.15 Income Support

Income Support is intended to help people on low incomes who do not have to be available for employment. It can normally be claimed by people who are:

- aged 16 or over;
- not working or working under 16 hours per week (and/or with a partner working under 24 hours);
- not required to be available for full-time employment; and
- in receipt of insufficient income to meet prescribed needs.

The main types of people who receive it are lone parents, the long and short-term sick, people with disabilities and other special groups.

The unemployed and those in the working age groups on incapacity benefit have relatively low incomes and their economic and social potential has yet to be realised in comparison to those who are employed. They are also considered to be an underutilised labour resource that potentially can be brought into effective use to raise GVA per capita in the sub region and contribute to higher levels of economic prosperity in the East of England region and nationally.

In Peterborough, there are a total of 6,360 claimants of income support in the city. A breakdown of these claimants are presented in the table below.

Table 39: Income Support benefit claimants breakdown in Peterborough

Group	Total Claimants
Incapacity benefits	3,120
Lone parent	2,590
Carer	310
Others on income related benefit	340
Total	6,360

Source: DWP Benefits, May 2010

9.3.16 Lone parents

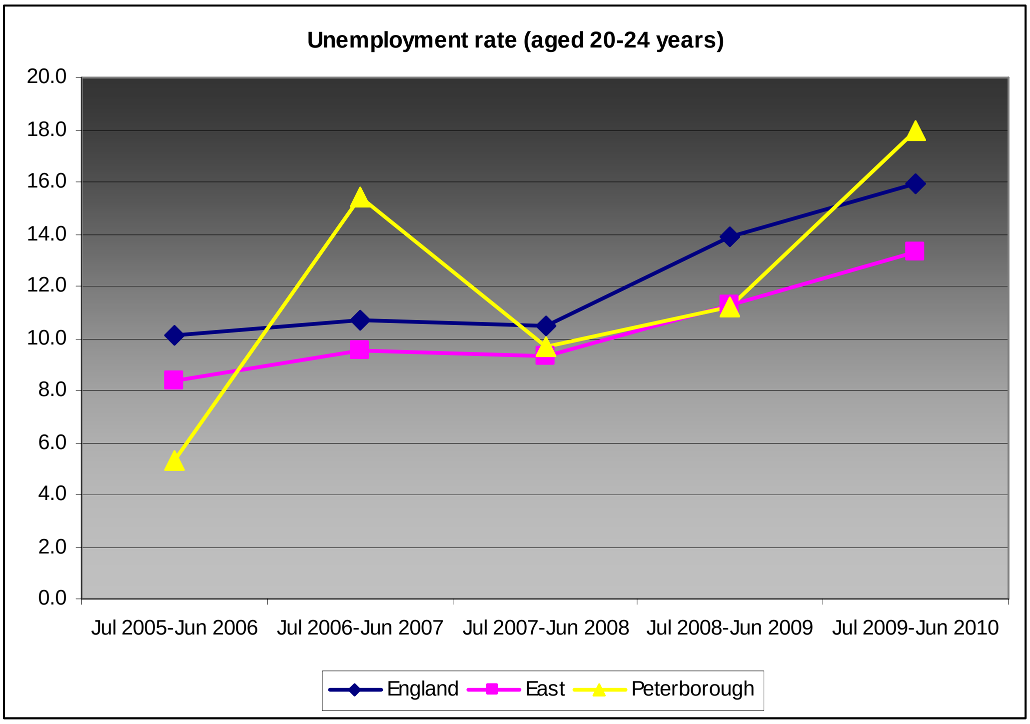
Lone Parents with a child under 16 and no partner are entitled to claim income support. In May 2010, 2,590 people were in receipt of income support for Lone Parents which equates to 2.3% of the working age population compared to 1.4% in the East and 1.8% in England.

Unsurprisingly, 96% of the claimants are female with 72% being under the age of 34. Claimant numbers have declined across age groups since 2000, with the greatest fall in the 25-34 age group.

9.3.17 Young people

The recession has led to a surge in the number of young people out of work which can have severe social and economic consequences. The latest data from the Annual Population Survey suggests that the unemployment rate amongst young people aged between 20-24 is 18%, higher than both regional and national averages. Last year, prior to the election, measures were put into place to assist young people into employment. The Future Jobs Fund created more than 170 jobs for young people after £1.5 million was pledged to the scheme in the first phase in September 2009. The second phase of phasing, last July provided a further 239 positions in both public and private companies in Peterborough. At the time of writing, it was announced that 53% of 18-24 year olds in the city who took up a role with the fund have made it into permanent employment.

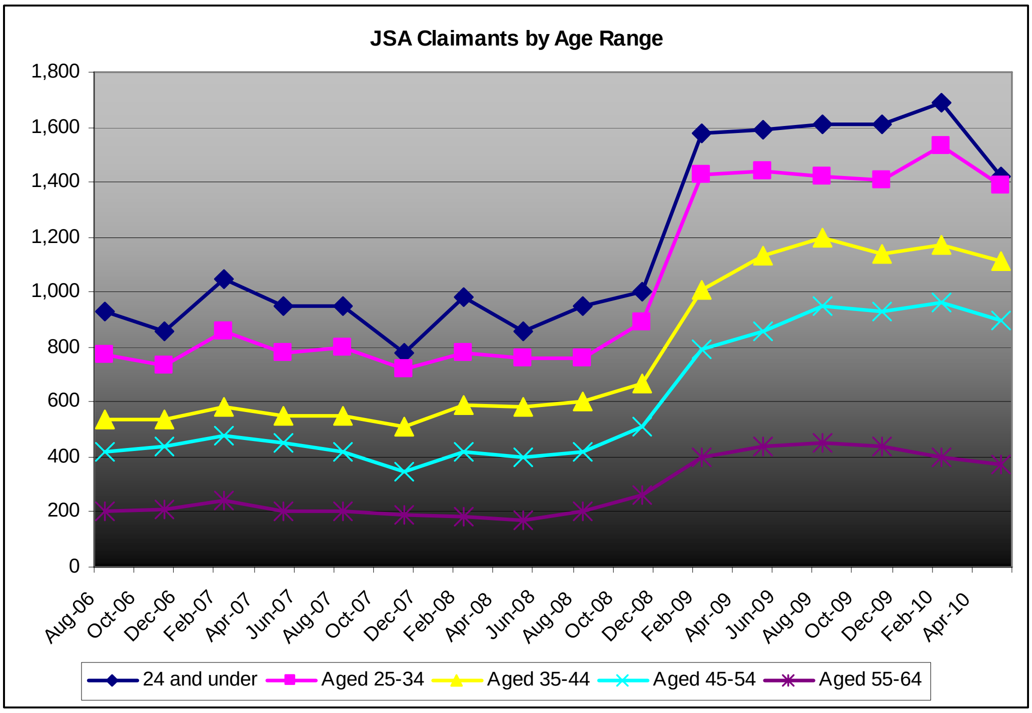
Figure 75: Unemployment rate amongst young people



. Source: Annual Population Survey, Jul 2009-Jun 2010 data

As the figure below shows that the recession has had a disproportionate impact on the younger age groups; most notably those under 24 years old. It highlights changes in JSA claimants over the last 5 years and shows that the under 24's have been most severely impacted by the recession. The number of this age group claiming JSA has increased from 860 in May 2008 to 1,420 in May 2010 equating to an increase of 65%

Figure 76: Jobseekers Allowance Claimants by age range



Source: DWP Benefits, Nomis,

9.4 Deprivation

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. This allows each area to be ranked relative to one another according to their level of deprivation. The indices contain seven domains of deprivation which are combined to give the overall Index of Multiple Deprivation. The seven domains are as follows: employment, income, skills and training, barriers to housing and services, living environment, health and crime. The seven domains of deprivation are now analysed in order to give a more in-depth understanding of where the pockets of deprivation for within in each of the domains.

These indices 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 1500 residents.

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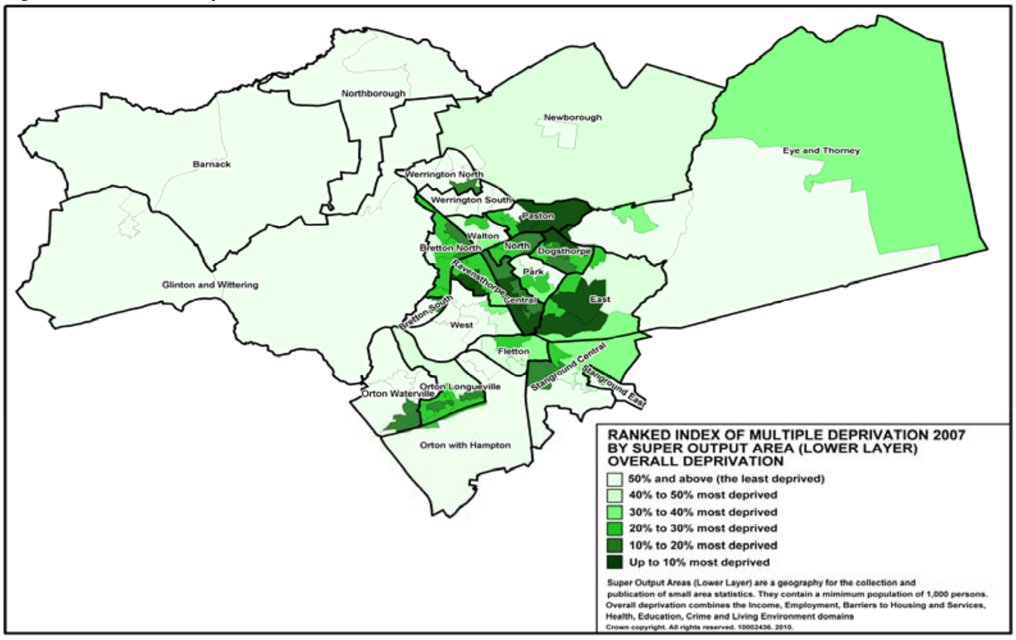
Overall, Peterborough ranks highly in terms of deprivation and has become more deprived in relative terms. However as the Indices of Deprivation 2007 study suggests this does not necessarily imply that deprivation has worsened as there may actually have been improvements, just to a lesser extent than other local authority areas. 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) and therefore falls into the top 30% most deprived Local Authorities in the country. The city overall, also scores poorly in the income and employment domains and falls 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 mainly concentrated in 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.

Figure 77: Overall deprivation levels



Source: Indices of Multiple Deprivation 2007, CLG

The table below presents the most deprived areas of Peterborough (UA) are concentrated in a few wards, mainly to the north and east. The most deprived LSOAs in the city are in the following wards: Central (five in total) Dogsthorpe (three in total), East, Paston and Ravensthorpe (two LSOAs in each).. The 20% most deprived LSOAs (21 LSOAs in total) in Peterborough rank amongst the 20% most deprived nationally. This demonstrates that, the most deprived areas in Peterborough are more comparable with national levels of deprivation than the districts in Cambridgeshire. (Cambridgeshire City Council).

Table 40: 20% most deprived LSOAs in Peterborough (UA)

UA Rank	LSOA Name	Ward	IMD Score	National Rank (Where 1 is the most deprived)	% National Rank
1	Peterborough 007B	Dogsthorpe	61.133511	803	2.5%
2	Peterborough 007A	Dogsthorpe	52.063938	1937	6.0%
3	Peterborough 013F	East	49.675587	2379	7.3%
4	Peterborough 007E	Paston	48.987347	2499	7.7%
5	Peterborough 014B	Central	48.289608	2625	8.1%
6	Peterborough 010B	Central	48.122288	2652	8.2%
7	Peterborough 009D	Ravensthorpe	47.6749	2744	8.4%
8	Peterborough 009E	Ravensthorpe	47.232327	2828	8.7%
9	Peterborough 014A	Central	47.186653	2836	8.7%
10	Peterborough 013B	East	47.045898	2866	8.8%
11	Peterborough 007D	Paston	45.524326	3209	9.9%
12	Peterborough 021F	Orton Waterville	43.607605	3690	11.4%
13	Peterborough 021E	Orton Longueville	43.351299	3765	11.6%
14	Peterborough 012A	Central	42.657413	3953	12.2%
15	Peterborough 014C	Central	42.150734	4088	12.6%
16	Peterborough 021B	Orton Longueville	40.845997	4430	13.6%
17	Peterborough 008D	North	39.489861	4808	14.8%
18	Peterborough 017E	Stanground Central	38.883205	5001	15.4%
19	Peterborough 008C	Dogsthorpe	38.731846	5050	15.5%

20	Peterborough 009A	Bretton North	37.637089	5364	16.5%
21	Peterborough 002B	Werrington North	35.65284	6046	18.6%

Source: DCLG, IMD 2007

9.4.1 Income deprivation

The purpose of this domain is to capture the proportion of the population experiencing income deprivation in an area.

