Peterborough Economic Intelligence Report 2019

Produced by Opportunity Peterborough

Foreword

Peterborough is a proud city with a wonderful heritage and a bright future. Opportunity Peterborough is the economic development company for the city and works with a wide range of stakeholders from across the public and private sectors, and civic society, to support inclusive economic growth and prosperity within our communities. This report provides a snapshot in time along that journey, using key indicators to measure our progress as a city, as well as to identify challenges we need to meet.

Peterborough has so much going for it, from its active and engaged workforce, diverse communities, and very low cost of doing business, to its nation-leading gigabit fibre networks, great road links, and soon-to-be 38 minute train journey to London King's Cross (and direct trains to Gatwick Airport). Overall, Peterborough's economic trajectory is very positive. We have seen continued growth in jobs, and net business creation in the city is outpacing regional and national trends. Growth in our economic output (GVA) is also above the regional and national average, and the level of patent registrations indicates continued investment into innovation and R&D.

We do recognise, however, that challenges remain: not just for Peterborough but for the UK economy as a whole. Productivity has been highlighted as a national priority, with the UK lagging behind its international competitors. This is no different for Peterborough and a number of initiatives and strategies have been identified as potential boosts to productivity, not least through the forthcoming Local Industrial Strategy. Opportunity Peterborough will make sure that opportunities to support local businesses are maximised. More productive businesses are more competitive and resilient; they require higher skilled employees on higher wages which is good for our economy and communities alike.

To do this we need to make sure our existing and future workforce has the skills local businesses need, not only to help these businesses achieve their growth aspirations, but also to ensure communities can benefit from the success of this growth. Enhancing Peterborough's university offer will play an important part in this. Likewise, The Skills Service, which is run by Opportunity Peterborough, is consistently strengthening relationships between businesses and schools, providing young people with essential employability skills and knowledge about career options to drive their ambitions and aspirations. I would strongly encourage local businesses to engage with the University Centre Peterborough and The Skills Service to help shape skills provision both now and for the future.

The information contained in previous versions of this report has enabled the design of evidence-based policy to support the sustainable growth of this city, supported local businesses to make decisions about their growth plans, and helped attract new investment into this city. We hope that this report will have a similarly positive impact and continue to assist Peterborough in fulfilling its true potential.

T. Hennessy

Tom Hennessy
Chief Executive, Opportunity Peterborough
January 2019

Opportunity Peterborough

Table of Contents

1. Summary

Peterborough is home to a diverse population of 198,914 people, 62.6% of whom are of working age. The economy of Peterborough features an equally diverse mix of sectors and is made up of 6,840 enterprises which combined to produce a GVA of £5,439m in 2016 and operate at a productivity level of £45,239 per job.

By employment, Peterborough's largest sector is Business Administration and Support Services, with Professional, Scientific and Technical the largest sector by number of businesses.

With an economic activity rate of 77.1%, a gross weekly pay of £507, a house price to earnings ratio of 7.39 and with commercial property and land costs below the UK average, Peterborough is an attractive place to live and do business.

1.1 Economy

Peterborough is a cost effective location for businesses, particularly given the proximity and ease of access to London, and that property and land costs, and gross weekly pay, all sit below national averages. This positive business climate is reflected in the level of net business creation which is higher than the UK average for the fourth year in a row.

Key sectors include:

Distribution; Transport; Accommodation and Food – A slightly unusual conglomeration, this 'sector' (created by ONS for GVA measures) is the largest contributor to local economic output as well as providing the fastest growth in GVA. In this format it is also the largest 'sector' by employment, providing 35,000 jobs in the city, or 29% of all employment. To be comparable with the ONS employment by industry figures, this breaks down as:

- Retail – 14,000 jobs
- Wholesale – 6,000 jobs
- Accommodation and Food Services – 6,000 jobs
- Transport and Storage – 6,000 jobs
- Motor Trades – 3,000 jobs

Jobs growth from 2010 to 2017 was strong in all of these sectors.

Business Service Activities – This sector constitutes 13% of Peterborough's GVA and employs 28,000 people in the city but this breaks down as:

- Professional, Scientific and Technical – 6,000 jobs
- Business Administration and Support Services – 22,000 jobs

Using ONS's employment by industry categorisations (rather than their GVA categorisations), Business Administration and Support Services is the largest sector by employment in the city, and has seen 57% job growth since 2010. Productivity appears low across the higher level Business Service Activities sector but this is due to the large numbers of agency workers that are counted as working in this sector, as they are directly employed by recruitment agencies, but who actually work in, and generate GVA attributed to, other sectors.

Manufacturing – One of Peterborough's most productive sectors, manufacturing contributes significantly to local output and is demonstrating high growth in GVA and productivity levels. Manufacturing provides a sizeable proportion of local jobs but this figure has been contracting over recent years, with an 11% decrease since 2010. However, it is difficult to tell how many of these jobs have simply converted from permanent to contract as the nature of work changes.

When compared to the East of England, the city has above average employment in Business Administration and Support Services; Financial and Insurance; Information and Communication; Transport and Storage (including postal); Retail; Wholesale; Motor Trades; Health; and Mining, Quarrying and Utilities. It has average employment in Public Administration and Defence. There is below average employment in Manufacturing; Construction; Accommodation and Food Services; Professional, Scientific and Technical; Education; Property; and Arts, Entertainment, Recreation and Other Services.

As with businesses across the UK, and as identified in the Cambridgeshire and Peterborough Independent Economic Review, productivity remains an area that provides substantial opportunity for growth for Peterborough businesses. The Cambridgeshire and Peterborough Independent Economic Review highlights the slowing of productivity growth in the East of England, to a point in which it has dipped slightly. It also places the stagnation of Cambridgeshire and Peterborough's productivity growth in context with the rest of the UK, which has also been stagnant in recent years. Supporting businesses to improve productivity will be a major component of the forthcoming Local Industrial Strategy.

1.2 Skills and innovation

Peterborough is an innovative city with comparatively high levels of patent registrations and a positive level of interactions between businesses and academic institutions. Peterborough's businesses also commit higher than average investment to job-related training.

Overall levels of academic qualifications are below the national and regional averages but trends in the improvement of the numbers of students achieving benchmark grades across 5 GCSEs are promising.

1.3 Population

Whilst Peterborough has witnessed significant growth since the turn of the century, being ranked the fastest growing city in the UK 2001-2011 and the second fastest growing city in the UK 2004-2014, projections show that this growth is expected to slow to a steady rate of approximately 2,000 people per year until 2021. Growth then slows further to a steady rate of approximately 1,000 people a year until 2041. The Cambridgeshire and Peterborough Independent Economic Review places Peterborough as the 4th fastest growing city in the UK.

Peterborough has a population of 198,914 with a retail catchment area population of over 960,000. The economic activity rate of its population is above the UK national average and the number of out of work benefits claimants in the city has been falling at a much faster rate than national and regional figure. However, the way in which this is measured has changed, and the increase seen this year reflects the introduction of the Government's Universal Credit programme.

Peterborough is a diverse community with a higher proportion of Asian/Asian British than average and with a high proportion of that community being of Pakistani origin. Peterborough also has a higher proportion of "Other White" residents than both the UK and the East, reflective of historic EU migration patterns.

