

GCGP STRATEGIC ECONOMIC EVIDENCE REVIEW

Summary of progress



From the Greater Cambridge Greater Peterborough LEP

COMMISSIONED STUDY

Objectives:

- ⊗ To create a 'world class' place-based evidence base that can be used to shape the Strategic Economic Plan and local investment priorities
- ⊗ Develop a set of sector and place-based policy choices, aimed at accelerating inclusive and sustainable growth, along with a draft vision

Methodology:

- ⊗ Synthesis of existing datasets and reports
- ⊗ Fill key gaps through primary research
- ⊗ A think piece exploring opportunities from major drivers of change
- ⊗ Assess scenarios of economic growth
- ⊗ (Added to original proposal) In-depth workshops with officer representatives from each local authority during the profiling stage



OUR CURRENT STRATEGIC ECONOMIC APPROACH

Our spatial approach:

- ⚙ Greater Peterborough as a premier location
- ⚙ Fostering and spreading the Cambridge phenomenon
- ⚙ Addressing challenges of rural areas and releasing the potential of the Market Towns

Our sector approach:

- ⚙ Life Sciences
- ⚙ Food & Drink (Agri-Tech)
- ⚙ Aerospace, Automotive and Defence
- ⚙ Clean-tech
- ⚙ Digital and Creative

ORIGINAL APPROACH TO ACHIEVING A REFRESHED SEP

- A. Data gathering and evidence bank to provide economic profiling
 - B. Test evidence and propositions internally and with Local Growth Strategy Group
 - C. Develop draft economic vision for GCGP Board
 - D. Engage widely on draft vision (all i.e. businesses, general public, social, economic, environmental)
 - E. GCGP develops it's intervention strategy
-
- ⚙ Revised above process to include a better process of engagement with Local Authorities; to sense test local priorities and ambitions
 - ⚙ Revision - no 'one SEP to rule them all', but SEEB to enable prioritisation through a suite of complimentary partner intervention programmes

STRATEGIC ECONOMIC EVIDENCE BASE

Use at different levels:

- ⊗ GCGP profile
- ⊗ Combined Authority profile
- ⊗ District level profiles

...to be used to develop intervention plans,
specific to partners but aligned with shared
evidence base

Economic Commission:

Independent advice

Dynamic tool set:

- ⊗ Economic forecasts (LA level)
- ⊗ Business cluster mapping (Postcode level)
- ⊗ Skills requirements (LA level)

Static / snapshot information

- ⊗ GCGP profile
- ⊗ District level socio-economic profiles
- ⊗ Science and Innovation Audit (GCGP)
- ⊗ Environmental profiles (Character areas)
- ⊗ Think piece on future economy

INTERVENTION LOGIC

1

Map economic realities:

- ⊗ Businesses
- ⊗ Sectors and forecasts
- ⊗ Markets / competition
- ⊗ Labour needs / Skills
- ⊗ Carrying capacity



2

Test high level propositions:

- ⊗ Generate wealth
- ⊗ Inclusive growth
- ⊗ Businesses supported
- ⊗ Adjust to jobs change
- ⊗ Quality of Life
- ⊗ Differentiate / compete
- ⊗ Prepare for shocks



3

Interventions (across partners):

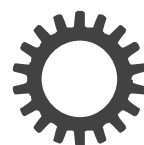
- ⊗ Deploy funding
- ⊗ Deploy influence
- ⊗ Revise policies

EXAMPLE DATA FROM THE ECONOMIC PROFILE



GCGP STRATEGIC ECONOMIC EVIDENCE REVIEW

HOW BIG IS THE TOTAL ECONOMY?