As well as out of work benefits the income deprivation domain includes:

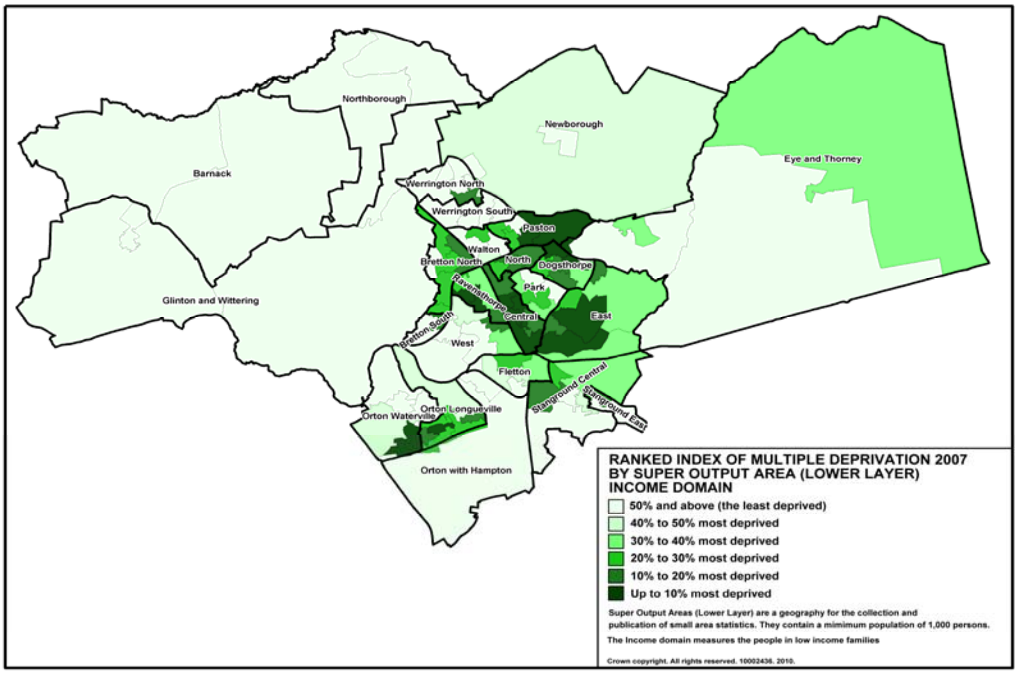
- Working Tax Credit with an equivalised income below 60% of the national median before housing costs
- Child Tax Credit with an equivalised income below 60% of the national median before housing costs.

Therefore, this domain includes low-paid working families, rather than just those on out-of-work benefits.

In general, the East of England suffers from high rates of deprivation in its urban areas. This is especially true for rates of income deprivation affecting children, which is higher in Luton and Peterborough than the North East. Peterborough has 29.8% of LSOA's in England's 20% most deprived by income.

Areas of high income deprivation often experience employment and education/skills/training deprivation which in turn creates cycles of social and economic exclusion. However in some neighbourhoods, income deprivation often appears to be linked to low education /skills/ training rather than employment deprivation. This may infer that income deprivation in these neighbourhoods is associated with low skilled/low skilled paid employment which appears to be the case in Peterborough.

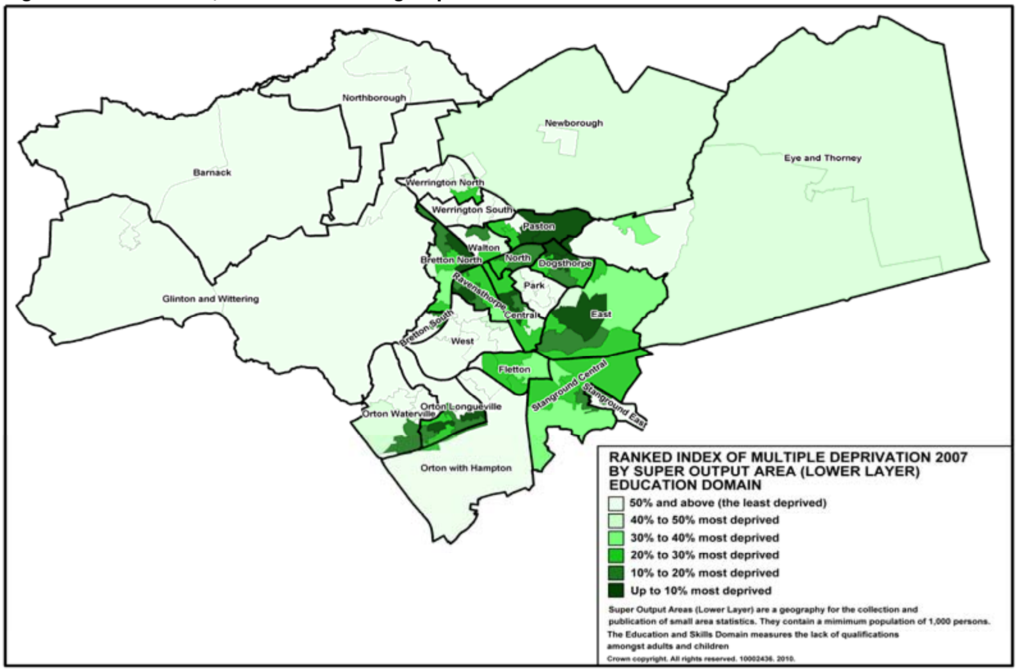
Figure 78: Income deprivation



Source: Indices of Multiple Deprivation 2007, CLG

This domain captures the extent of deprivation in terms of education, skills and training in a local area. The indicators are structured into two sub domains: one relating to education deprivation for children/young people in the area, and one relating to lack of skills and qualification among a sub-set of the working age population.

Figure 79: Education, skills and training deprivation

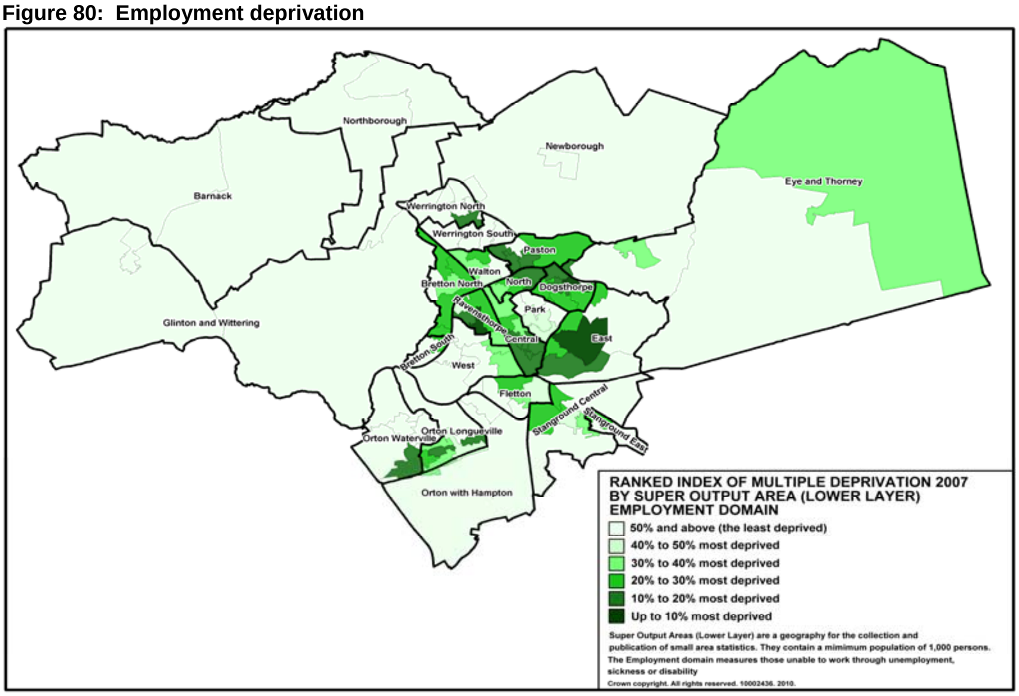


Source: Indices of Multiple Deprivation 2007, CLG

This domain measures employment deprivation conceptualised as involuntary exclusion of the working age population from the labour market.

The figure below shows that some of the most disadvantaged communities in England in terms of employment deprivation reside in parts of Peterborough The map shows LSOA's within the wards of East Ravensthorpe and Dogsthorpe are some of the most deprived nationally in terms of employment. It also demonstrates that a neighbourhoods relative position on the education domain is not always consistent with their ranking on the employment domain,

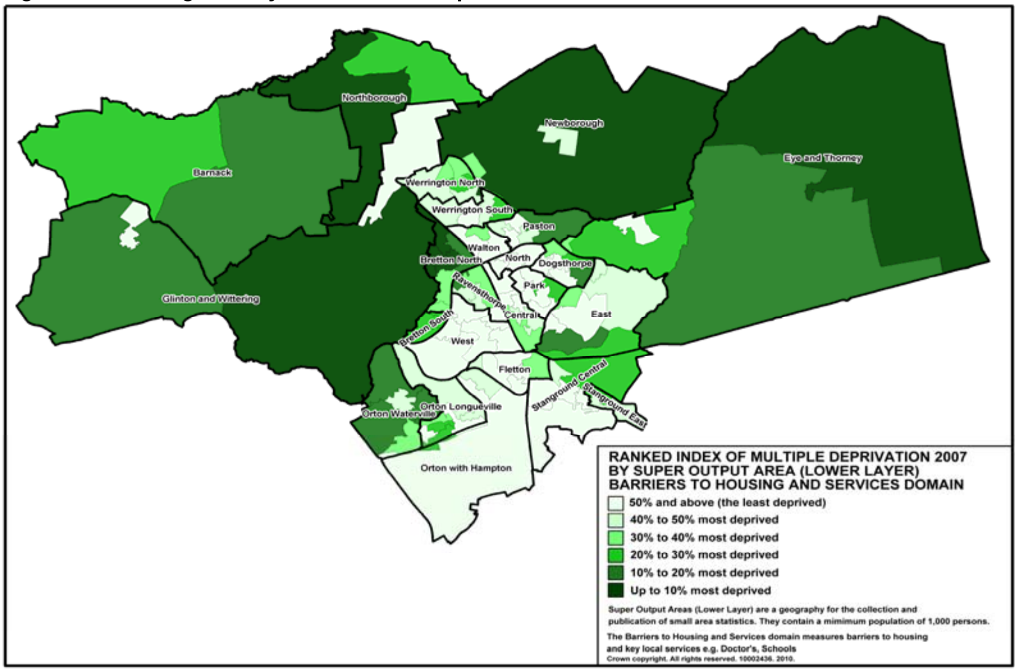
Figure 80: Employment deprivation



Source: Indices of Multiple Deprivation 2007, CLG

The purpose of this domain is to measure barriers to housing and key local service. The indicators are structures into two sub-domains: "geographical barriers" and "wider barriers" which includes issues relating to access to housing such as affordability. Although a poor ranking if IMD usually means a poor ranking in terms of both employment and income domains. Interestingly, the most deprived neighbourhoods in the city are not necessarily deprived in terms of the "barriers" domain which measures access to housing/housing provision and distances to a GP, supermarket, primary school and post offices. The figure below shows that those areas most deprived under this domain tend to be the rural wards of the city such as Eye and Thorney and Northborough.