2. Economy

2.1 Business demography

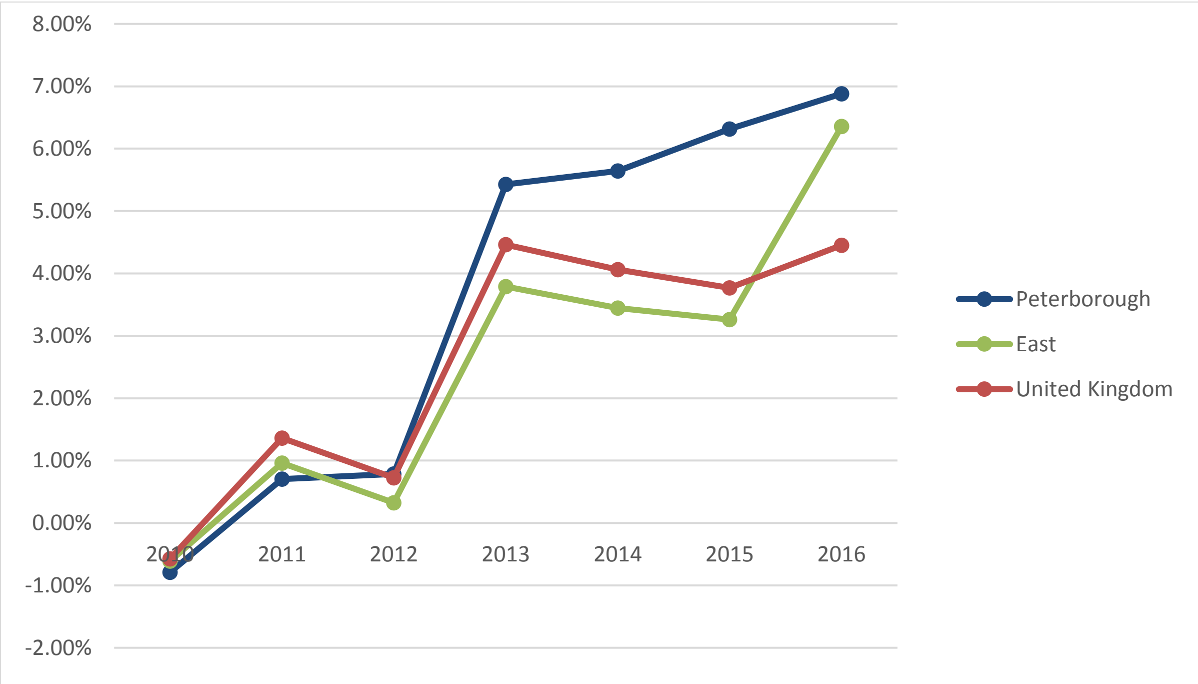
Table 1: Business counts 2018

Employment Size Band	Peterborough (No.)	Peterborough (%)	East (%)	United Kingdom (%)
Micro (0 to 9)	6,045	88.38	89.77	89.34
Small (10 to 49)	610	8.92	8.37	8.73
Medium-sized (50 to 249)	145	2.12	1.50	1.55
Large (250+)	45	0.66	0.36	0.38
Total	6,840	100.00	100.00	100.00

Source: ONS UK Business Counts

Peterborough has marginally less micro-businesses but a greater proportion of small- and medium-sized businesses than the national average. It also has nearly double the proportion of large businesses. Generally, medium- and large-sized businesses have greater absolute growth potential than smaller businesses. This indicates that the Peterborough business community has a higher potential for economic growth than the national average.

Figure 1: Net enterprise creation as proportion of active enterprises

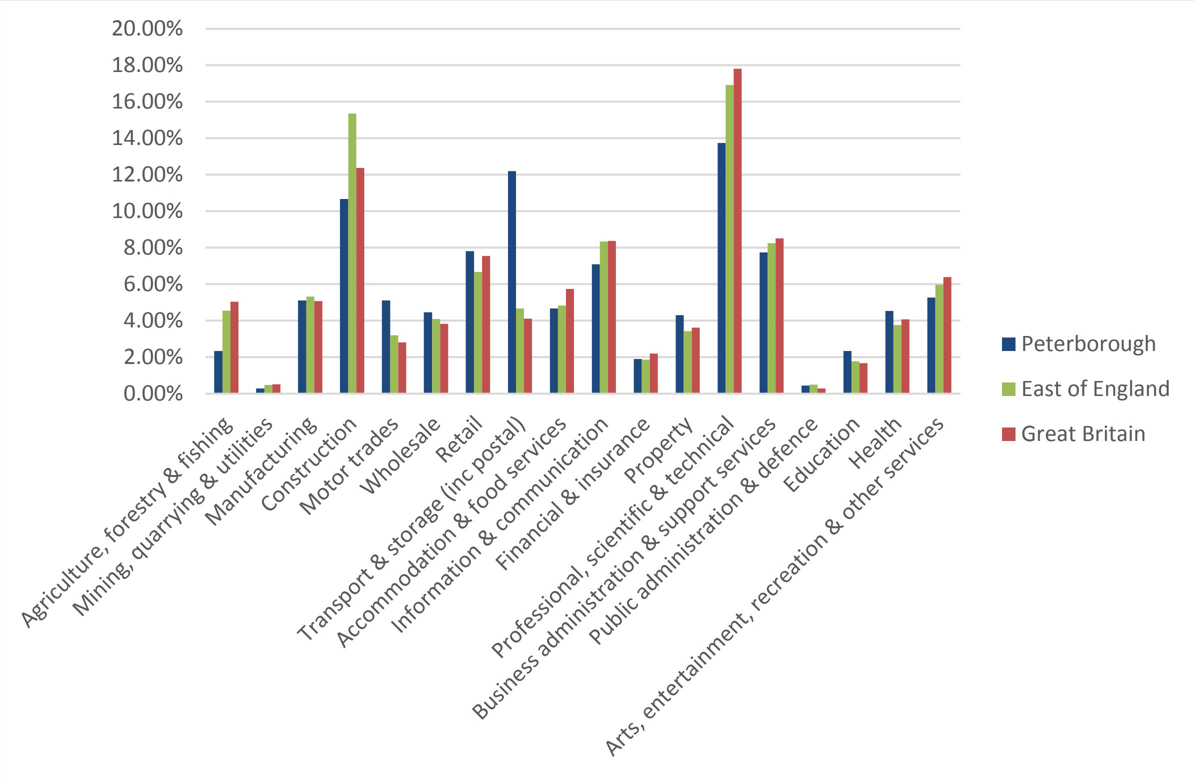


Source: ONS Business Demography 2017

At the height of the economic crisis, 2009-2012, new businesses struggled to start in Peterborough, as they did across the country. However, as the economy started to recover, new businesses began to flourish and in 2016 net business creation in the city was again higher than the UK and regional averages.

As net business creation is consistently above average, but the proportion of micro-businesses is below average, this could indicate that businesses in Peterborough grow quicker than in other locations.

Figure 2: Enterprise by industry



Source: ONS UK Business Counts – Enterprises by Industry 2018

Peterborough has a much higher proportion of Transport and Storage businesses than is seen at regional and national levels. It also has a higher proportion of businesses in Motor Trades; Wholesale; Retail; Property; Education; and Health.

As a proportion of the overall business stock, there are fewer businesses in Agriculture, Forestry and Fishing; Construction; Professional, Scientific and Technical; Business Administration and Support Services; Accommodation and Food Services; Information and Communication; and Arts, Entertainment, Recreation and Other Services.

2.2 Gross Value Added (GVA)

Table 2: Workplace-based GVA (£m)

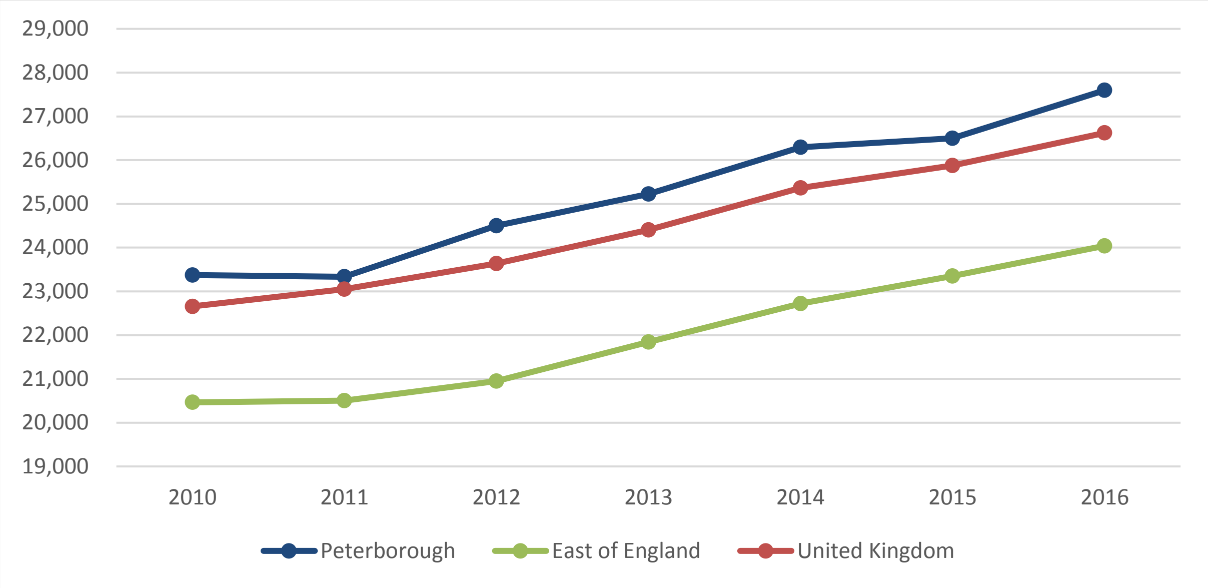
	2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
UK	1,422,028	1,458,820	1,505,718	1,564,430	1,638,722	1,684,937	1,747,647
East	118,844	120,205	123,745	130,040	136,762	141,893	147,382
Peterborough	4,248	4,304	4,567	4,752	5,008	5,140	5,439

Source: ONS Regional Gross Value Added; Balanced Approach

Growth in GVA in Peterborough from 2010-2016 was 21.9%. Across this same period GVA growth at the UK level stood at 18.6% and at 19.4% at the regional level.