of which £20.7bn is within
Combined Authority area and
£15.3bn outside



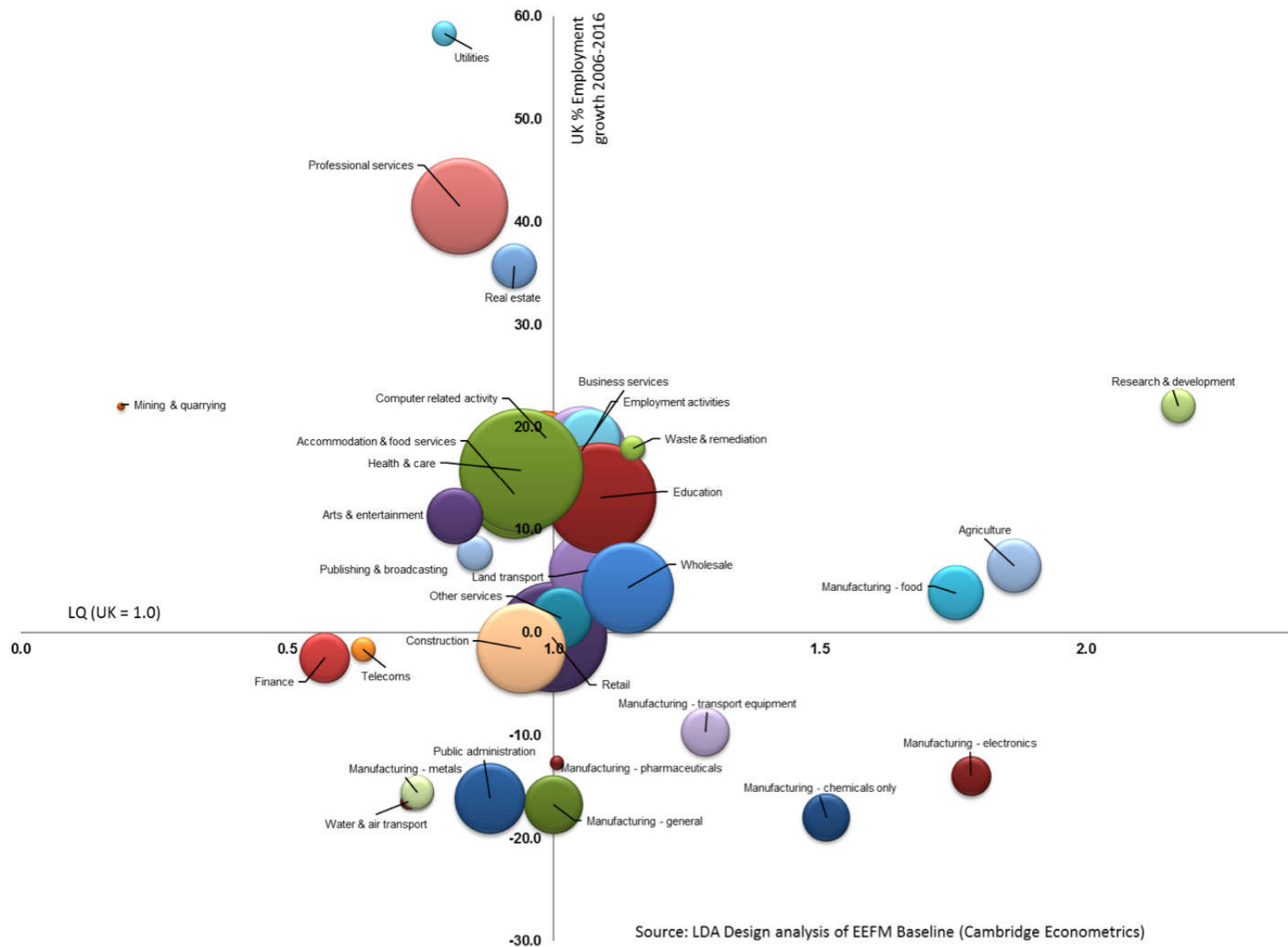
of which nearly half is focused on the cities:
Cambridge/South Cams is £9.5bn, and
Peterborough is £4.9bn.



GVA growth (+22.6%) significantly outstripped
the UK (+16.3%), meaning GCGP area was one
of the best performing LEP areas in the country
2004-2014