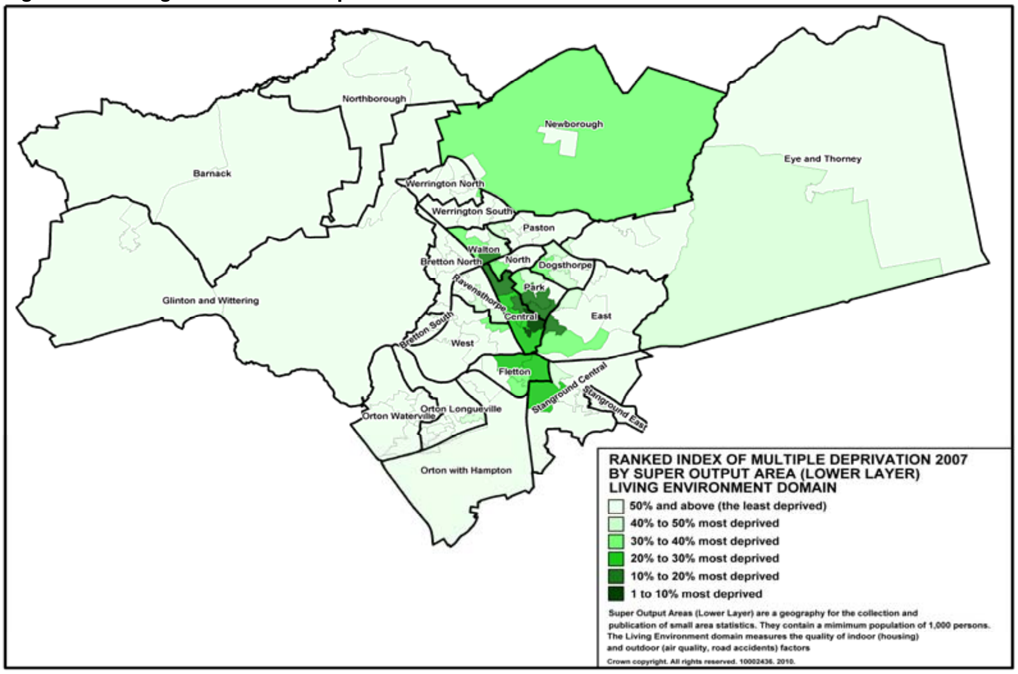
Figure 81: Housing and key local services deprivation



Source: Indices of Multiple Deprivation 2007, CLG

This domain focuses on deprivation with respect to the characteristics of the living environment. It comprises two sub-domains: the “indoors” living environment which measures the quality of housing, and the “outdoors” living environment which contains two measures about air quality and road traffic accidents.

Figure 82: Living environment deprivation

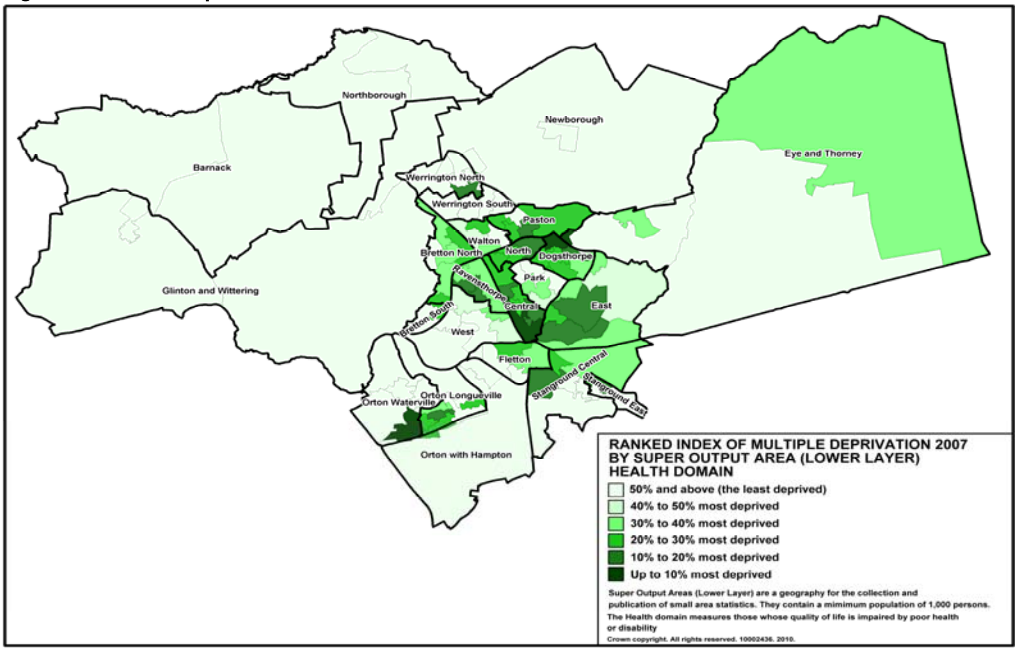


Source: Indices of Multiple Deprivation 2007, CLG

9.4.2 Social deprivation

Health conditions of an area’s residents provide a good indicator of quality of life. Chronic ill health and permanent sickness affect significant sections of the population with resulting higher levels of unemployment and economic inactivity. The domain measures rates of poor health, early mortality and disability in an area and covers the entire age range. The results from the IMD 2007 suggest that as a city, a number of LSOA's within Peterborough suffer from poor health conditions including parts of Dogsthorpe and Central Ward.

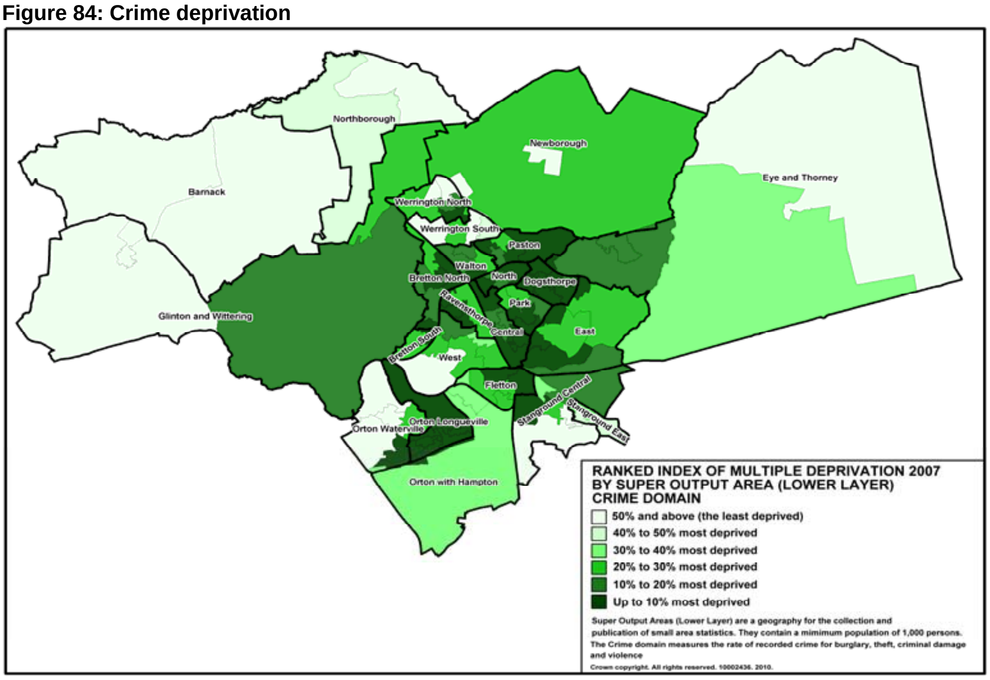
Figure 83: Health deprivation



Source: Indices of Multiple Deprivation 2007, CLG

This domain measures the rate of recorded crime for four major crime types, representing the risk of personal and material victimisation at a small area level. Peterborough appears to be suffering from high crime rates and fear of crime with many LSOA's in the top 10% most deprived in the country under this domain. The "crime and disorder" theme of the IMD measures the incidence of recorded crime in terms of burglary, theft, criminal damage and violence.

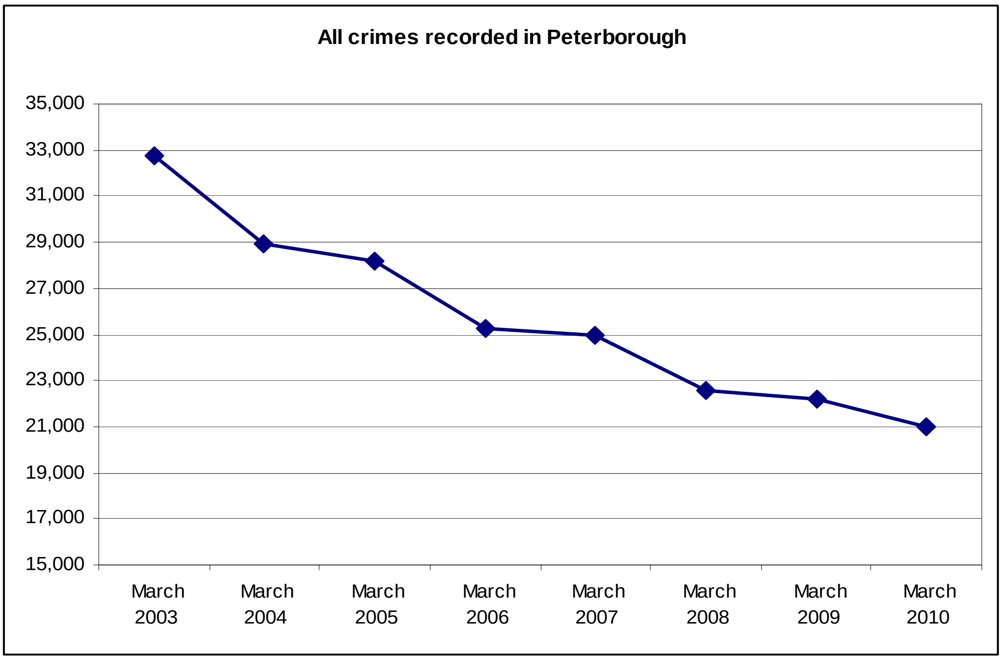
Figure 84: Crime deprivation



Source: Indices of Multiple Deprivation 2007, CLG

The figure below presents crime levels in the city between 2003 and 2010. it demonstrates that overall crime levels in Peterborough have been decreasing gradually over the 7 year period. Breaking this down further, although there has been a decrease in most types of crimes in the city including burglary, criminal damage and offences against vehicles, drug offences in Peterborough have seen an increase by 58% between 2003 and 2010 as have sexual offences which have increased by 8%.

Figure 85: All crimes recorded in Peterborough



Source: Home Office, 2010

9.5 Barriers to work

Some of the barriers to work have been highlighted elsewhere in the Local Economic Assessment. This section attempts to consolidate this discussion, linking current national research with the outcomes of local discussion.

Recent evidence from worklessness reduction programmes and other research identifies three main sets of barriers to work, which provide the structure for this chapter:

- Supply-side factors (the skills, qualifications and attitudes of workless people)
- Demand-side factors (the number, type and location of jobs and local recruitment practices)
- Institutional factors (the way in which housing markets, transport systems, childcare availability, etc. work to support or hinder access to work)

9.5.1 Supply side barriers

Skills

The most obvious supply-side barrier is a lack of skills in relation to those demanded by employers. Peterborough's general skills profile (or at least, its qualifications profile) is poor compared with that of the country as a whole and for the rest of the region

As indicated previously however, qualification levels are significantly lower among the workless population. Of course, formal qualifications and skills are not necessarily the same thing, but demand is increasing for formalised knowledge in areas of activity (for example in parts of the construction industry) that might previously not have required paper qualifications. However, the changing nature of skills demand may not always be recognised by those with low formal skills, and it has been noted nationally that this may lead to a gap between the expectations of those looking for work and the reality of what is available, especially among older members of the workforce with prior experience of formally unskilled work (CLG, October 2009, Understanding and tackling worklessness). Linked with this are the barriers presented by a lack of job-search skills, for instance in the form of knowledge about available vacancies and the requirements to access them, or in the ability to complete standardised application forms.

Physical and mental health

Physical and mental health, particularly in relation to incapacity benefits. However, there is often also limited active desire on the part of many incapacity benefit claimants to seek work, reflecting frequent long-term detachment from the labour market. It is likely that in some cases, employer discrimination (or perceptions that employers may be discriminatory) towards those with physical or mental disabilities also hampers the ability of some to find employment. The recent review by Dame Carol Black of the health of the working population (DWP/ Department of Health (2008), Working for a Healthier Tomorrow: Dame Carol Black's Review of the Health of Britain's Working Age Population) noted the need to provide better information and advice to employers on support for staff with poor health, despite some evidence of an improvement in employer approaches.

Attitudinal and aspirational barriers

As mentioned in the People and Communities section, a 'culture' of worklessness has been cited, particularly among families in areas where concentrations of worklessness are greatest and there is a family history of lack of work. Such a culture may be reinforced by the expectations gap referred to above, especially if the short-term economic gain from work is – or is perceived to be - marginal (or even negative, once child-care and transport costs are taken into account).

Linked with this, length of time away from the labour market is also likely to reduce self-confidence and aspiration (as set out earlier in this report, long-term incapacity benefit claims in Peterborough are somewhat greater than elsewhere in the country), and it is suggested that low-wage, low-skilled and insecure jobs are often unattractive, particularly for incapacity benefit claimants who could potentially access work but who would give up the security of long-term benefits to do so.

The impact of the informal economy on the willingness of workless people to access employment is debatable, with some studies suggesting that informal economic activity is often supplementary to formal work and "tends not to exist as a separate world outside the formal economy [but] helps individuals manage low pay and instability associated with some legitimate forms of work". (CLG, October 2009, Understanding and tackling worklessness).

9.5.2 Demand side barriers

Lack of appropriate jobs

The most obvious demand side barrier is an aggregate lack of the correct employment opportunities. Given that in general as worklessness rises, so does the proportion of claimant unemployment within its composition, a lack of available work would seem to be an important factor.