The way that the ONS calculates GVA has changed since the last edition of this report and been retrospectively applied to the data. The result of this is that lower figures are now given at the local and regional level whilst national figures have increased.

Figure 3: GVA per head of population (balanced)



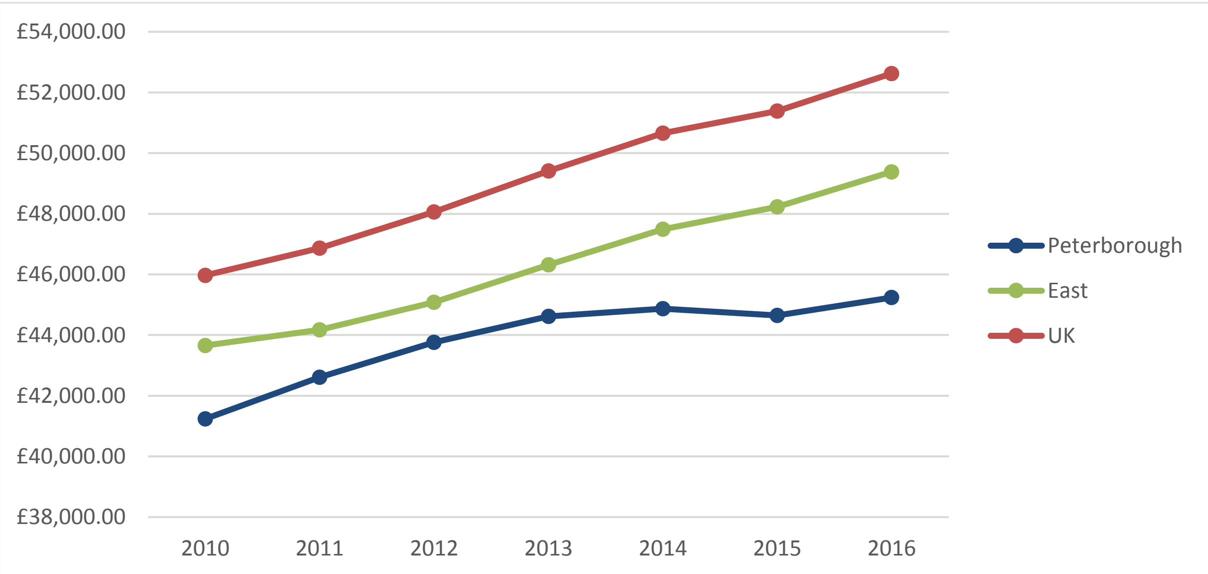
Source: ONS Nominal regional gross value added (balanced) per head and income components 2017

Peterborough's GVA per head of population, the sub-national version of GDP per capita, was £27,595 in 2016, higher than both the UK and regional rates.

GVA per head is often used as a comparative measure of wealth across areas of different sizes. The strength of this figure therefore appears to show that Peterborough has a much higher average standard of living than the rest of the East of England and the UK. However, it must also be taken into consideration that a higher proportion of Peterborough's population is of working age than in general across the East of England, it has higher than average jobs density, and that workers from outside of the city earn, on average, higher wages than the city's residents (Fig.6).

2.3 Productivity

Figure 4: GVA per filled job



Source: ONS Sub-regional Productivity – February 2018

Peterborough's productivity, at £45,239 per job, places it below regional and national averages. Growth in productivity from 2010 to 2016, at 8.8%, has also been slower in Peterborough than at regional and national levels which stood at 11.6% and 12.6% respectively. It is clear to see from Fig.4

that productivity in Peterborough mirrored the regional figure until 2013 when it began to plateau. There is some evidence to suggest that GVA per filled job is starting to increase again, but not as rapidly as at regional and national levels.

The Centre for Cities calculates productivity from two different ONS data sources – Regional Value Added (Income Approach) and the Business Register and Employment Survey. Using this methodology they calculate Peterborough's GVA per worker to be £47,129.71 for 2017, placing it 47th of 63 cities across the UK.

2.4 Sector analysis - GVA and Productivity

Table 3: Sectoral analysis of GVA and productivity

SIC07 Industry	% of overall GVA	% GVA growth 2010-2016	Productivity (GVA/Job)	% Productivity Growth 2010-2016
Agriculture, mining, electricity, gas, water and waste	3.60%	51.94%	£93,333	n/a
Manufacturing	12.69%	22.99%	£86,250	27.73%
Construction	4.47%	9.95%	£69,429	9.05%
Distribution; transport; accommodation and food	23.72%	57.70%	£36,857	19.30%
Information and communication	6.31%	39.43%	£68,600	-2.46%
Financial and insurance activities	6.20%	-19.95%	£67,400	-4.10%
Real estate activities	8.84%	36.26%	£274,857	26.61%
Business service activities	12.94%	39.96%	£25,143	-5.29%
Public administration; education; health	18.02%	12.00%	£36,981	1.41%
Other services and household activities	3.20%	42.62%	£43,500	19.87%

Source: ONS Regional Gross Value Added Balanced Approach 2017; ONS Business Register and Employment Survey 2018

Sectors which contribute most to Peterborough's output are Distribution, Transport, Accommodation and Food; Public Administration, Education and Health; Business Service Activities; and Manufacturing.

The fastest growing sectors in Peterborough, by GVA growth 2010-2016, are Distribution, Transport, Accommodation and Food; Agriculture, Mining, Electricity, Gas, Water and Waste; Other Services and Household Activities; Business Service Activities; Information and Communication; Real Estate Activities; and Manufacturing. However, some of these sectors, such as Agriculture, Mining, Electricity, Gas, Water and Waste; Information and Communication; Real Estate Activities; and Other Services and Household Activities, are starting from a low base meaning that a small increase in real terms will result in relatively high growth rates.

Larger sectors, by GVA, with high growth rates include Distribution, Transport, Accommodation and Food; Business Service Activities; and Manufacturing.

Peterborough's most productive sectors are Real Estate Activities; Agriculture, Mining, Electricity, Gas, Water and Waste; and Manufacturing; with Real Estate Activity and Manufacturing demonstrating strong growth in productivity over the period 2010-2016.

2.5 Cost of doing business

Table 4: Property costs 2018 (£)

	Office Space (£/SqFt)		Industrial Units (£/SqFt)					
			Big Sheds			Small Sheds		
	Grade A	Grade B	Prime	Secondary	Land Value (acre)	Prime	Secondary	Land Value (acre)
Peterborough	13.5	10	5.75	4.75	575K	7.25	5.25	600K
Cambridge	36	25	-	-	-	-	-	-
Milton Keynes	22.5	18	7.25	5.5	1,500K	8.5	7	1,500K
Chelmsford	24	16	-	-	-	8.5	6.5	800K
Brighton	30	24	-	-	-	12	8	1,100K
Swindon	18.5	12	6.5	5	350K	7	5.75	400K
Northampton	14.5	9	6.25	4.5	500K	6.5	4.75	525K
Basingstoke	25	15	8	6	750K	9.5	7	750K
Slough	35	27	-	-	-	14	10	3,000K
Reading	37	27	-	-	-	11.75	8	1,700K
Oxford	25	20	-	-	-	10	8.5	1,000K
Stevenage	16.5	12.5	-	-	-	9.75	8	1,000K