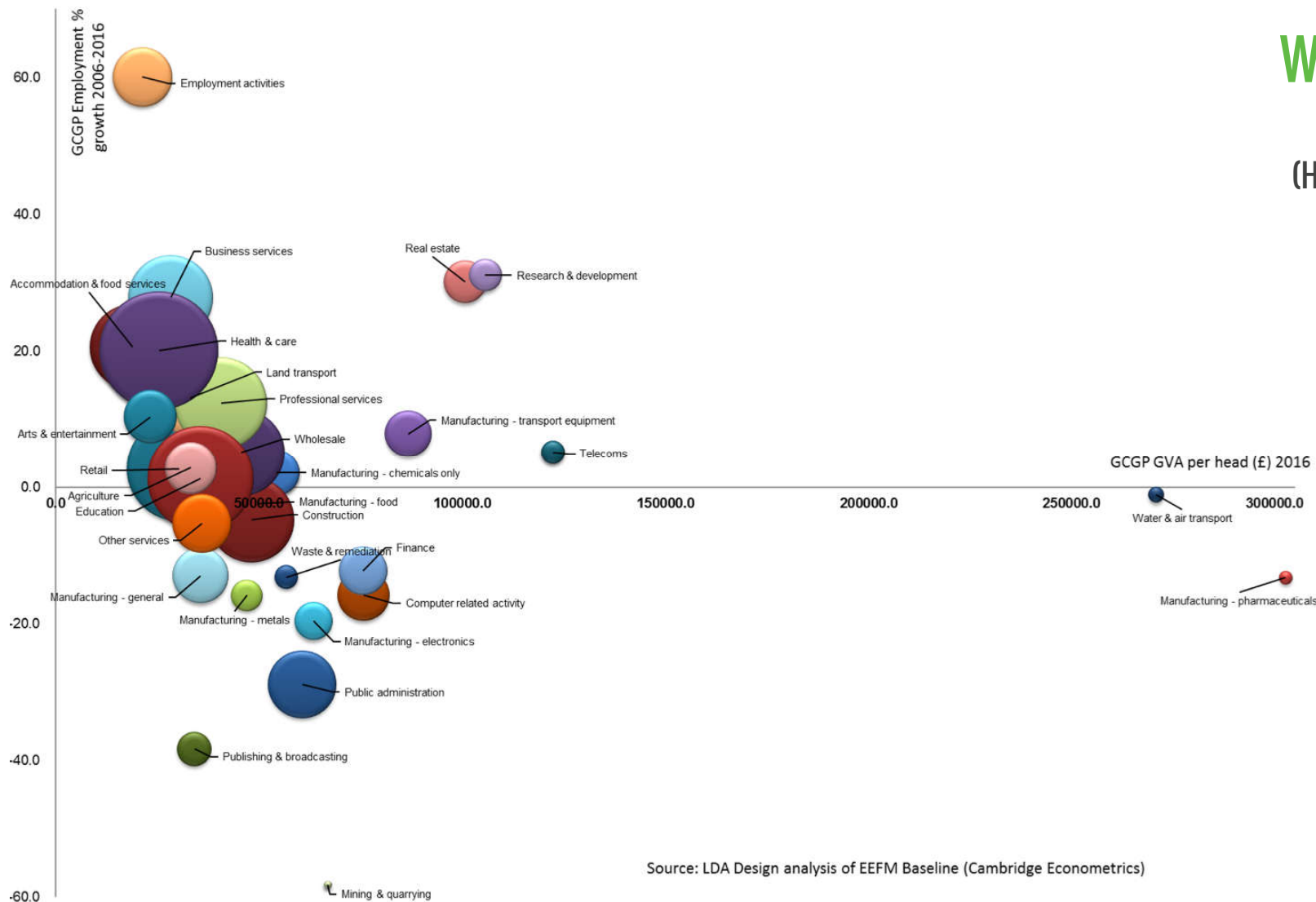
WE CAN MAP SECTOR REPRESENTATION

(HERE ARE GCGP SECTOR JOBS MAPPED AGAINST UK TRENDS)