As mentioned in the job density data in the Business and Enterprise section of the assessment, Peterborough's labour demand is higher than the available workforce. However there is a mismatch in the types of jobs available and the skills of those who are available to work. This is described in more detail in section 9.3.13 which states that there are vacancies available in the city which are hard to fill due to claimants having different skills/experience/interest. Of course, large numbers of jobs are not notified to Jobcentre Plus and many will not be formally advertised at all. Even so, there does seem to be evidence of a mismatch between skills demand and supply, which would seem to go beyond basic 'work readiness' factors which are often cited.

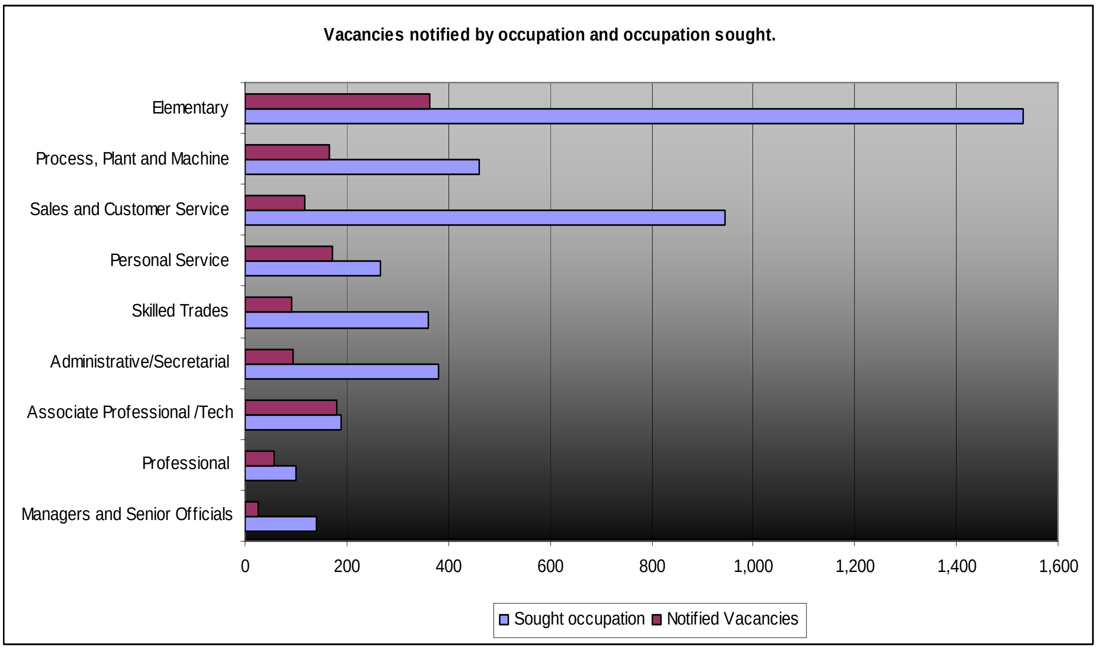
The table and figures below highlight the high number of vacancies sought relative to vacancies notified across a number of categories. It shows that across all sectors, except associate professional and technical occupations, there is a significant gap between occupations sought and vacancies notified.

Table 41 : Vacancies notified by occupation and occupation sought

Occupation	Sought occupation	Notified Vacancies
Managers and Senior Officials	140	26
Professional	100	58
Associate Professional /Tech	190	181
Administrative/Secretarial	380	95
Skilled Trades	360	92
Personal Service	265	171
Sales and Customer Service	945	117
Process, Plant and Machine	460	166

Source: Claimant Count, Nomis and Notified Job Vacancies, JCP, Nomis, May 2010

Figure 86 : Vacancies notified by occupation and occupation sought



Source: Claimant Count, Nomis and Notified Job Vacancies, JCP, Nomis, May 2010

Institutional barriers

Research into barriers to work in worklessness programmes elsewhere in Britain identified five main institutional barriers:

Firstly, the dynamics of the housing market in local areas. This particularly relates to the tendency of people in work to leave the areas in which they previously lived, while those who remain on benefits stay, and for migrants to areas of high worklessness to often be workless themselves. In the case of Peterborough the existence of large areas of low-cost housing (for example in Dogsthorpe and Welland) is an economic attraction for relatively transient workless groups who may move elsewhere if and when circumstances improve – so spatial concentrations of worklessness remain, even if some individual or family outcomes are positive.

Secondly, the 'benefits trap', linked with some of the cultural and aspirational barriers cited earlier and associated with the significant costs that may be linked with starting work and the consequent loss of benefits and the difficulty of overcoming some of the initial costs. Set against this, some programmes have identified an over-estimation on the part of some benefit recipients of the extent of the financial benefits trap (for example through an underestimation of the gains through tax credit).

Linked with this, many are discouraged from taking up short-term or insecure posts because of the complications (and potential financial cost) of reapplying for benefits when the post comes to an end. Local practitioners have identified this as a significant limitation, preventing benefit recipients from taking work that may potentially prove longer term, but cannot be guaranteed. This is potentially reinforced by the focus of the benefits system on securing permanent work, sometimes making it impractical for potential workers to access temporary employment, even when such work is available.

Thirdly, access to childcare. Obviously, this overlaps with the wider benefits trap, given the cost of childcare, and the fact that many parents are trapped in needing childcare to access work, but being unable to afford it until they are in work. Childcare may also act as a barrier to sustainable work (given the difficulties of managing work on limited childcare). With changes in Income Support rules for lone parents, this is likely to affect an increasing number of workless people. Linked with this, is the issue of a high rate of teenage pregnancy locally. This could lead to higher levels of worklessness amongst young girls in the City

Finally, lack of appropriate educational and training provision available locally. This relates closely to the skills barrier cited earlier and the relevance of skills provision to the demands of local employers. This has achieved strong recognition by policymakers in recent years, and a significant effort is being made to develop improved intelligence regarding employer need and to use this to inform learning provision.

10 Sustainable Economic Growth

10.1 Environmental context and links to the local economy

Peterborough's Sustainable Communities Strategy contains four priorities: Creating Strong and Supportive Communities; Creating the UK's Environment Capital; Creating Opportunities, Tackling Inequalities; Substantial and Truly Sustainable Growth. Each of these priorities has a number of specific outcomes, beneath which sit a diverse range of actions and interventions to deliver lasting positive change for Peterborough.

By adopting the Sustainable Communities Strategy, the Council has committed itself to becoming the UK's Environment Capital, building on the longstanding experience as one of four Environment Cities in the UK. The "journey" from Environment City to Environment Capital is considered appropriate given the shift towards more global environmental challenges such as climate change as well as the city's ambition to grow substantially and sustainably.

Environment Capital now has widespread support as a key focus and unique selling point for Peterborough which has been achieved through clear political direction and the efforts of a committed, cross-sector Environment Capital Partnership.

The city is currently leading on some areas of environmental activity and is receiving global recognition for its unique "Peterborough Model". This project is being delivered through collaboration with IBM, Royal Haskoning and Green Ventures to create an accessible on-line tool for visualising the city's environmental performance. As a result of this and other initiatives, the city is gaining a significant reputation for its environmental innovation, experience and credentials.

The city's environmental aspirations are important to the city's future economic growth. It is already home to over 380 environmental businesses, the "Enviro-Cluster", focused on its Eco-Innovation Centre. In addition, over 400 businesses are committed to Peterborough Environment City Trusts "Envestors in The Environment" programme.

10.2 Natural and historic environment

The City Council has adopted a "Home of Environment Capital Policy which contains the following commitments:-

- We will protect, and where possible and appropriate, enhance habitats and bio-diversity.
- We will continue to improve and enhance the urban and rural environment.

A range of policies have been adopted to specifically deliver these commitments including the Bio-diversity Strategy and the Trees and Woodland Strategy. The natural environment is therefore at the heart of ensuring that Peterborough grows both substantially and sustainably. It is a key consideration in the determination of planning applications.

Local businesses are in the process of joining forces with partners across the city to establish the Peterborough Forest, a unique project aimed at reinforcing Peterborough's position as the Home of Environment Capital. This will complement the existing Green Grid Strategy aimed at providing natural linkages between the city's open spaces

10.3 Low carbon economy

10.3.1 Business

According to the Peterborough Energy Study, The industrial and commercial sector in Peterborough produced 530,000 tonnes of CO_2 in 2005, which represents the fifth highest figure for industrial and commercial CO_2 emissions in the East of England. For 2006 Peterborough's CO_2 emissions from the industrial and commercial sectors were the sixth highest in the region

Peterborough boasts the largest cluster of environmentally focused businesses in the UK, the Enviro-Cluster. This virtual grouping of like-minded companies, totaling over 380, is based at the centrally located Eco-Innovation Centre and is coordinated by the UK Centre for Environmental and Economic Development (UKCEED). Developing the low-carbon economy still further is embedded in the Councils environmental policy as follows:-

- Using the Enviro- Cluster and Eco-Innovation Centre as a base, to support the development of the "green" and low carbon business sector through our Economic Development and related activities.

In a unique partnership, Opportunity Peterborough joined forces with Peterborough City Council, Royal Haskoning, Green Ventures and IBM to map the Enviro-cluster in 3D as part of the innovative Peterborough Model. This will be used to showcase the Cluster and drive further low carbon economic development.

10.3.2 Housing

The City Council has now received the planning application for the Carbon Challenge site within the Peterborough South Bank Opportunity Area. The application proposes to deliver approximately 350 Code 6 dwellings to Code for Sustainable Homes standards. The Carbon Challenge is the first phase of the South Bank to come forward, being an important driver for the rest of the South Bank site. The remaining areas are being considered for an environmental branch of the new University as well as high quality homes and leisure.

10.3.3 Infrastructure

The Water Cycle Study, which identifies the water resources, wastewater and flood risk management infrastructure, required for sustainable growth in Peterborough, was completed in 2009. Since then the partners, Anglian Water, Peterborough City Council, the Environment Agency and the Internal Drainage Boards have continued to work together closely to further develop the flood risk management and wastewater strategies for the city. On the wastewater side, as well as ensuring that extension works to the city's main sewage treatment works are co-ordinated with growth, and that any impacts on water quality and flood risk are fully understood, plans are also in place to significantly reduce the carbon intensity of the sewage treatment processes.

Energy, in terms of how it is used and delivered across the Authority, is one of the largest contributors to Peterborough's effect on climate change. For this reason an Energy Study was carried out by Opportunity Peterborough to ensure local understanding of our energy networks, how much energy Peterborough currently uses and how the future energy demands of Peterborough's new growth can be met in the most sustainable way. The City Council is now co-ordinating a range of small and large scale schemes aimed at decarbonising Peterborough through improving energy efficiency and increasing the use of local renewable energy.

10.3.4 Transport – Travelchoice

In 2004 Peterborough was chosen to be one of three sustainable travel demonstration towns. Travelchoice was therefore set up to encourage a modal shift across the Unitary Authority. The teams work includes work place travel planning and promotion of walking, cycling, car sharing and public transport. The demonstration town programme achieved favourable results and the team's work now continues funded by Peterborough City Council.

10.4 Transport provision and other infrastructure

The Peterborough Long Term Transport Strategy (2011 to 2026) (LTTS) and the Local Transport Plan three (2011 to 2016) (LTP3) are currently going through the democratic process and are yet to be adopted. They envision the city has having:

A sustainable transport system that allows Peterborough to deliver its growth strategy in line with Peterborough City Council's vision statement set out in the Sustainable Community Strategy 2008 to 2021.

A series of vision statements for future transport up to 2026 in Peterborough are laid out below. These describe the aspirations for the development of all modes of travel and the integration of those modes. The vision statements:

• Promote sustainability
• Accommodates Peterborough's growth aspirations
• Confront the challenges facing Peterborough, and
• Meet the national, regional and local transport goals

Peterborough City Council has identified a number of proposals for major transport schemes over the next five year period that will support the planned housing and employment growth (set out in the Core Strategy), while supporting Peterborough's Environmental Capital agenda (in accordance with Home of Environment Capital – Major Policy 2010).These schemes have been identified to secure transport benefits for the whole of Peterborough and to help achieve the following overarching objectives of the Long Term Transport Strategy (LTTS) and Local Transport Plan 3 (LTP 3):

• Tackle climate change, by reducing emissions of CO2 and other greenhouse gases
• Improve quality of life for all transport users and non-transport users and promote a healthy natural environment
• Support economic growth, by delivering reliable and efficient transport networks
• Promote greater equality of opportunity, with the desired outcome of achieving a fairer society
• Contribute to better safety, security, health and long life-expectancy

Peterborough City Council's transport policy has been identified and prioritised in relation to the spatial areas. As well as addressing issues in the city centre areas, it also acknowledges issues of accessibility in rural areas. We are rightly proud of our rural areas and want to make it easier for residents and visitors to travel to, from and around the city. The vision for rural transport outline in LTP3 is:

"All journeys made to and from the rural area to have a sustainable alternative to the private vehicles and to ensure rural environments will be protected from the unnecessary impacts of traffic."