Source: Colliers.com

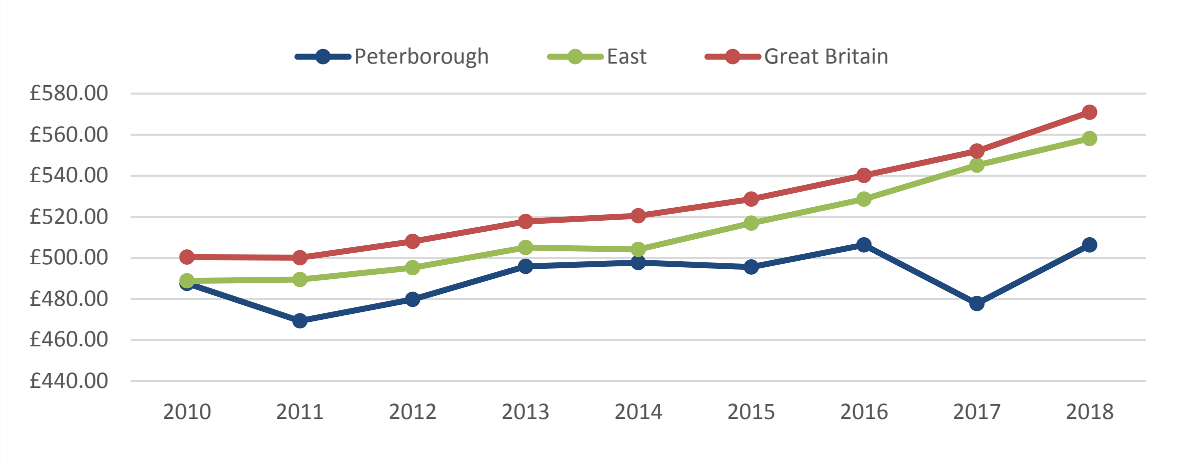
The cities shown in the table above are those which fall within a 50 minute commute of London. From an operating cost perspective, Peterborough is a highly attractive location for investors:

- Lowest cost Grade A office space
- Second lowest Grade B office space
- Lowest cost prime big shed
- Third lowest land value for big sheds

Within Peterborough, large office and Grade A office spaces are becoming increasingly hard to find, as are sizeable development opportunities. This is, in part, due to the impact of the ongoing conversions from commercial to residential in the city centre. However, given the forthcoming Local Plan, the development of sites such as Fletton Quays, and increased collaboration between stakeholders, this situation should improve in the short to medium term.

Should further development not be forthcoming then an upwards pressure on property prices would begin to materialise, although this could provide an impetus for further speculative development.

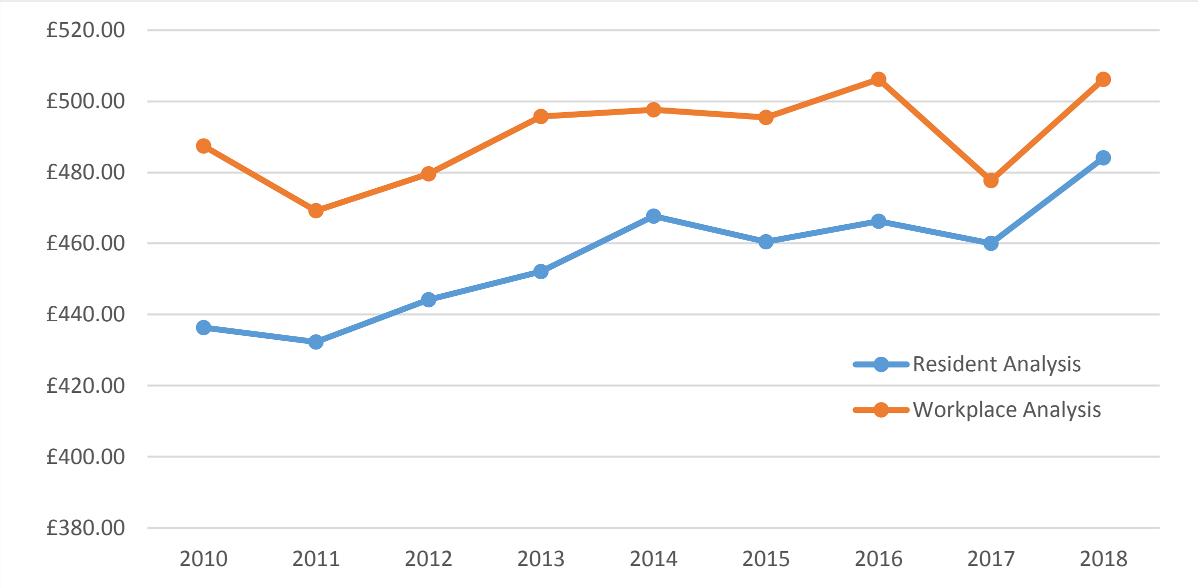
Figure 5: Gross weekly pay of jobs in the city (£)



Source: ONS Annual Survey of Hours and Earnings – Workplace Analysis

Over the 8 year period from 2010 to 2018 the median gross weekly pay paid by businesses for jobs based in Peterborough rose by 4% from £487 per week to £507 per week. Over the same period regional and national gross weekly pay rose by 12%.

Figure 6: Peterborough gross weekly pay – resident vs workplace analysis

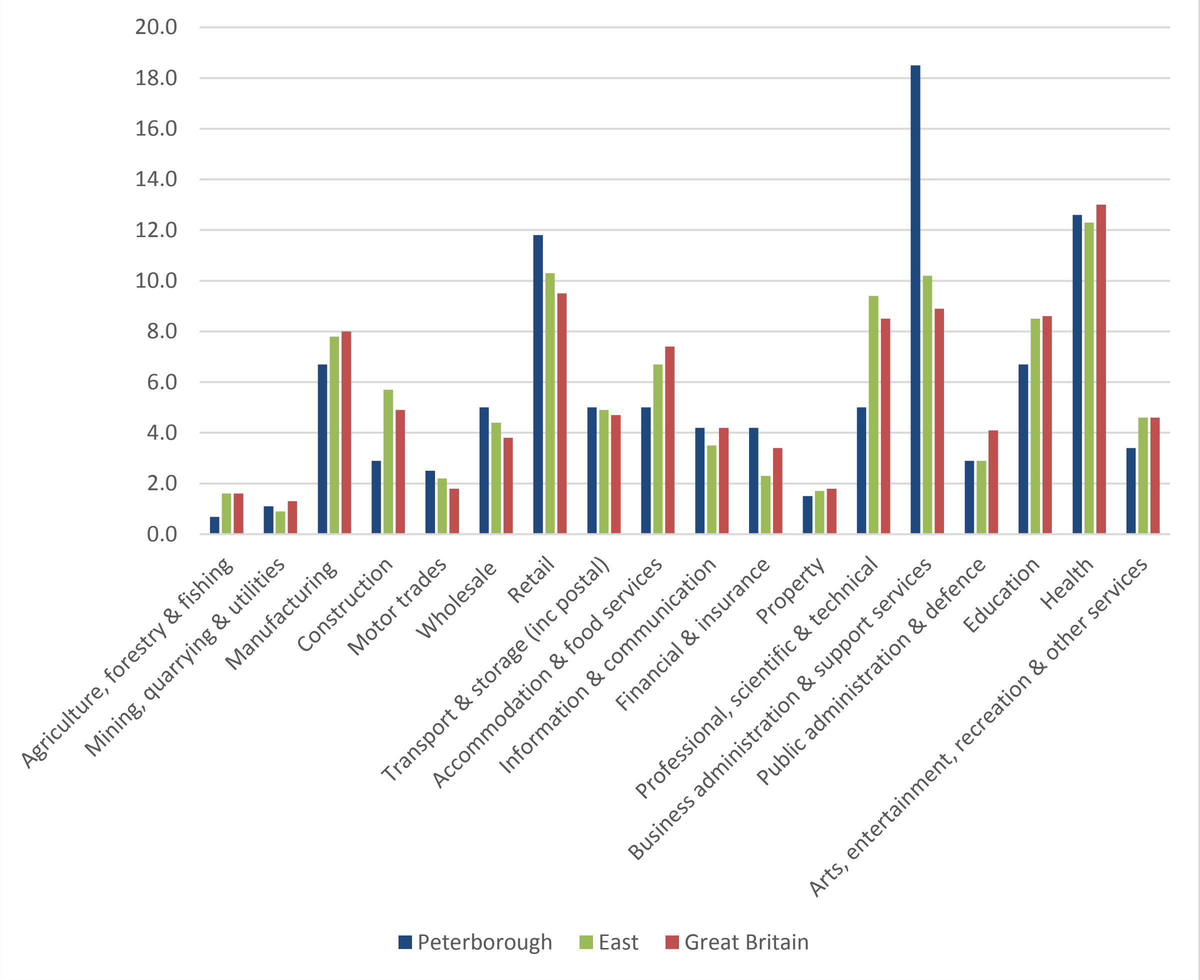


Source: ONS Annual Survey of Hours and Earnings

In 2018, the median gross weekly pay received by people living in Peterborough was £484, 4% lower than the median gross weekly wage being paid by businesses in the city. This would indicate that some of the higher paid jobs in Peterborough are still being fulfilled by people who commute into the city and/or some residents of Peterborough commute out of the area to fulfil low paid jobs in industries such as Agriculture, and Food and Drink. However, the gap is closing, with residents' wages increasing by 7% over the period compared to a 4% increase in workplace-based wages, suggesting that residents are filling more of the senior positions over time.