WE CAN SHOW SECTOR PAST GROWTH

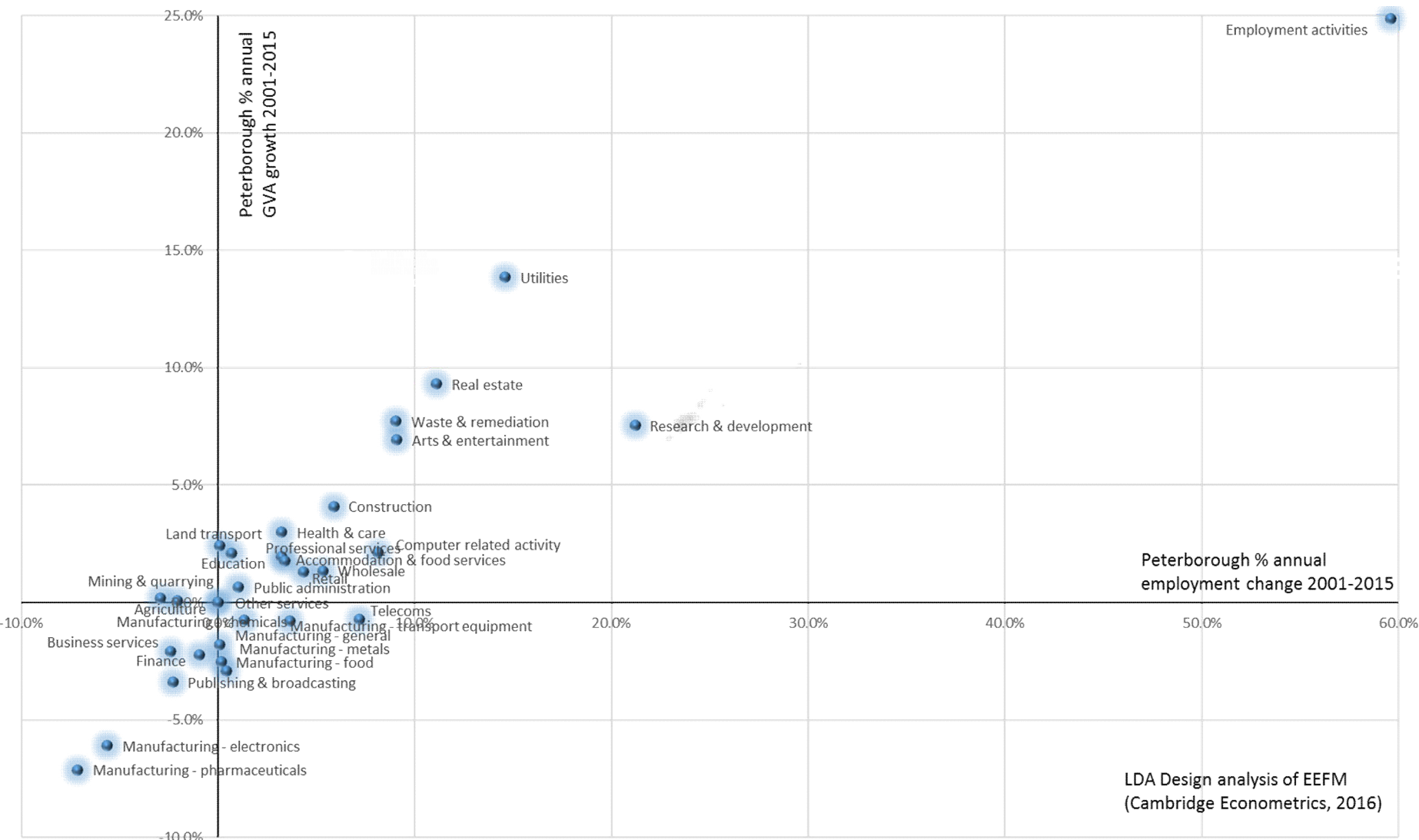
(HERE ARE GCGP SECTOR JOBS MAPPED
AGAINST GVA PER HEAD)



Source: LDA Design analysis of EEFM Baseline (Cambridge Econometrics)

WE CAN LOOK AT A LOCAL AUTHORITY LEVEL ANALYSIS

FOR EXAMPLE HERE IS
PETERBOROUGH'S
JOBS AND GVA
CHANGE 2001-2015:



WE CAN INTERROGATE BY OCCUPATIONS OR SKILL SET AT LOCAL LEVEL

EXAMPLE HERE OF EAST CAMBRIDGESHIRE
TOP OCCUPATIONS

East Cambridgeshire Top 10 occupations by Location Quotient

No. of jobs in 2016

200

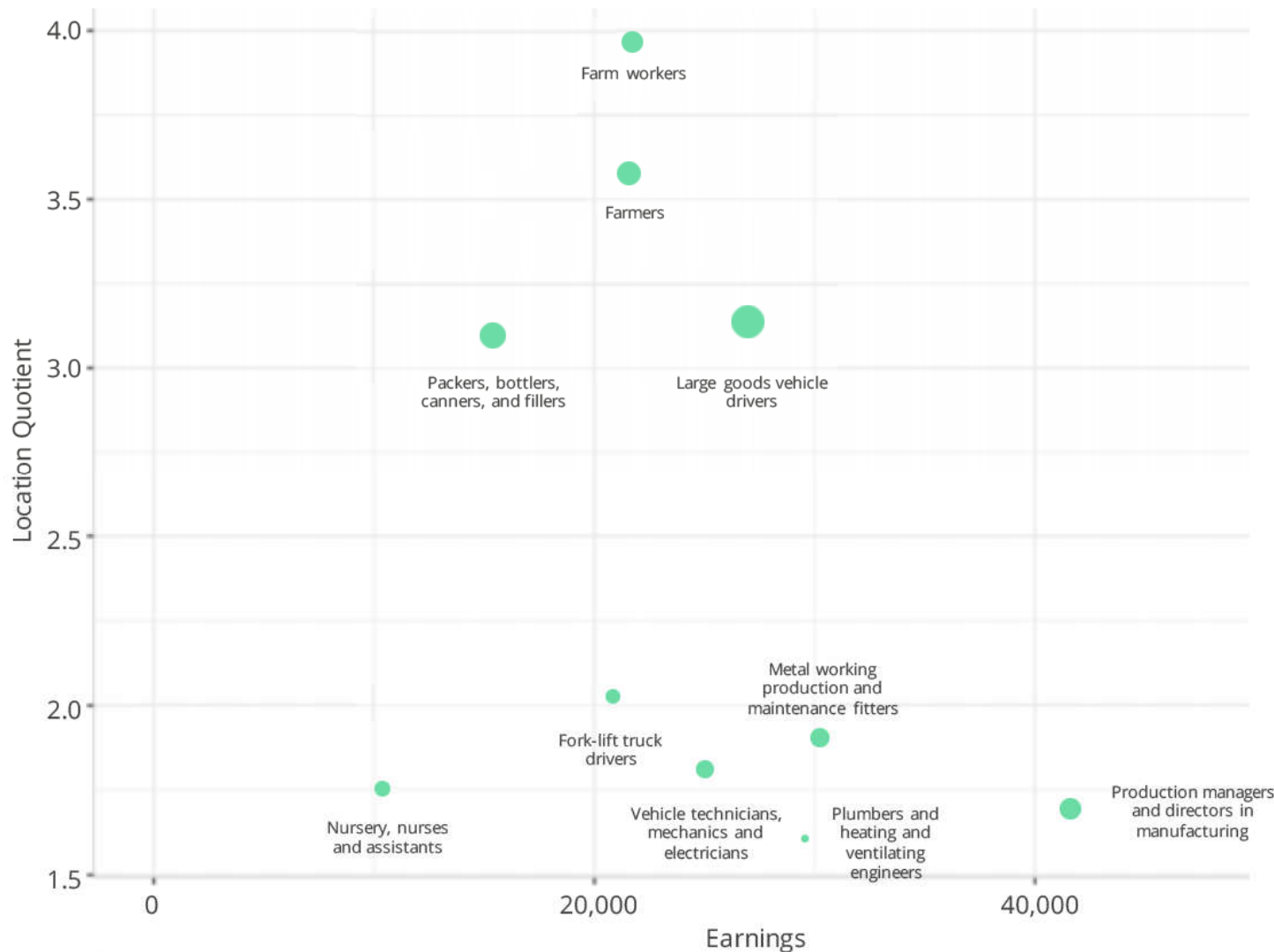
400

600

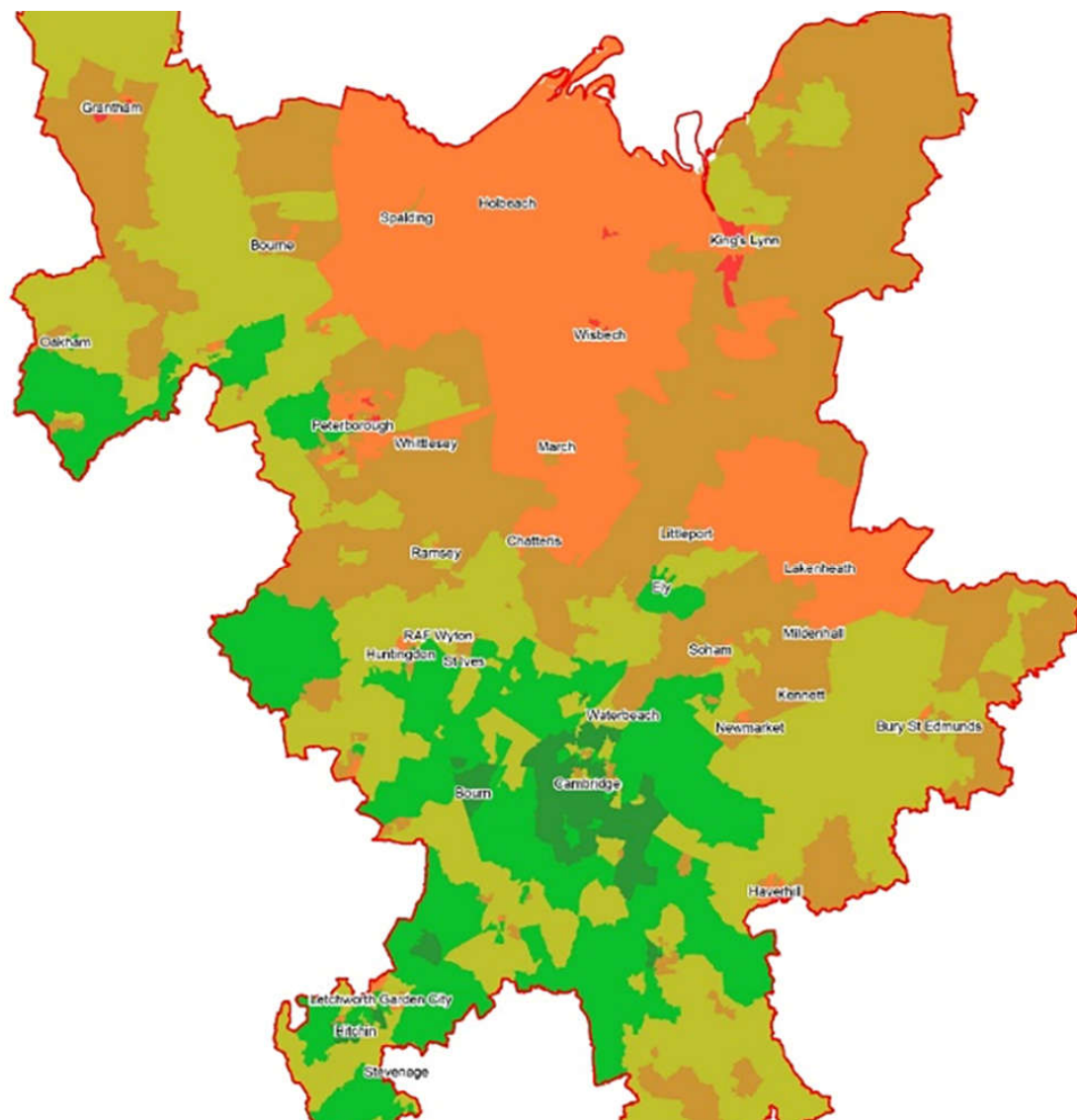
800

1,000

Data: EMSi 2016.1 Occupations, limited to 4-digit
SOC occupations with >0.5 per cent of local jobs