In order to realise this vision the city council will concentrate on the following objectives

- To reduce road traffic casualties in rural areas
- To improve road safety amongst all road users through education, training and publicity
- To engage with schools in rural areas and support individual travel needs to increase sustainable travel on the school journey
- To deliver education, training and publicity to raise awareness of sustainable transport and the benefits of active travel
- To implement 20mph speed limits outside rural schools in Peterborough
- To investigate the potential to expand the Call Connect service in rural area

'When transport systems are efficient, they provide economic and social opportunities and benefits that result in positive multiplier effects such as better accessibility to markets, employment and additional investments. When transport systems are deficient in terms of capacity or reliability they can have an economic cost such as reduced or missed opportunities. Transport also carries an important social and environmental load, which cannot be neglected."[2]

There are direct and indirect impacts that transport has on the economy. Direct impacts relate to improvements in accessibility where transport allows access to larger markets and helps to save time and costs. Indirect effects relate multiplier effects such as a decrease in the price of goods or services and/or an increase in their variety.

Economic growth is linked with transport developments, this is mainly related to infrastructure but expertise is important in the logistics sector. A high quality transport system with modern infrastructure favours economic growth.

The benefits of transport schemes are assessed to try and capture the full range of benefits that society 'gains' from the investment. The current framework which is used is the Department for

[2] Transport and Economic Development- Dr Jean-Paul Rodrigue available at: http://people.hofstra.edu/geotrans/eng/ch7en/conc7en/ch7c1en.html

Transport (DfT) is the ‘New Approach to Appraisal’ (NATA). This assessment looks at the five key objectives shown below with their sub objectives.

- Economy (Public Accounts, Transport Economic Efficiency: Business Users & Transport Providers, Transport Economic Efficiency: Consumers, Reliability, Wider Economic Impacts)
- Safety (Accidents, Security)
- Environment (Noise, Local Air Quality, Greenhouse Gases, Landscape, Townscape, Heritage of Historic Resources, Biodiversity, Water Environment, Physical Fitness, Journey Ambience)
- Accessibility (Option values, Severance, Access to the Transport System)
- Integration (Transport Interchange, Land-Use Policy, Other Government Policies)

In recent years there has been a growing feeling that the appraisals currently used do not fully represent well the impact of schemes on the wider economy. New draft guidance from the DfT enables the quantification of the wider economic benefits caused by agglomeration economies, imperfect competition and labour market inefficiencies.

As well as being a goal in the Regional Economic Strategy (RES) transport has a role in aiding the delivery of other goals in the RES.

The goals are:

- Enterprise
- Innovation
- Digital economy
- Skills for productivity
- Economic participation
- Transport
- Spatial economy

Transport can help with the delivery of these goals by:

- Adding to enterprise through the impact on international trade and investment, dissemination of information regarding production and management techniques and accessing new markets overseas
- Transport can increase innovation by innovative ideas and the use of innovative technology
- Transport can help increase inclusion by increasing accessible to services, health and education facilities as well as job opportunities
- Transport also has a role to play in the development of public spaces and public realm.

The Local Transport Plan Three (LTP3) is currently going through the democratic process and will provide a plan for investment in transport over the next five years and will contain the overall transport strategy up to 2026.

Households in the Peterborough authority area were sent a questionnaire to return, asking them to rate the importance of particular goals and objectives as well as being asked to rank the importance of transport improvements.

One of the goals and objectives that residents were asked to rate is ‘support economic growth’ which amongst the other four goals will be part of the focus for LTP3. The goals for LTP3 are:

- Tackle climate change
- Support economic growth
- Improve quality of life and promote a healthy natural environment
- Contribute to better safety, security and health
- Promote equality of opportunity

(It should be noted that these goals have yet to be approved by the council.)

Peterborough’s Integrated Development Programme (IDP) was adopted by Cabinet in December 2009. The IDP provides a single delivery program for strategic capital led infrastructure. It sets out what infrastructure and support Peterborough may need over the next 15 years or so.

Under the Transport Option section in the IDP, (Note: this is still under consideration by the City Council as part of LTP3) the transport goals are the same as listed above. Possible options under the support economic growth, option include:

- Smarter choices options
- Improve overall levels of accessibility to and from employment and key services
- Develop freight quality partnerships
- Consider High Occupancy Vehicle and Heavy Goods Vehicle only lanes
- Introduce Automatic Traffic Management to maximise road capacity and improve journey time reliability
- Introduce Variable Message Signs to improve the resilience of the transport network
- Tackle congestion hot spots on the Parkway system
- Improve connectivity of the railway station to all other modes of travel

Build on Peterborough's existing transport infrastructure to enhance the area's competitive advantage. Although location close to major road, rail and air communication infrastructure is an important source of Peterborough's competitive advantage, future demographic and economic growth will necessitate continued upgrading of Peterborough's local and inter-regional transport infrastructure. Failure in this respect will damage the efficiency of the Peterborough economy and erode an important competitive advantage. Improved transport links will also be required if Peterborough is to fulfil its role and make its contribution to the region's growth ambitions. Upgraded transport infrastructure is also important in strengthening Peterborough's links with its rural communities and wider regional hinterland.

10.5 Housing

10.5.1 Proposed changes to Local Housing Allowance

As part of the 2010 Comprehensive Spending Review, the government announced a number of changes to the way Local Housing Allowance (which is the new type of housing benefit for tenants in the private sector) is be calculated, along with amendments to the entitlements of claimants. In addition to having significant impacts upon individual households, the proposed changes are also likely to have a considerable impact upon the housing market and housing need in Peterborough. The main proposed changes are set out below;

Table 42: Proposed changes to local housing allowance

Timeline	New Measure	Impact
April 2011	Basis for setting LHA (local housing allowance) rates changes from the median average to the 30th percentile of local market rents	Roughly speaking, LHA claimants are presently entitled to enough benefit to cover the rent on 50% of properties within an area. However, changes to the way LHA rates are calculated will lead to claimants being able to afford only 30% of the properties within an area. This reduction in the LHA rates is likely to have a number of significant impacts in Peterborough, including; • Tenants may need to make up the shortfall from rent themselves, which may exacerbate financial exclusion and/or increase rates of homelessness • Landlords operating in the benefit sector of the private rented market may decide to leave the sector, given the inevitable reductions in rental income. This will restrict the options for many households that are unable to access the market housing without subsidy • Landlords of larger family accommodation may convert their properties into HMOs, leading to the loss of large family accommodation in some areas of the city
	LHA rates to be capped at the following; • £250 p/w for a one bed property	The capping of LHA rates is likely to have little impact in Peterborough, where rates are presently below the cap. However, Peterborough might experience inward migration from

	• £290 p/w for a two bed property • £340 p/w for a three-bed property • £400 p/w for all properties of four beds or more	London and other high-value areas as households look for cheaper accommodation elsewhere.
	Deletion of the 'five bed' LHA rate	At the present time there is a separate rate of LHA that is paid to households occupying five-bed accommodation. This is to be deleted, with the maximum rate paid being the 'four bed' rate. This is likely to reduce the supply of five bed accommodation within the benefit sector of the private rental market, as the changes are likely to lead to a monthly reduction in rental income of around £250. This may lead to many landlords converting five bed units into HMOs in order to maintain a higher rental income.
	Up-rating non-dependent deductions to reflect the rates that they had not been frozen in 2001, to be introduced in stages until April 2014	Under current rules, housing benefit claimants in both the social and private sector receive a reduction in their benefit if they have a non-dependent person living with them (with some exceptions). The proposed changes will see an increase in the amount that is deducted. The impacts of this could be significant, and will impact upon the social and private rented sectors. They could include; • Increases in the rate of homelessness and demand for single person accommodation, as non-dependents are forced or encouraged to leave family accommodation. • The changes may be counter-productive in tackling under-occupation within the social sector, as the system does not make it financially advantageous for households to accommodate non-dependents.
April 2012	The threshold for the shared-room rate will rise from 25 to 35 years of age	At the present time, any single person in receipt of LHA over the age of 25 is entitled to the benefit to cover the rent on an average self-contained one bedroom property. However, under the proposed changes the age of entitlement will increase from 25 to 35. This means that any single person under the age of 35 will only be entitled to the housing benefit to cover the rent for a room in a shared house. It is a change that is likely to significantly increase the number of households seeking single person accommodation in the social sector. It is also likely to lead to an increase in the demand for shared accommodation, including rooms in HMOs.
April 2013	Housing benefit for working-age social housing tenants who occupy a larger property than what the family requires will be restricted to the standard regional rate for a more appropriately sized property	This change will encourage many households on benefit who are under-occupying their accommodation to either downsize, or to make better use of their property. The consequences of this proposal include; • Potential reductions in the levels of under-occupation within the social sector • Displacement of households living in communities where there is a shortage of suitable alternative accommodation i.e. rural areas • Potential reductions in single person homelessness, as households look to fully utilise their accommodation
	The housing benefit and LHA entitlement of tenants in receipt of Job Seekers Allowance (JSA) will reduce by 10% if the applicant has failed to find work within twelve months of their JSA claim.	This is likely to significantly impact long-term JSA claimants in both the social and private rented sector. This reform may lead to increases in the level of homelessness, and increases in rent arrear levels amongst landlords.
	LHA rates to rise by Consumer Price Index rate of inflation, as opposed to rising in accordance with local rents.	This change will impact upon both claimants and landlords. Presently, LHA rates are calculated as an average of all rents on a monthly basis. Under this system, any changes in local rents are then reflected in the rates paid to claimants.

		However, through calculating rates in accordance with changes in the CPI (which by its very nature excludes housing costs from its calculation of inflation), rates of LHA in the future are likely to be less responsive to fluctuations in the housing market. If rents increase at a faster rate than the CPI-measured rate of inflation, claimants will be worse off.

10.5.2 Levels of housing need

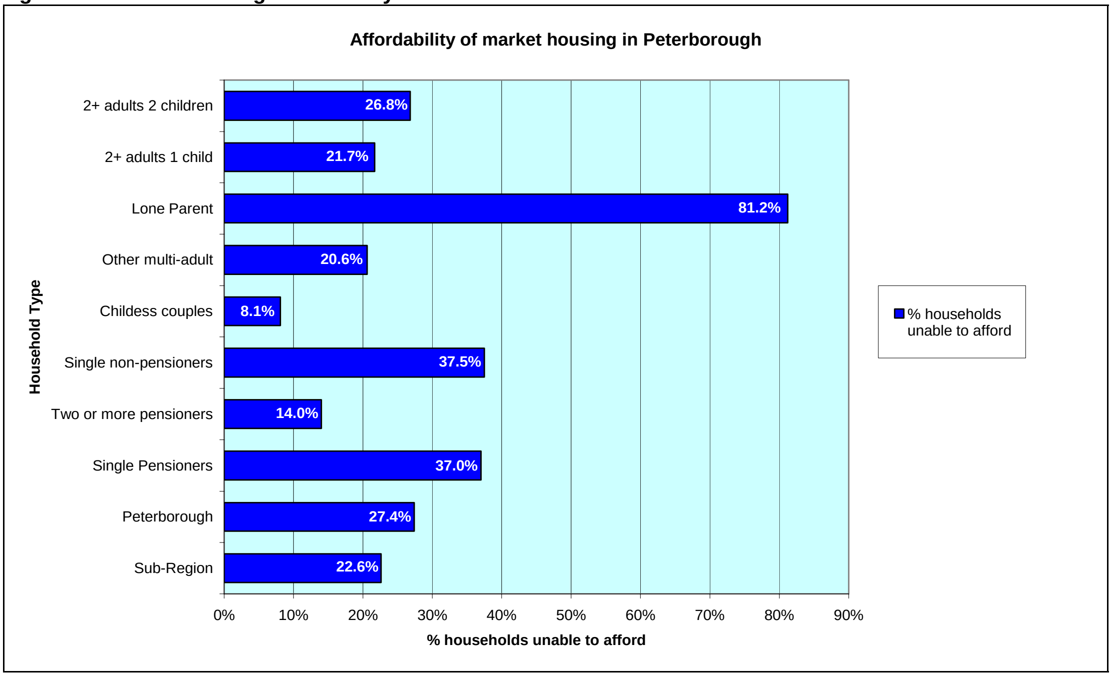
In 2010, Peterborough City Council and three other neighbouring authorities commissioned an update of the 2007 Peterborough Sub-Regional Strategic Housing Market Assessment (SHMA). This study explored various aspects of the housing market across Peterborough, South Kesteven, South Holland and Rutland, including levels of present and future housing need and demand.