2.6 Employment

Figure 7: Proportion of jobs by industry 2017



Source: ONS Business Register and Employment Survey 2018

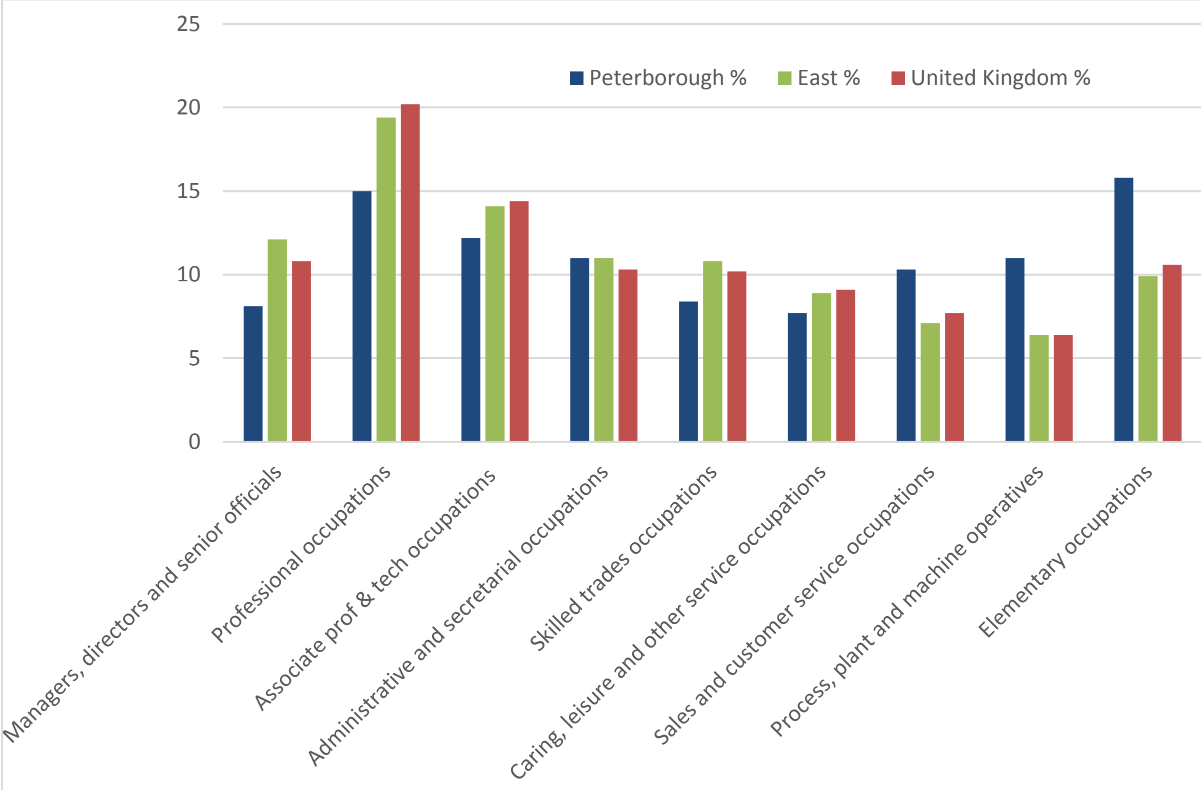
Whilst Peterborough falls broadly in line with national employment trends, a couple of exceptions stand out. The percentage of jobs in Business Administration and Support Services, and Financial and Insurance are above average compared to Great Britain and the East, due in part to the investment in recent years by large employers in these sectors. However, as below (section 2.7) it should be noted that a large proportion of the employees associated with the Business Administration and Support Services sector are contract workers who are technically employed by recruitment agencies, who fall into this category, but will actually be working in other sectors such as Transport and Storage, and Manufacturing.

Perhaps influenced by the location of Peterborough with regards to key north/south and east/west routes there are a higher than average percentage of jobs in Transport and Storage, Wholesale and the Motor Trades sectors.

As a major service centre surrounded by a largely rural area, Peterborough has above average employment in the Retail sector. The city also has above average employment in the Information and Communication sector when compared with the East of England. Sectors employing significantly lower than average proportions of the workforce include Construction; Accommodation and Food Services; Professional, Scientific and Technical; Education; and Arts, Entertainment, Recreation & Other Services.

A model based calculation has been used to determine the level of employment for Agriculture, Forestry and Fishing, as agricultural employment data is not available below the regional level.

Figure 8: Employment by occupation 2018



Source: ONS Annual Population Survey July 2017 – June 2018

The occupations fulfilled by Peterborough's residents is skewed more heavily towards elementary occupations than the national average, with a smaller proportion working as managers, directors or senior officials or in professional occupations or skilled trades.

This is reflected in the median gross weekly wage of residents of the city shown in Fig.7.

2.7 Sector analysis – employment

Table 5: Sectoral analysis of jobs and jobs growth

SIC07 Industry	No. of jobs 2017	% total jobs 2017	Jobs change 2010-2017	% jobs growth 2010-2017
Agriculture, forestry & fishing (A)	850	0.72%	n/a	n/a
Mining, quarrying & utilities (B,D and E)	1,250	1.05%	350	38.89%
Manufacturing (C)	8,000	6.73%	-1,000	-11.11%
Construction (F)	3,500	2.94%	0	0.00%
Motor trades (Part G)	3,000	2.52%	500	20.00%
Wholesale (Part G)	6,000	5.05%	1,500	33.33%
Retail (Part G)	14,000	11.78%	2,000	16.67%
Transport & storage (H)	6,000	5.05%	1,500	33.33%
Accommodation & food services (I)	6,000	5.05%	2,000	50.00%
Information & communication (J)	5,000	4.21%	1,500	42.86%
Financial & insurance (K)	5,000	4.21%	-1,000	-16.67%
Property (L)	1,750	1.47%	0	0.00%
Professional, scientific & technical (M)	6,000	5.05%	1000	20.00%
Business administration & support services (N)	22,000	18.51%	8,000	57.14%
Public administration & defence (O)	3,500	2.94%	-500	-12.50%
Education (P)	8,000	6.73%	0	0.00%
Health (Q)	15,000	12.62%	3000	25.00%
Arts, entertainment, recreation & other services (R,S,T and U)	4,000	3.37%	500	14.29%
Total	**118,850**	**100.00%**	**19,850**	**20.05%**

Source: ONS Business Register and Employment Survey 2018

Peterborough's largest sectors for employment are Business Administration and Support Services; Health; Retail; Manufacturing; and Education.

The sectors creating the most jobs from 2010-2017 were Business Administration and Support Services; Health; Retail; Accommodation and Food Services; Wholesale; Transport and Storage; and Information and Communication. The sectors demonstrating the fastest growth in employment between 2010 and 2017 were Business Administration and Support Services; Accommodation and Food Services; Information and Communication; and Mining, Quarrying and Utilities.

It should be noted that 16,000 of the 22,000 employees in Business Administration and Support Services are agency employees. Whilst registered to this sector they are likely to be working across others such as Transport and Storage, and Manufacturing. These employees account for 13.5% of employment in the city, compared with rates of 4.4% regionally and 3.3% nationally.