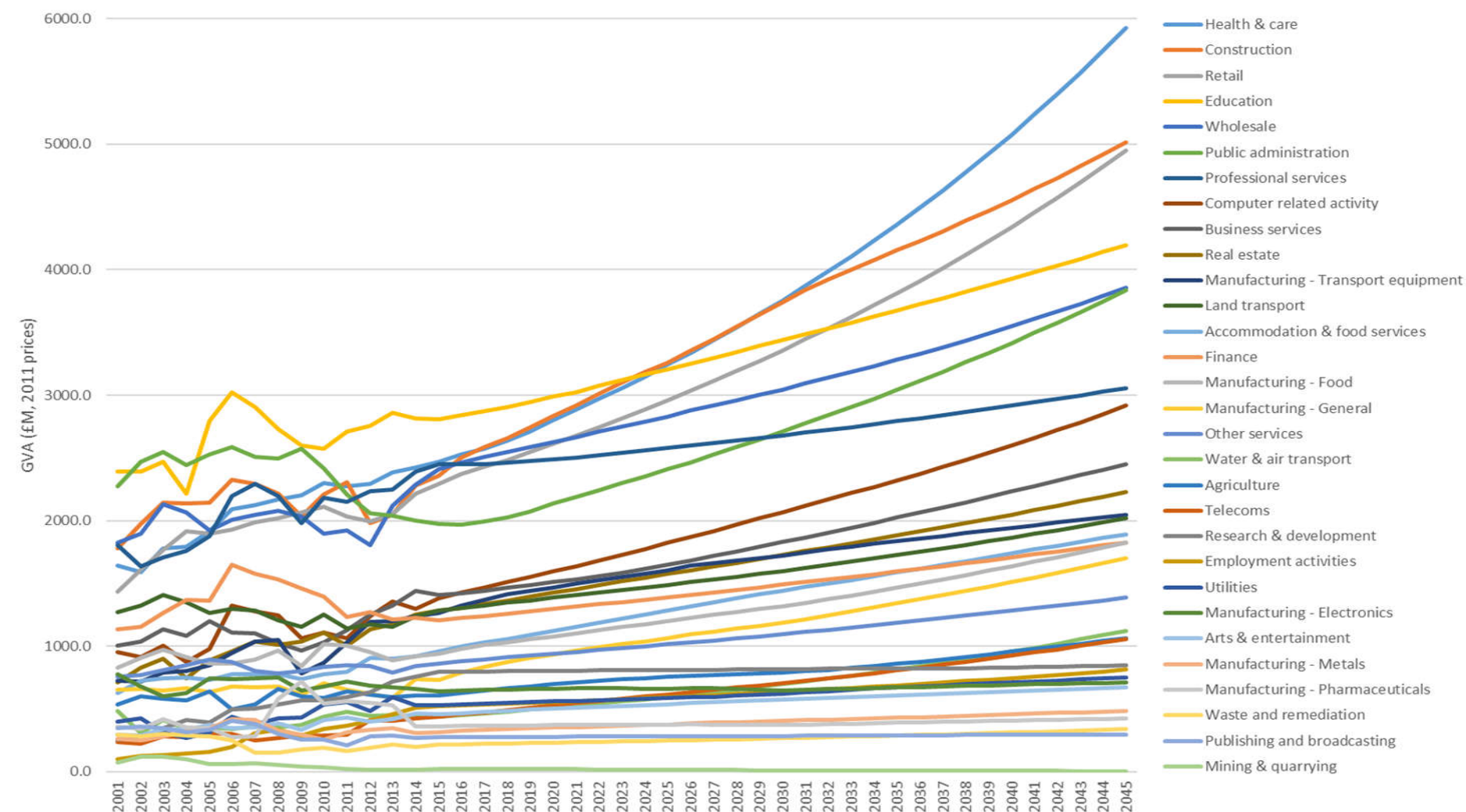


WE CAN SEE THE SPATIAL SPREAD OF SKILLS ATTAINMENT

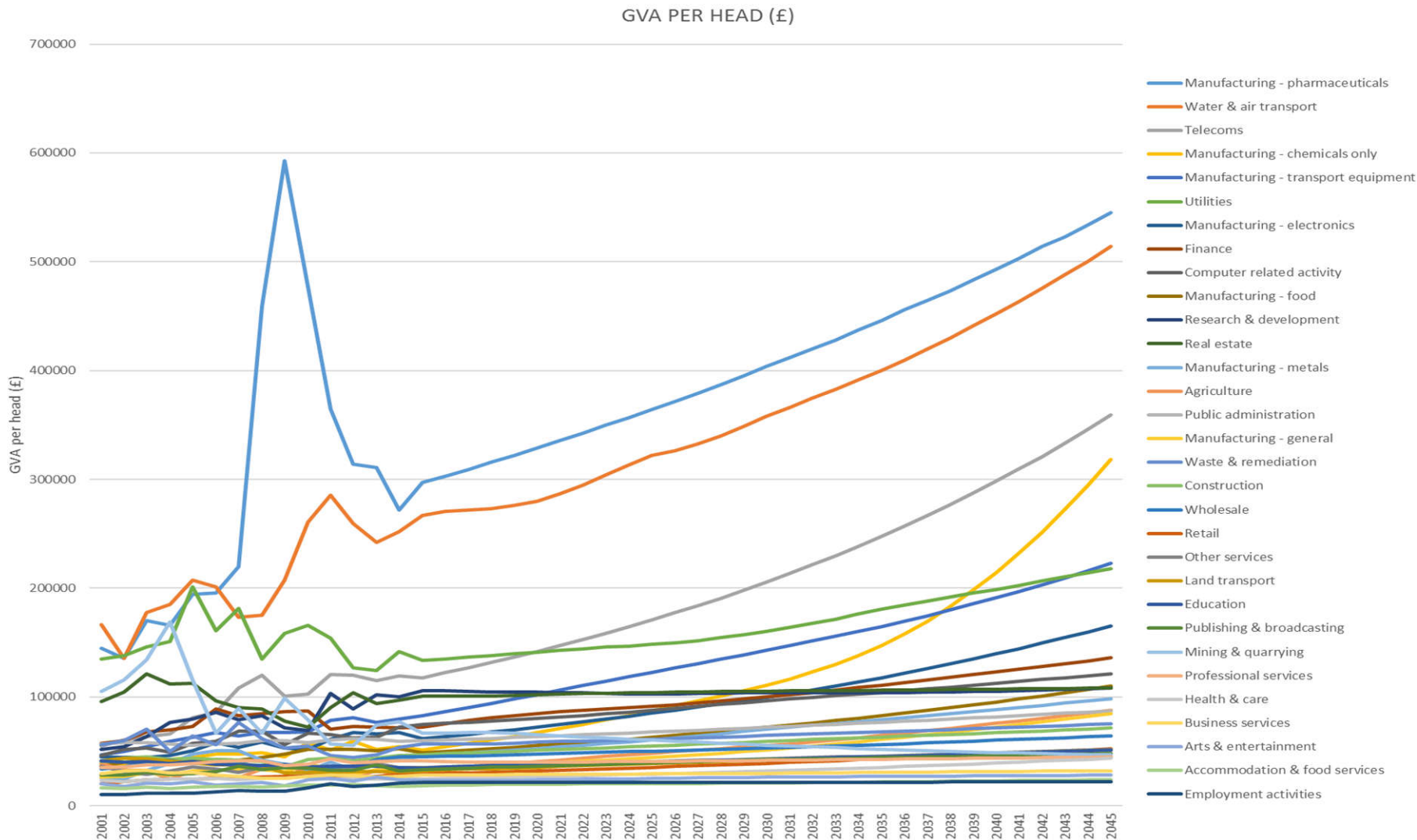


WE CAN SEE SECTOR GVA FORECASTS

GCGP sector GVA (£m, 2011 prices)