The study found that there is an annual need to provide 1,008 additional units of affordable housing in Peterborough if all needs are to be met.

10.5.3 Market housing affordability

In terms of affordability, 27.4% of households in Peterborough are unable to access market housing on the open market or through private rent without some form of subsidy. This figure is higher than the sub-regional average of 22.6%. This trend would suggest a need for affordable housing in Peterborough in order to support economic growth. The graph below breaks down levels of affordability per household type.

Figure 86: Market housing affordability



Source: Peterborough Sub-Regional Strategic Housing Market Assessment Update (2010)

The household types most likely to experience higher than average issues relating to housing affordability include single parents, single non-pensioners, single pensioners and households with two adults and two children. Those least likely to experience affordability issues include childless couples, households with two or more pensioners, multi-adult households and two adult one child households. Housing affordability can pose a barrier to economic inclusion, especially where there is a dependency upon subsidy through the housing benefit system, due to high rental costs within the private rented sector. It would appear from the data that economic exclusion is more likely to be experienced in households where there are one or no adults of working age, such as loan parent households and pensioners.

10.5.4 House prices

The table below presents the latest house prices in the city. Although there has been a steady rise over the last half of 2009, Peterborough house prices are still considerably lower than the national averages. Price increases have also slowed down since the last quarter with 1 bedroom properties again showing a fall in price between May and August 2010. With buyers becoming cautious and an increase in supply of properties on the market, it is suggested that property prices will continue to fall.

Table 43: House Prices

	Peterborough	National	% growth in Peterborough since last quarter
1 Bed properties	£88,200	£137,100	-0.45%
2 bed properties	£120,400	£151,300	0.17%
3 bed properties	£143,000	£176,900	0.35%
4 bed properties	£226,000	£311,200	0.80%
5+ bed properties	£297,800	£516,000	1.02%

Source: www.mouseprice.com, Updated: August 1st. Source from Land Registry

10.5.5 Housing subsidy claimants

A comparison of local and national housing benefit claimant rates indicates that Peterborough has a higher rate of housing benefit claimants as a percentage of the number of households when compared with the rest of Great Britain. These calculations are displayed in the table below:

Table 44: Housing subsidy claimants

	Housing Benefit Claimants		
	Total households	Number of households in receipt of HB	% of all households
Peterborough	74,900	18,316	24.5%
Great Britain	25,200,000	4,770,000	18.9%

Source: Peterborough City Council/ONS/DWP

In September 2010, there were 18,316 active housing benefit claims in Peterborough, representing roughly 24.5% of all households. This is higher than the average rate of claim for Great Britain as a whole, where approximately 18.9% of households are in receipt of Housing Benefit. However, this high rate of claims is not axiomatic of higher than average levels of economic exclusion (due to many economically inactive households being reliant upon subsidy to contribute towards accommodation costs). This data does, however, reiterate the need for additional affordable housing in Peterborough in order to reduce reliance upon housing subsidy.

10.5.6 Housing costs

The table below sets out entry level purchase prices for market accommodation, entry-level monthly rents, and rents through a social landlord.

Table 45: Housing costs

	Housing costs in Peterborough							
	One Bed		Two Bed		Three Bed		Four Bed	
	P'boro	Sub-region	P'boro	Sub-region	P'boro	Sub-region	P'boro	Sub-region
Entry-level house prices	£64k	£68.3k	£94k	£100k	£117k	£127.5k	£173k	£184.75k
Entry-level rental prices (per month)	£375	£358.75	£495	£461.25	£550	£548.75	£700	£713.75
Social rents (per week)	£60	£60.25	£70	£64.75	£79	£76.50	-	-

Source: Peterborough Sub-Regional Strategic Housing Market Assessment Update (2010)

Entry-level house prices are lower in Peterborough than across the sub-region as a whole, but rental costs in the private sector are on average marginally higher (with the exception of four beds). The latter is likely to be a factor in the lower levels of affordability experienced in Peterborough compared with the sub-region. Social rents remain reasonable consistent across the sub-region.

10.5.7 Tenure split

The table below sets out the 2010 tenure split in Peterborough and the sub-region.

Table 46: Tenure Split

Estimated Tenure Split in Peterborough and Sub Region				
	Peterborough		Sub Region	
	Households	% of households	Households	% of households
Owner-Occupied (no mortgage)	17,914	25.1%	58,397	31.5%
Owner-Occupied (with mortgage)	30,825	43.1%	73,357	39.6%
Social Rented	14,055	19.7%	28,928	15.6%
Private Rented	8,686	12.2%	24,417	13.2%
Total	71,480	100.0%	185,100	100.0%

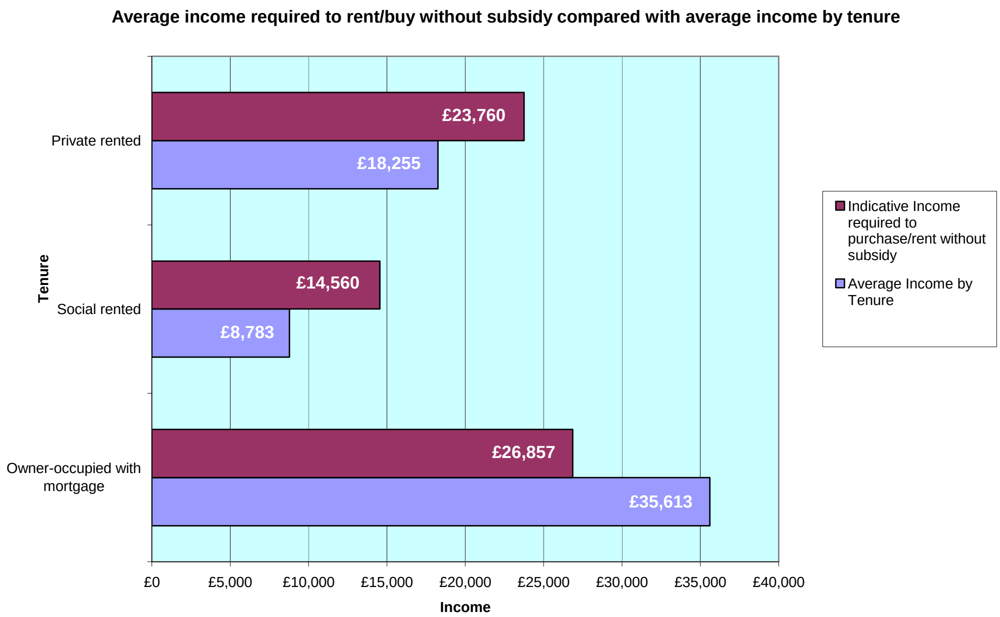
Source: Peterborough Sub-Regional Strategic Housing Market Assessment Update (2010)

The most predominant tenure in Peterborough is owner-occupation with mortgage, which at 41.3% of all tenures is also higher than the sub-regional average. In contrast, there are lower levels of owner-occupation without mortgage. Private renting is slightly lower in Peterborough than within the sub-region as a whole, although there is evidence that this is a growing tenure across the authority. Social renting makes up 19.7% of all tenures in Peterborough, which is considerable higher than the sub-region as a whole.

10.5.8 Entry-level housing costs

The graph below compares the average income per households per tenure, with the indicative income required to purchase or rent within that tenure. This data is drawn from the Peterborough Sub-Regional Strategic Housing Market Assessment Update.

Figure 88: Entry level housing costs



Source: Peterborough Sub-Regional Strategic Housing Market Assessment Update (2010)

The data suggests that for those renting in the private sector and through a social landlord, the average incomes of households within those tenures are less than the indicative income required to rent without subsidy. This would suggest that where households rely on a level of housing subsidy that is in excess of their earning potential, that they are more likely to experience economic exclusion.

For those who have purchased their home with a mortgage, the average income of households within the tenure is in excess of the indicative income required to purchase on the open market. This suggests that on average, affordability is less likely to be an issue for those looking to purchase.

10.5.9 Economic growth

Peterborough has ambitions to grow its economy. The housing offer in Peterborough will play a major role in supporting this growth, helping to ensure that there is a full range of accommodation to meet a range of different needs. This section will explore to what extent the housing offer in Peterborough can support economic growth.

10.5.10 Stock profile

A diverse and good quality housing stock that can grow in line with population growth, and that can adapt to the changing needs to a dynamic population, is very important for an adaptive region. As the structure of an economy changes, for example, upgrading its skills levels and attracting higher value added businesses and higher proportions of professionals, it must also adapt the type of housing and infrastructure. Higher quality housing with greater provision of amenities will be required to attract people to the city. However, while it must also aim to provide higher quality housing, it is still very important to provide the diverse range of housing types and affordability.

The table below sets out the profile of the housing stock in Peterborough compared with the other authorities within the sub-regional housing market.

Table 47: Stock profile

Stock profile of Peterborough sub-region					
	Peterborough	Rutland	South Holland	South Kesteven	Sub-Region
Detached House	20.6%	40.3%	35.2%	30.2%	28.2%
Semi-detached House	25.8%	23.4%	23.5%	26.6%	25.4%
Terraced House	27.2%	16.7%	7.1%	16.7%	19.0%
Bungalow	11.8%	12.3%	29.7%	17.9%	17.3%
Flat/Maisonette	14.6%	7.4%	4.5%	8.6%	10.1%

Source: Peterborough Sub-Regional Strategic Housing Market Assessment Update (2010)

There are several noticeable differences between the housing stock profile of Peterborough and the sub-region as a whole; Peterborough has a considerably lower proportion of detached houses as a percentage of its total housing stock compared with its neighbouring authorities, particularly in Rutland. The authority also has a considerably higher proportion of flats in its stock profile than authorities across the sub-region as a whole. The level of terraced housing is also higher in Peterborough, compared with neighbouring authorities.

Table 48: Dwellings by council tax band

Dwellings by Council Tax Band						
	Band A	Band B	Band C	Band D	Band E	Bands F - H
Peterborough	45.1%	23.1%	15.8%	7.8%	4.8%	3.3%
South Kesteven	30.7%	22.7%	17.7%	14.4%	8.4%	6.1%
Rutland	9.6%	25.5%	17.8%	14.6%	14.3%	18.2%
South Holland	38.6%	21.0%	25.3%	9.7%	4.2%	1.1%
East of England	14.4%	21.2%	26.4%	17.4%	10.5%	10.1%

Source: Peterborough Sub-Regional Strategic Housing Market Assessment (2008)

Analysis of the sub-regional housing stock by council tax band also indicates that Peterborough has a housing profile which is heavily weighted towards smaller, lower-value housing (as indicated by the significantly higher proportion of 'band A' properties and a lower proportion of band F to H properties when compared to sub-regional and regional averages).

This apparent weighting towards smaller accommodation poses a number of issues for Peterborough in terms of its ambition for economic growth. If the preferred economic development strategy of growth based on the attraction of new and expanding companies in the environment and knowledge-based industries is to succeed, there will be a need for a full range of houses, including those of a type and size attractive to company directors, chief executives and others who make decisions about company locations, as part of a comprehensive Peterborough 'offer'. Securing additional prestige homes in order to attract more professionals to live within the authority is an aim of the Peterborough Core Strategy.

10.5.11 Homes in multiple occupation

As a core aspect of its economic strategy, Peterborough intends to establish a university within the city. This process began in August 2008, when a joint venture between Anglia Ruskin University and Peterborough Regional College led to University Centre Peterborough being formally established. The centre offers a number of degree level courses in affiliation with Anglia Ruskin, but the centre does not have university status in its own right. In order to attain university status, University Centre Peterborough aspires to enrol 4,000 students over the next five year. This has the potential to bring huge benefits for the local economy both now and in the future, but also brings with it a series of challenges for the authority in terms of housing and community cohesion.

In many established university towns, accommodation provision for students tends to be focused around halls of residence (either managed privately or by the university) or through shared accommodation in the private sector, all of which are houses in multiple occupation (HMO) although controlled in different ways under the Housing Act 2004. Peterborough already has a large HMO market, which is partly driven by demand from new migrant communities that have settled in the city since the accession of Eastern European countries into the EU, and also by a local population that is younger than the national average. Of this HMO activity, a large amount is concentrated around the areas of Millfield, New England and Gladstone (collectively known as the MANERP area), with the vast majority of this growth occurring since 2004.