2.8 Private sector employment

Peterborough has a higher than average proportion of jobs in the private sector, at 82.3%. Great Britain and Eastern region report rates of 78.7% and 80.8% respectively (ONS Annual Population Survey July 2017-June 2018).

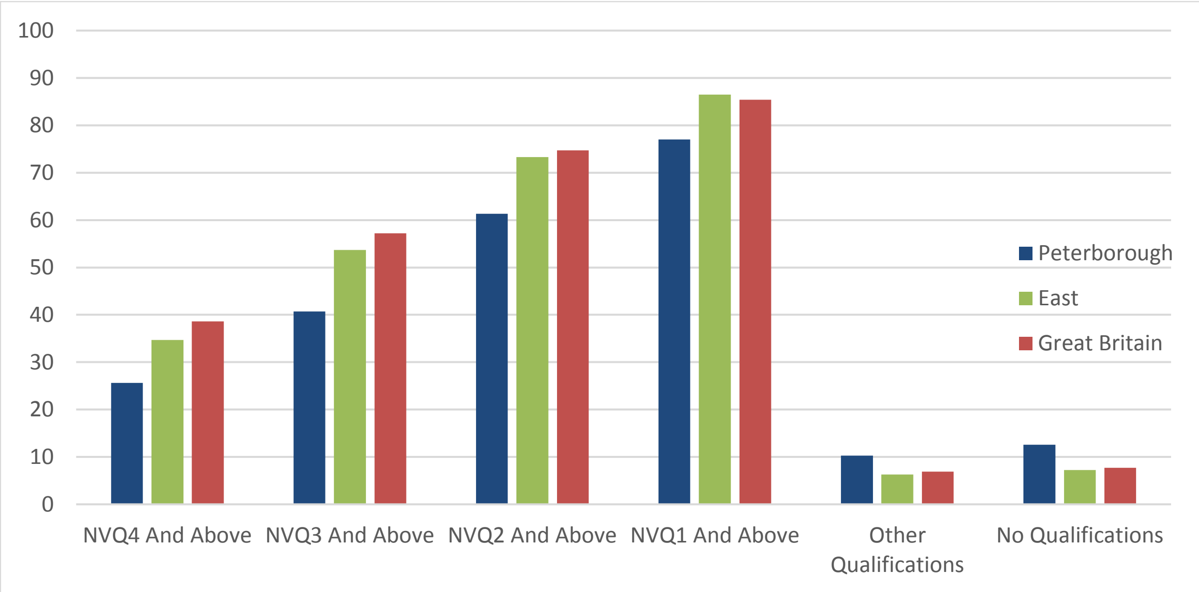
3. Skills and Innovation

3.1 Patents

Peterborough registered 19.87 patents per 100,000 head of population in 2017 (Centre for Cities). The Cambridgeshire and Peterborough Independent Economic Review suggests Peterborough is relatively innovative as it is the 13th UK city for patents per 100,000.

3.2 Qualification levels

Figure 9: Qualification levels



Source: ONS Annual Population Survey Jan 2017 – Dec 2017

Peterborough has a higher than average proportion of its working age population with no formal qualifications, or ‘other’ qualifications (including foreign qualifications and some professional qualifications). This reflects the ‘employees per occupation’ data (Fig. 8), which shows Peterborough has a high proportion of its workforce engaged in unskilled and low-skilled occupations.

The proportion of Peterborough residents with NVQ4+ qualifications (degree level and above) remains behind the GB average of 38.6% at 25.6%. The planned University of Peterborough due to open in 2022 will play a significant role in addressing this imbalance.

3.3 Job related training

Table 6: Job related training

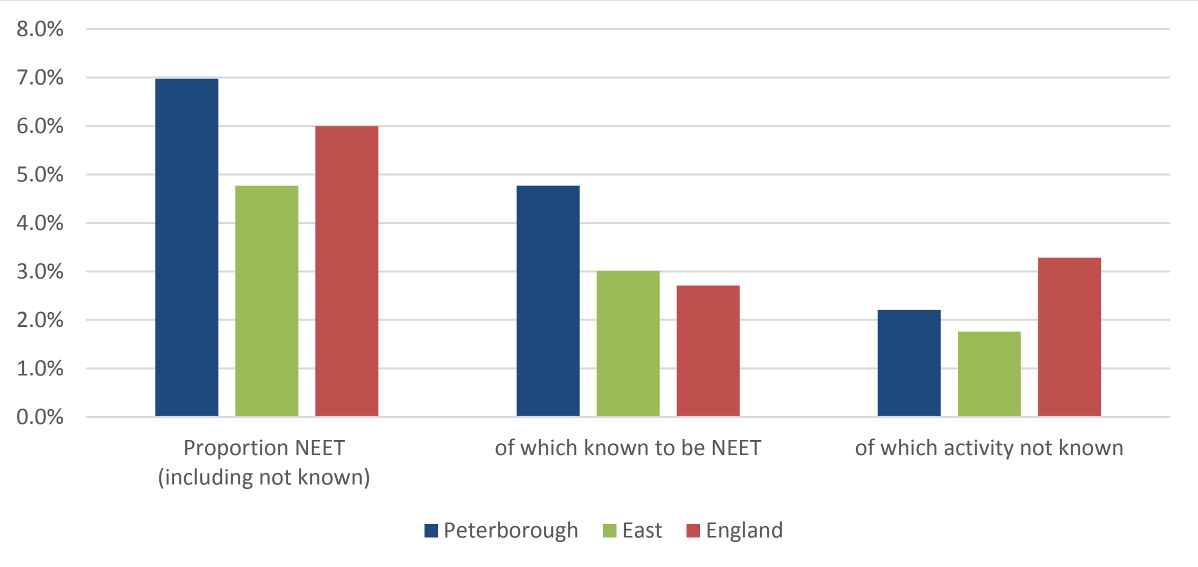
	Peterborough	East	United Kingdom
% of all who received job related training in last 4 wks - aged 16-64	8.6	8.9	9.6
% of all who received job related training in last 13 wks - aged 16-64	19.5	16.9	18.1

Source: ONS Annual Population Survey Jul 2017 – Jun 2018

Peterborough's businesses continue to invest in their workforce. The city performs well on this measure, outperforming the Eastern region and the United Kingdom in job related training delivered in the last 13 weeks.

3.4 Not in Education, Employment or Training (NEETs)

Figure 10: Proportion of 16-17 year olds NEET or not known



Source: Gov.uk Department for Education

The 3 month NEET average for December 2017 to February 18 stands at 7% of the city's 16-17 year old population, of which 4.8% are known to be NEET and 2.2% are activity not known, this equates to 320 people being NEET. At 90.4% the proportion of 16-17 year olds in education and training is at the highest point since June 2016 (91.6%), and has been steadily increasing since December 2017 (89.3%). According to the ONS Annual Population Survey (2015-2017) 13.3% of 16-24 in the Cambridgeshire and Peterborough Combined Authority are NEETs, which equates to approximately 12,000 people.

3.5 Further and Higher Education (FE/HE)

Peterborough has two FE colleges as well as an HE offering in the form of University Centre Peterborough (UCP) which confers degrees awarded by Anglia Ruskin University.

Typical courses offered by the further education colleges range from Accounting, Business and ICT to Construction and Engineering, and Enterprise and Entrepreneurship.

UCP offers courses ranging from Business Management, and Accounting and Finance, to Bioscience, and Computing and Information Systems.

Peterborough also has a University Technical College catering for 14-19 year olds focussing on sustainable engineering and the built environment.

The proposed University of Peterborough is due to open in 2022 and will further bolster the Higher Education offering in Peterborough, attracting students from the local area as well as further afield.

4. Population

4.1 Total population and retail catchment area

Table 7: Total population

	Peterborough	East	United Kingdom
All People	198,914	6,168,432	66,040,229
16-64	62.6%	61.3%	62.9%

Source: ONS Population Estimates – 2017

Peterborough is one of the fastest growing cities in the UK and had a population of 198,914 as of 2017. A large proportion of its population is represented by younger age categories and it has a marginally higher proportion of males when compared to regional and national averages.

The population of the retail catchment area of Peterborough, the surrounding area for which it serves as a service centre, has grown to over 960,000. Market towns in Cambridgeshire, Norfolk, Lincolnshire, Northamptonshire and Rutland all look to Peterborough as their primary centre for business and leisure and, with the continued programme of redevelopment and expansion for the city, this role is set to continue.