This rapid influx of highly transient individuals into an area of the city with some of the oldest housing stock has led to a number of ongoing issues relating to;

- Poor housing conditions, disrepair and overcrowding (this has always been the case in this area, a situation that has been exacerbated since the influx of EU migrants).
- Poor (and sometimes illegal) property management practices (once again, this has been the case in this area for some time. This situation has been exacerbated by influx of EU migrants)
- Community cohesion
- Accumulations of waste and rubbish
- Parking and congestion
- Anti-social behaviour
- Pests and rodents
- The loss of family accommodation
- High turnover of residents
- High levels of housing need

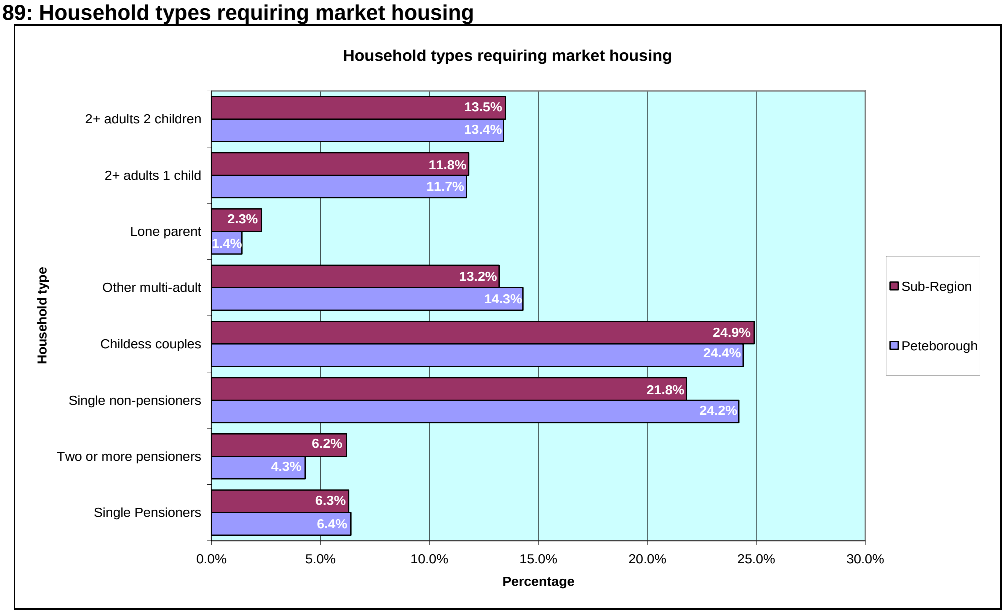
Many of these issues are attributed to the high density of households living in the MANERP area; a situation which is partly fuelled and sustained by the above average numbers of HMOs. There is also evidence to suggest that in some streets in the area, up to 80 percent of dwellings are being let as HMOs. Such a trend can have a detrimental effect on the community cohesion, and has resulted in the loss of some units of larger family accommodation. The challenge now is to prevent a similar reoccurrence of these issues when the planned influx of a student population occurs, whilst containing the situation in the MANERP area.

Peterborough City Council is presently considering its policy options in regards to controlling the spread and density of HMOs across Peterborough. One such option is to introduce a planning tool called an 'article four directive'. In the simplest terms, the conversion of a house into a HMO presently does not require planning consent as it is considered to be 'permitted development'. However, Peterborough City Council has the power to introduce an 'article four directive', which will remove these 'permitted development rights' for all dwellings within a specified area, making it a requirement of obtaining planning consent in order to convert between the two 'class uses'. This then introduces scope for Peterborough City Council to exert influence on the number of HMOs in a given area, and also to enforce where planning issues arise. Discussions are ongoing with housing and planning teams regarding the feasibility and viability of introducing such a measure, and the locations that such a measures should cover.

10.5.12 Present market housing demand

The 2010 SHMA update includes analysis into present and future housing demand, based on projected demographic trends. The graph below sets the proportion of which groups have the desire and resources to purchase or rent on the open market over the next two years.

Figure 89: Household types requiring market housing



Source: Peterborough Sub-Regional Strategic Housing Market Assessment Update (2010)

Analysis of data from the SHMA suggests that the split in demand across household types in Peterborough is broadly consistent with the demand profile of the wider sub-region, albeit with a slightly higher demand for amongst single non-pensioner and other multi-adult households. The highest levels of present demand are arising from childless households (73%), with couples with children accounting for around 27% of present demand.

10.5.13 Affordable housing

According to the Housing Development Report (2010), in the period 1 April 2009 to 31st March 2010, 692 new build affordable homes were completed, representing 61.5% of the total completions. The target for Peterborough is 30% on qualifying sites. These are of sites of 15 or more dwellings. The number of dwelling completions on qualifying sites for 2009/10 totalled 965, so new build affordable dwellings brought forward 71.7% the highest level achieved since 2001.

Of these completions, 661 were built in the urban area (sites in Central, East, Orton with Hampton and Paston wards), and 31 were in the rural parish of Eye. At 31st Match 2010 on sites where construction is ongoing, there were 182 RSL dwellings proposed with 125 under construction and 57 not yet started, and on sites where construction had not yet started, there were 98 dwellings proposed, and 418 with outline planning permission giving a total of 698 outstanding. However it should be noted that this report focuses on dwellings developed as new build or through a change of use of an existing property. Affordable homes can also be provided through other means, which are not reported here.

10.5.14 Future market housing size requirements

In addition to present demand, the Peterborough Sub-Regional SHMA update provides an estimate of size requirements up until 2026 based on projected population and economic growth. The future requirement for market housing is set out in the table below.

Table 49: Future market housing size requirements

Estimated market housing requirements to 2026 by size		
	Peterborough	Sub-Region
1 bedroom	3.4%	2.1%
2 bedroom	22.4%	28.2%
3 bedroom	51.8%	49.3%
4+ bedroom	22.4%	19.7%

Source: Peterborough Sub-Regional Strategic Housing Market Assessment Update (2010)

As set out in the table above, 74.2% of future demand for market housing in Peterborough is expected to focus around larger family accommodation, with a lower demand for smaller family accommodation. Demand for one bed market accommodation is also expected to be low. This anticipated shift in demand towards large accommodation reaffirms the need to encourage the development of larger, prestige accommodation in Peterborough in order to meet its economic vision.

10.5.15 Demand for intermediate housing

The 2010 SHMA update identified a potential role for 'intermediate' housing in meeting around 10% of future housing need and demand in Peterborough up until at least 2026. Intermediate housing is designed to meet the needs of those who are ineligible for social housing, but do not have the resources to purchase on the open market. It is available in several forms, ranging from shared ownership through to accommodation to rent at around 80% of the market rate. The intermediate housing sector will play a vital role in supporting low income households, young professionals and key workers into home ownership in Peterborough, thus helping to support local economic growth.

11 Conclusions and Recommendations.

11.1 Raising the skill levels and educational attainments of the workforce

A key requirement in meeting the need for a high wage, high skill economy is a skills base which is responsive to the rapidly changing needs of business. As the pattern of demand changes and as technology changes production and distribution process for manufacturing and services. Major shifts in the skills demanded by the industry and the public sector will be required to support future growth of the Peterborough economy, and changes in its industrial structure. Moreover, if Peterborough is to succeed in restructuring its economy towards more high value-added activities the demand for skills at intermediate and higher levels will increase significantly. The upgrading of skills of those in the workforce and the integration of the unemployed and other groups of non-employed with the potential to find employment will be essential if skill and labour supply constraints are not to limit the growth of the sub-regional economy and/or give rise to unacceptable net inward commuting. The Peterborough economy has suffered badly in the recent recession and unemployment rates are high with a strong possibility of them increasing further this year.

Skill levels and educational achievements are also relatively low compared with the East of England region and nationally. In particular, the proportion of the workforce in the professional and technical occupations is relatively low and Peterborough has a higher proportion than average of population with no qualifications and a much lower proportion of the population with degree level or equivalent qualifications. This provides a significant constraint on economic development, prevents some people from fulfilling their potential and contributes to a low wage, relatively low skill economy. For Peterborough to become a high-skilled, high wage economy and for businesses to improve their competitiveness and productivity the workforce must be responsive to the needs of businesses and businesses must share the responsibility of skills upgrading with the educational sector. There have been some developments to date which have aided this, such as the Thomas Deacon Academy, a school set up by the Government Academies Programme and sponsored jointly by Perkins Engines and the Deacon's School Trust, and the new University Centre Peterborough which has been established.

11.2 Need to provide more executive level housing to attract those in higher level occupations to move to Peterborough.

Maintaining the quality of the housing stock, providing a diversity of housing and a mix of tenures to meet the needs and aspirations of a growing population is vitally important for ensuring that Peterborough retains its reputation as an attractive place in which to live and work. Attracting talented and highly qualified people to the sub-region is an important means by which the skills base can be enriched. Success in this respect is greatly facilitated by a housing market able to respond to and meet the needs of incomers to the sub-region.

The highest level of present demand for housing is arising from childless households. Just over 74% future demand for market housing in Peterborough is expected to focus around larger family accommodation, with a lower demand for smaller family accommodation as well as one bedroom accommodation. There is a need for larger, prestigious housing in order to attract the higher skilled people into the city as currently these people tend to live in surrounding towns and villages and commute in to Peterborough for work purposes.
House prices are lower and the average salary multiple is 8.58 in the PE postcode compared with 9.11 nationally (www.mouseprice.com) indicating that housing is relatively more affordable in the city. With regards to Decent Homes, 39% of private sector homes fail to meet the standard. 59% of these failures are due to category one hazards, and 49% fail due to issues of thermal comfort. Around 44.8% of vulnerable households in the private sector live in non-decent housing. The highest levels of non-decency were found to be in the private rented sector, in empty homes, in pre-1919 dwellings, in terraced housing, and in converted flats

11.3 Continue to upgrade the City’s local and inter-regional infrastructure

Although location close to major road, rail and air communications infrastructure is an important source of Peterborough’s competitive advantage, future demographic and economic growth will necessitate continued upgrading of Peterborough’s local and inter-regional transport infrastructure and retain the city’s competitive advantage in this field. Failure in this respect will damage the efficiency of the Peterborough economy and erode an important competitive advantage. Improved transport links will also be required if Peterborough is to fulfill its role and make its contribution to the region’s growth ambitions.

Upgraded transport infrastructure is also important in strengthening Peterborough’s links with its rural communities and wider regional hinterland. A high quality transport network will also help in securing more sustainable development, particularly when combined with technological changes and changes in how people and firms use the network.

11.4 Tackle the high levels of worklessness

The unemployed and those in the working age groups on incapacity benefit have relatively low incomes and unrealised economic and social potential compared with those in employment. They are also an underutilised labour resource that potentially can be brought into effective use to raise GVA per capita in the sub region and contribute to higher levels of economic prosperity in the East of England region and nationally. Long periods of unemployment and incapacity are also often associated with social exclusion and multiple deprivation, which typically combines poor health, low quality housing and family dysfunction. A community with high levels of unemployed and socially excluded will be divisive and will weaken economic development and growth. Peterborough has the highest proportion of NEETS than anywhere else in the region and although the numbers are steadily improving, a concerted effort is still required to tackle this issue in order to reduce the likelihood of them featuring in the long term unemployed category.

It is clear from all the evidence on average salary, education level (qualifications) and occupational breakdown, that the Peterborough economy is dominated by a low-wage, low-skilled workforce.

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11.7 Ensure sustainability and growth of our key sectors

Industrial clusters reflect existing or past locational advantages that raise the competitiveness and productivity of firms and other organisations in the cluster. Clustering provides efficient access to specialised inputs and skilled labour pools, access to knowledge, information and know-how, links and interactions with institutions and public sector organisations relevant to the cluster. It also benefits innovation and facilitates diffusion of innovations and collective learning on the part of cluster participants. For these reasons industrial clusters are seen as important for the future growth and development of the Peterborough economy.

Peterborough has identified key clusters of growth. These are as follows:

- Environmental goods and services
- Food and drink
- Media, publishing and printing
- Engineering and Manufacturing
- Financial services

Although evidence suggests that these sectors are performing well in the city, there are no set definitions used to measure each of the sectors in the city and therefore further research is required into these individual sectors in Peterborough. Peterborough boasts an emerging and broadly based cluster focusing on environmental technologies consisting of an estimated 340 companies engaged in activities such as emissions control, water management and treatment and the management of energy resources. With an increase in marketing in making Peterborough, home of the environment capital, the presence of this sector in the city should continue to increase and in turn create a unique selling point.

With good access to road, rail, air and port connections Peterborough has also become an attractive location for companies with large scale wholesaling, distribution and warehousing requirements. A logistics cluster consisting of a wide mix of firms engaged in the packaging, storage and warehousing of goods and their movement across different modes of transport has become an important feature of Peterborough's industrial landscape.