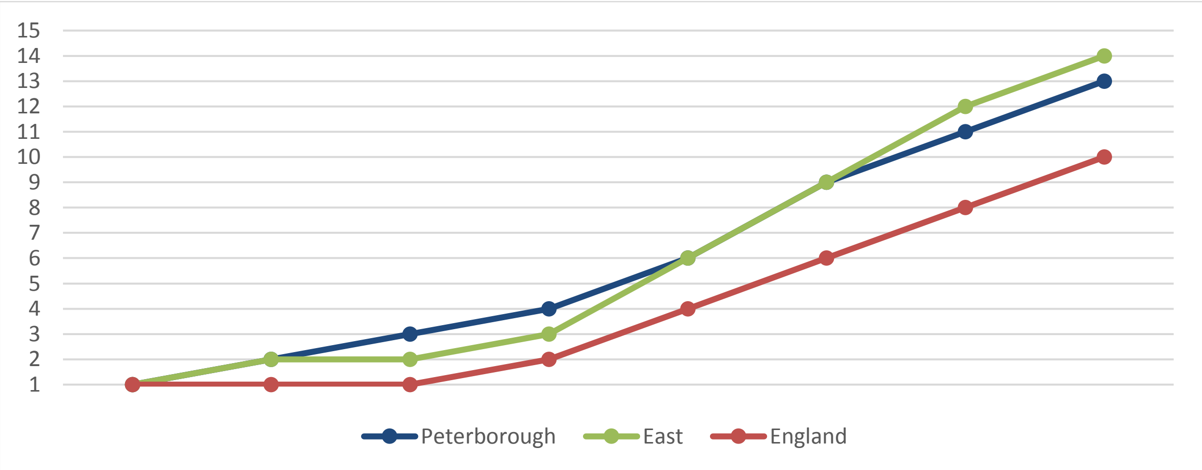
4.2 Projections

Table 8: Population projection (000's)

Year	2019	2020	2021	2025	2030	2035	2040
Peterborough	203	204	206	211	217	221	225
East	6,269	6,316	6,362	6,533	6,721	6,885	7,037
England	56,357	56,705	57,031	58,225	59,549	60,691	61,744

Source: ONS Population Projections – 2016

Figure 11: Rate of growth 2018-2040 (%)

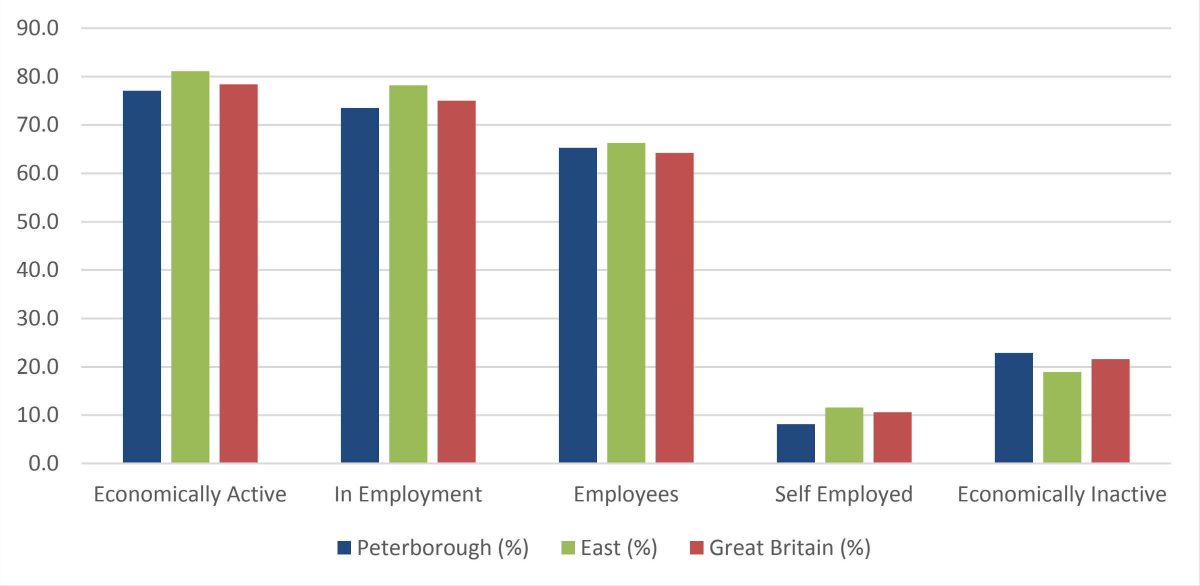


Source: ONS Population Projections – 2016

Peterborough's population is predicted to grow by approximately 13% over the next 22 years. This is slightly below the regional rate of 14% but higher than the national rate of 10%. It is also much less than the 27% increase experienced in the 22 years leading up to 2016.

4.3 Employment rate and economic activity

Figure 12: Economic activity rate



Source: ONS Annual Population survey, Jul 2017 – Jun 2018

Broadly in line with regional and national levels, Peterborough has a relatively low rate of self-employment but a higher rate of employees than the national average. Given the high rates of net business creation (Fig. 1), this would suggest that many new businesses are quickly creating employment opportunities.

4.4 Commuter patterns

One perception of Peterborough is that of a 'commuter town', given its advantageous road links and with London less than 50 minutes away by train.

However, data from the 2011 Census reveals that Peterborough has a net influx of workers, 13,218 in 2011, 11% of the workforce. Weekly wage data (Fig. 6) would suggest that the in-commuting workforce is higher skilled than the resident workforce.

Inward commuting (2011)

- South Kesteven – 7,791
- Huntingdonshire – 6,026
- Fenland – 4,980
- East Northants – 1,625
- Rutland – 1,015

Outward commuting (2011)

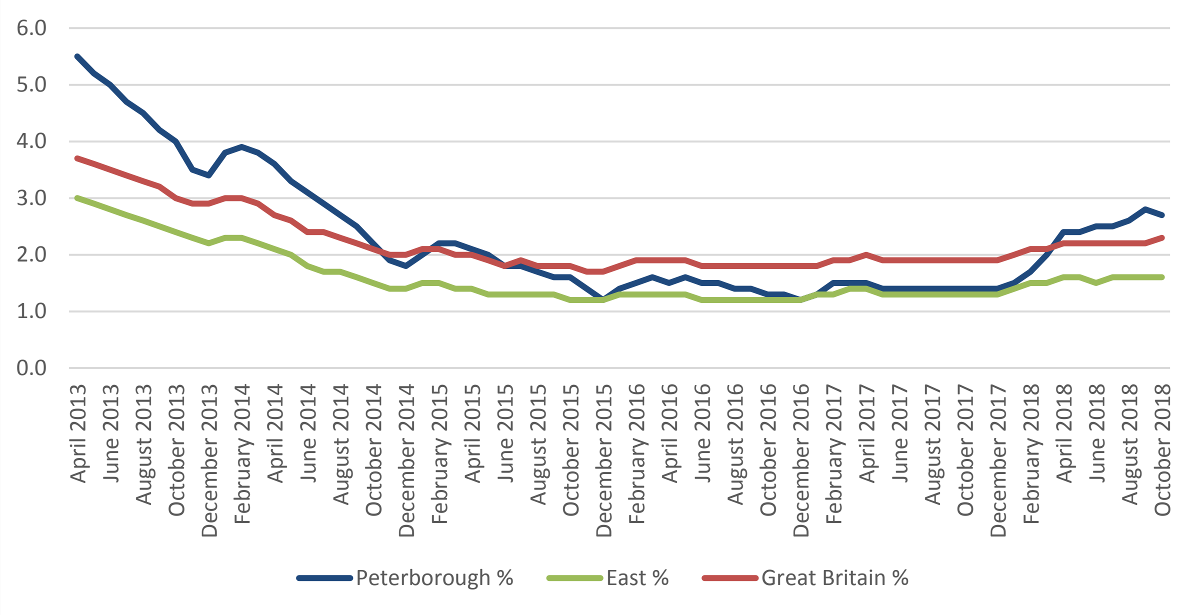
- Huntingdonshire – 3,843
- South Kesteven – 2,682

- Fenland – 2,190
- East Northants – 1,158
- South Cambs – 462

In 2011 around two thirds of Peterborough's workforce were residents of the city.