An important challenge for the local economy is to extend its portfolio of clusters to include clusters of knowledge based firms. Peterborough currently lacks many of the assets for levering the development of high technology and knowledge based industries, in turn this will attract high wages and skills to the city.

11.8 Raise the level of innovation

The high technology sector tends to employ a relatively high proportion of professional and technical workers which is an important driver of innovative activity in attracting high-technology inward investment and raising innovative capability. Peterborough has a relatively small high-technology sector by comparison with Cambridgeshire, the East of England region and Great Britain. The small scale of Peterborough's high-technology sector is reflected in the relatively low proportion of professional and technical employees working in the sub-region. There is therefore a need to encourage the growth of the high-technology sector in the sub-region through support for technology-based new start-ups and through the attraction of high-technology firms from outside the sub-region. Innovation centres, incubators and the provision of facilities in supporting the birth and growth of these firms provide an important focus for the development of the sector and the attraction of inward investment.

11.9 Raising the level and quality of enterprise activity to increase the number and growth potential of high growth firms

It is well established that there is a direct correlation between entrepreneurship and dynamic economy. The birth rate (VAT registrations) of firms in Peterborough is also relatively high compared with both the East of England region and the nation. However VAT de-registrations are also relatively high. Small high-technology companies also make an important contribution to innovation. Peterborough is significantly below average in terms of the share of employment for which they account. Raising innovation rates in SMEs improves their competitiveness through new products/services and by raising productivity through process innovations. Research has shown that 6% of companies create about 54% of all jobs. It is these quality, high growth enterprises that are essential in order to maximise job creation in the city. High levels of innovation are directly correlated with successful high growth firms.

11.10 Increasing the rate of inward investment

Inward investment is a vital factor when pursuing economic prosperity and growth. Attracting new investment into the city will increase the number of jobs, help diversify the economy and can also be associated with innovation. With high levels of unemployment, this should be encouraged. However, there is often strong competition from other potential destinations therefore Peterborough has to effectively promote its assets to enable investment, and provide distinctive offer to promote the area.

Attracting and retaining investment is critical to the economic performance of the City. This will instigate and sustain economic recovery and is essential for job creation. With high levels of unemployment, this should be encouraged. As global and national competition for investment intensifies, areas increasingly need to provide attractive locations to enable investment, and a distinctive offer to promote the area.

11.11 Improve language provision for migrant workers

There are currently large waiting lists of people who have signed up to go on ESOL courses but due to high demand some waiting lists are up to a year. In order to attract higher value jobs into Peterborough, on of the basic needs it good English language comprehension.

It broadens opportunities for migrants and help to ensure that they are equipped to play a full part in British society. A command of English also assists in removing cultural barriers for the second generation who suffer academically when English is not spoken in the home.

11.12 Encourage start -up businesses in rural communities through enhanced broadband connectivity

According to data, just over 12% of Peterborough's population live in rural areas. On the face of it, rural parts of the city are prospering economically however this report has identified certain issues in rural Peterborough. Broadband provision is poor within many rural areas and there are unlikely to be significant improvements without funding provision. This is essential element if businesses in rural areas are to prosper and grow and thus increase employment opportunities organically.

11.13 Ensure an adequate supply of high quality business land and premises

If the Peterborough economy is to successfully adapt to the business needs of knowledge based firms and support a significant increase in employment opportunities for the planned growth of the population, a suitable supply of quality employment land in appropriate locations must be made available.

Firms require different premises through their lifecycle of birth, growth and consolidation, different sectors may also have differing premise specifications and incoming firms from other parts of the UK or overseas may also have particular land and premise requirements.

It is also essential to improve the quality and attractiveness of existing commercially developed sites to encourage in situ, expansion of existing tenants and incoming firms to occupy vacant premises.

There is also limited space of suitable high-technology start ups in the city and therefore there is a need for more innovation centres and premises for high technology start ups especially in the environmental sector. This is essential if the key sectors in the city are to expand.

11.14 Make Peterborough a "destination"

It has been identified that Peterborough suffers from poor perceptions in terms of a place to live and a place to do business.

If Peterborough wants to compete with other cities in the country, it needs to be marketed as a destination. A destination is a place where people want to be. A "destination" is essentially the specific place where a visitor chooses to go. Just as all places cannot be "brands"; all places cannot be "destinations". Destinations are like brands in that they exist in the mind of the visitor.

Peterborough needs to exploit the powerful assets it has across the live, work and invest themes to differentiate itself from its competitors.

12 Reviewing and revising

12.1 Timeline for revising and updating the LEA

This Local Economic Assessment will enable others to take these findings into account when developing plans and strategies which will shape Peterborough for the future. It is essential for the Local Economic Assessment to remain a document which is up to date and therefore will require revision on a regular basis. Future releases of economic data will be monitored and this Local Economic Assessment will be updated and renewed, when the data suggests it is appropriate.

13 Data Sources

Data Set	Geographic area of data coverage	Frequency of data update	Web address/page	Comments
Demographics				
Resident population	LA level	Annual	Nomis	
Population by ethnic group	Up to LSOA level	Every 10 years. Latest update 2001	Nomis, ONS	
Population estimates by ethnic group	LA Level	Annual. Latest data 2007	http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=14238	
Demographic data	Local – postcode level	Census 2001	http://www.mouseprice.com/area-guide/demographics/PE1/Peterborough	
Population by LSOA Level	LA Level			
Sub National Population Projections	LA Level	Latest Data 2008	ONS	
Small Area Population Estimates (experimental data):	Population estimates for Super Output Areas, Wards, National Parks and Parliamentary Constituencies		http://www.statistics.gov.uk/about/methodology_by_theme/sape/default.asp	
Economic Activity and Unemployment Data				
Economic activity rate	Up to LA level	Annually	Nomis, Annual Population Survey	
Employment Rate	Up to LA level	Annually	Nomis, Annual Population Survey	
Employment Rate	Up to LSOA Level	Every 10 years	Census 2001	
% of working age who are employees	Up to LA level	Annually	Nomis, Annual Population Survey	
Unemployment rate	Up to LA level	Annually	Nomis, Annual Population Survey	
Economically inactive	Up to LA level	Annually	Nomis, Annual Population Survey	
Occupation	Up to LA level	Annually	Nomis, Annual Population Survey	

Occupation	Up to LSOA level	Annually	Census 2001	
Claimant Count Data	Up to ward level	Monthly	Nomis, Claimant Count data set	No of people claiming JSA.
Labour Market	Upto LA Level	Annual	Annual Business Inquiry (ABI)	
DWP Benefit Claimants data	Upto LA level	Quarterly	DWP, Nomis	Breakdown of different benefits
Enterprise				
VAT Registrations/De-registrations/ Stocks at the end of the year	Up to LA level	Annually, Updated every September. Latest data 2007.	Nomis, VAT Registrations and Deregistrations.	Also detailed report available on ONS.
Purchasing Managers Index		Monthly (first working day of the month)		This data cover manufacturing, construction and service sector activity.
Forecasts for the UK economy, HM Treasury	National	Monthly	http://www.hm-treasury.gov.uk/d/200909forcomp.pdf	
VAT registrations/ de-registrations				
VAT summary		Annual – every November	http://stats.berr.gov.uk/ed/vat/index.htm	
UK Business Size, Activity & Location:	Up to LA Level	Annual	http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=15186	Annual release of IDBR data down to LA level
Business Demography	Up to LA Level	Annual		Annual release of business births deaths and survival from IDBR. New in 2009, replaces VAT registrations & de-registrations published by BERR (now BIS).
Small Businesses showing growth NI172	Up to LA level	Annual		BERR
Inflation				
Consumer Price Index	ONS	Monthly	http://www.statistics.gov.uk/cci/nugget.asp?ID=19	
Retail Price Index	ONS	Monthly		

Skills/Income Levels				
Qualifications levels (NVQ)	Up to LA level	Annually	Nomis, Annual Population Survey	
Qualification levels (GSCE)	Up to LA level	Annually	Nomis, Annual Population Survey and Census 2001	
Qualifications	Up to LSOA level	Every 10 years	Census 2001	
Qualifications levels (NVQ)	Up to LA level	Annually	Nomis, Annual Population Survey	
Qualification levels (GSCE)	Up to LA level	Annually	Nomis, Annual Population Survey and Census 2001	
Income	Up to LA level	Annual	Annual Survey of Hours and Earnings	
Housing				
Dwelling type	Up to LSOA Level	Every 10 years	Census 2001	
Tenure and persons by accommodation type	Up to LSOA Level	Every 10 years	Census 2001	
Tenure and persons by occupancy rating.	Up to LSOA Level	Every 10 years	Census 2001	
Household composition by number of cars available	Up to LSOA Level	Every 10 years	Census 2001	
Housing Repossessions	LA Level	Every quarter	Ministry of Justice http://www.justice.gov.uk/publications/statistics.htm	
House Price Index	Regional	Monthly	http://www.communities.gov.uk/publications/corporate/statistics/hpi072009	
House price data	National	Monthly	http://www.acadametrics.co.uk/ftHousePrices.php	
House prices	City –postcode level	Every quarter	http://www.mouseprice.com/area-guide/average-house-price/PE1/Peterborough	Sourced from land registry
Price Earnings Ratio	City –postcode level	Every quarter	http://www.mouseprice.com/area-guide/price-earnings-ratio/PE1/Peterborough	Sourced from land registry
Price Trend Data	City –postcode level	Every quarter	http://www.mouseprice.com/area-guide/house-price-trends/PE1/Peterborough	Sourced from land registry

Most expensive streets in Peterborough	City level	Monthly	http://www.mouseprice.com/area-guide/most-expensive-streets/PE1/Peterborough	Sourced from land registry
Least expensive streets in Peterborough	City level	Monthly	http://www.mouseprice.com/area-guide/least-expensive-streets/PE1/Peterborough	Sourced from land registry
House price Index	Regional	Monthly	http://www.communities.gov.uk/publications/corporate/statistics/hpi072009	
Household projections to 2031	National		http://www.communities.gov.uk/publications/corporate/statistics/2031households0309	
Household size projections	LA Level		http://www.dft.gov.uk/tempro/	DfT
Housing market survey	Regional	Monthly	http://www.rics.org/site/download_feed.aspx?fileID=4219&fileExtension=PDF	RICS
Construction				
Review of BERR Construction Price and Cost Indices.			http://stats.berr.gov.uk/construction/	
Crime				
Population in Custody	LA Level	Monthly	http://www.justice.gov.uk/publications/docs/population-in-custody-06-2009.xls	
Adult population reoffending	LA Level	Monthly	http://www.justice.gov.uk/publications/docs/local-adult-reoffending-apr08-mar09.xls	
General Crime Figures	City Level	Annual	www.homeoffice.gov.uk	
General Crime Figures	City Level	Annual	http://www.mouseprice.com/area-guide/crime/PE1/Peterborough	
Health				
Life expectancy	City Level	Latest data 205-2007	Neighbourhood Statistics	
General Health	LSOA Level	2001	Neighbourhood Statistics	
Deprivation				
Indices of Deprivation 2007	LSOA	Latest data is 2007	http://www.communities.gov.uk/communities/neighbourhoodrenewal/deprivation/deprivation07/	Information available on seven domains.

Infrastructure				
Primary Schools	City Level	Annual	http://www.mouseprice.com/area-guide/primary/PE1/Peterborough	Sourced from DfES
Secondary Schools	City Level	Annual	http://www.mouseprice.com/area-guide/secondary/PE1/Peterborough	Sourced from DfES
Special Schools	City Level	Annual	http://www.mouseprice.com/area-guide/special/PE1/Peterborough	Sourced from DfES
Commuting Patterns	LA Level	Last update 2008	TTWA, ONS	Sourced from Census 2001
Reports				
Labour Market Outlook	Regional	Quarterly	KPMG/CIPD	
Portrait of the East of England	Regional	Annual	ONS	
Labour Market Statistics	Regional	Monthly	ONS	
Peterborough Sub-area Profile	Local	Part of the RSS		Scenarios for housing and economic growth
East of England Quarterly Brief	Regional	Quarterly	Insight East	
EEFM	Regional	Bi-annual	Insight East	Economic forecasts to 2031.
Regional Spatial Strategy	Regional		EERA	
Regional Economic Strategy	Regional		EEDA	
Community Strategy	Local	Update due 2011	GPP	
Strategic Housing Market Assessment	Local		Planning	
Peterborough Sub-Regional Economic Strategy 2008-2031	Local		PACEC	
Peterborough Strategy for Gypsies and Travellers	Local	Uodate due 2011	PCC	

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Organisations

City College Peterborough

Business Link

EEDA

Jobcentre Plus

New Link Centre, Peterborough

Peterborough City Council

Peterborough Regional College

UK CEED

University Centre Peterborough