4.5 Claimant count

Figure 13: Out of work benefits claimant count



Source: NOMIS Claimant Count November 2018

Peterborough's claimant count has increased since December 2017 from 1.4% to 2.7% by October 2018. This rise is not in isolation, as the East has also risen from 1.3% to 1.6% and Great Britain from 1.9% to 2.3% in the same time frame. Under Universal Credit a broader span of claimants are required to look for work than has been the case under previous measures. As Universal Credit Full Service is rolled out in particular areas, the number of people recorded as being in receipt of out-of-work benefits is therefore likely to rise.

4.6 Approximated social grade

Table 9: Approximated social grade as proportion of population 16-64

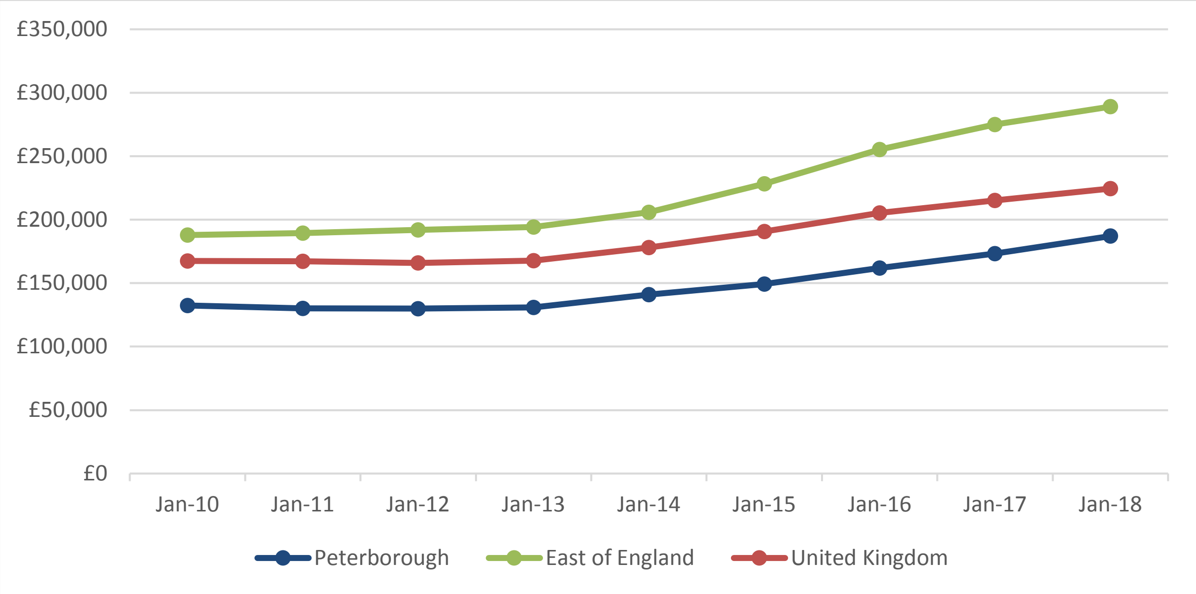
Social Grade	Peterborough	East	England
AB - Higher & intermediate managerial, administrative, professional occupations	17%	24%	23%
C1 - Supervisory, clerical & junior managerial, administrative, professional occupations	29%	32%	31%
C2 - Skilled manual occupations	21%	22%	21%
DE - Semi-skilled & unskilled manual occupations, Unemployed and lowest grade occupations	33%	23%	25%

Source: Census 2011

The Approximated Social Grade of Peterborough's population is weighted towards the DE category, reflecting the employment by occupation figures (Fig. 8), with only around three quarters proportion of the population in the AB category compared to England and the East.

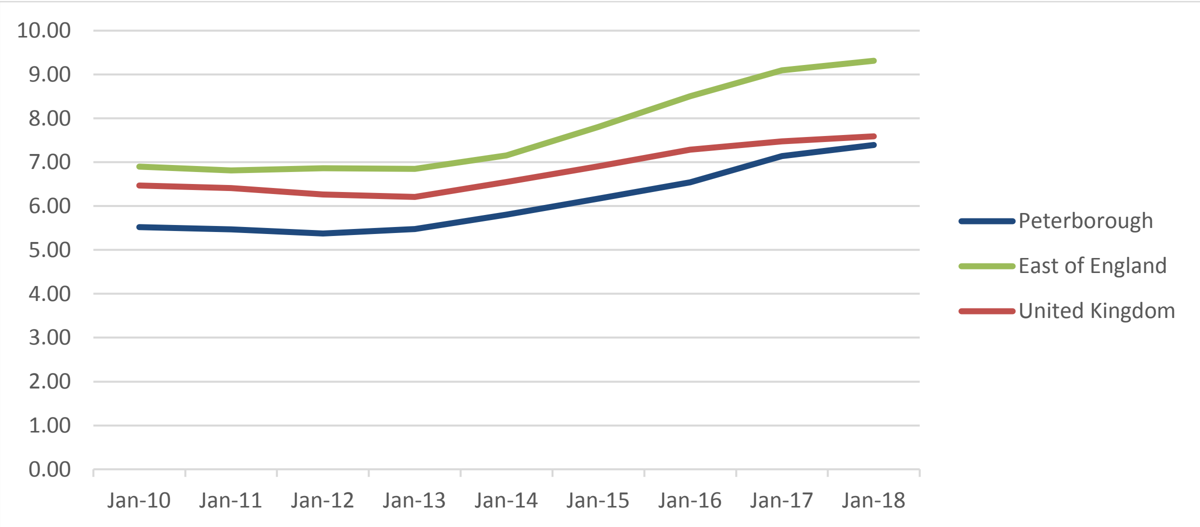
4.7 House prices

Figure 14: Average house prices



Source: Land Registry HPI

Figure 15: House price to earnings ratio



Source: Annual Survey of Hours and Earnings (ONS)/ HM Land registry

Peterborough benefits from lower than average house prices. Despite Peterborough residents receiving lower than average weekly wages, Peterborough's house price to earnings ratio can mean that salaries stretch further and positions the city as an affordable and attractive location for employees to live. However, the gap between the Peterborough and national levels is decreasing. This indicates increased competition for existing and new housing, a signal that Peterborough is being increasingly viewed as a desirable place to live.

4.8 Ethnicity

Table 10: Population by ethnic group

	Peterborough	East	England
White: Total	82.5%	90.8%	85.4%
White: English/Welsh/Scottish/Northern Irish/British	70.9%	85.3%	79.8%
White: Irish	0.7%	1.0%	1.0%
White: Gypsy or Irish Traveller	0.3%	0.1%	0.1%
White: Other White	10.6%	4.5%	4.6%
Mixed/multiple ethnic group: Total	2.7%	1.9%	2.3%
Mixed/multiple ethnic group: White and Black Caribbean	0.8%	0.6%	0.8%
Mixed/multiple ethnic group: White and Black African	0.5%	0.3%	0.3%
Mixed/multiple ethnic group: White and Asian	0.8%	0.6%	0.6%
Mixed/multiple ethnic group: Other Mixed	0.7%	0.5%	0.5%
Asian/Asian British: Total	11.7%	4.8%	7.8%
Asian/Asian British: Indian	2.5%	1.5%	2.6%
Asian/Asian British: Pakistani	6.6%	1.1%	2.1%
Asian/Asian British: Bangladeshi	0.1%	0.6%	0.8%
Asian/Asian British: Chinese	0.5%	0.6%	0.7%
Asian/Asian British: Other Asian	2.0%	1.0%	1.5%
Black/African/Caribbean/Black British: Total	2.3%	2.0%	3.5%
Black/African/Caribbean/Black British: African	1.4%	1.2%	1.8%
Black/African/Caribbean/Black British: Caribbean	0.6%	0.6%	1.1%
Black/African/Caribbean/Black British: Other Black	0.3%	0.2%	0.5%
Other ethnic group: Total	0.8%	0.5%	1.0%
Other ethnic group: Arab	0.2%	0.2%	0.4%
Other ethnic group: Any other ethnic group	0.6%	0.3%	0.6%

Source: Census 2011

Peterborough has a higher proportion of Asian/Asian British than average with a high proportion of that community being of Pakistani origin. This is reflected in the lower than average White population.

Peterborough also has a higher proportion of “Other White” residents than both the UK and the East, reflective of recent EU migration patterns.

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