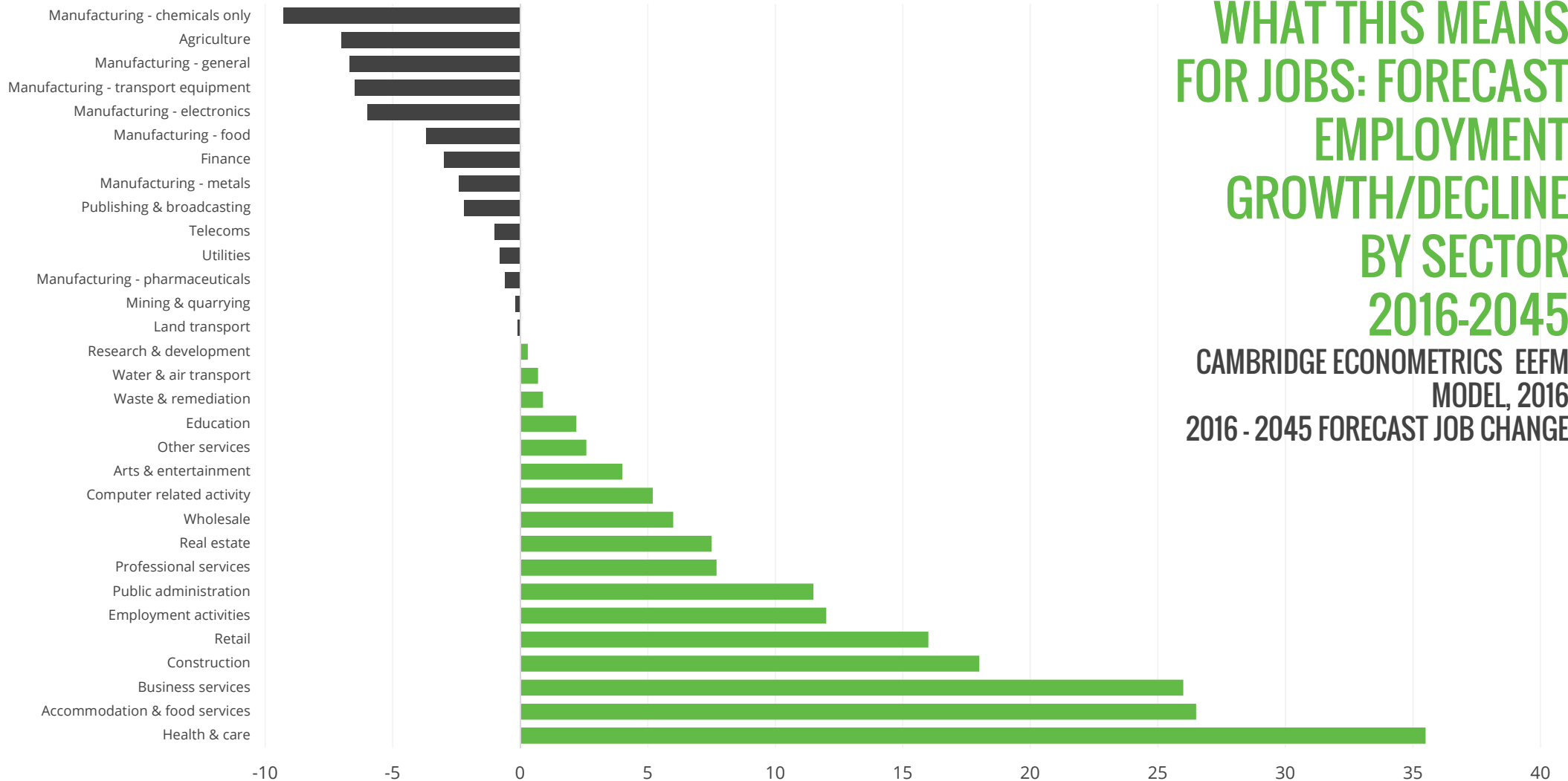


AND SEE SECTOR GVA PER HEAD FORECASTS (PRODUCTIVITY FORECASTS)

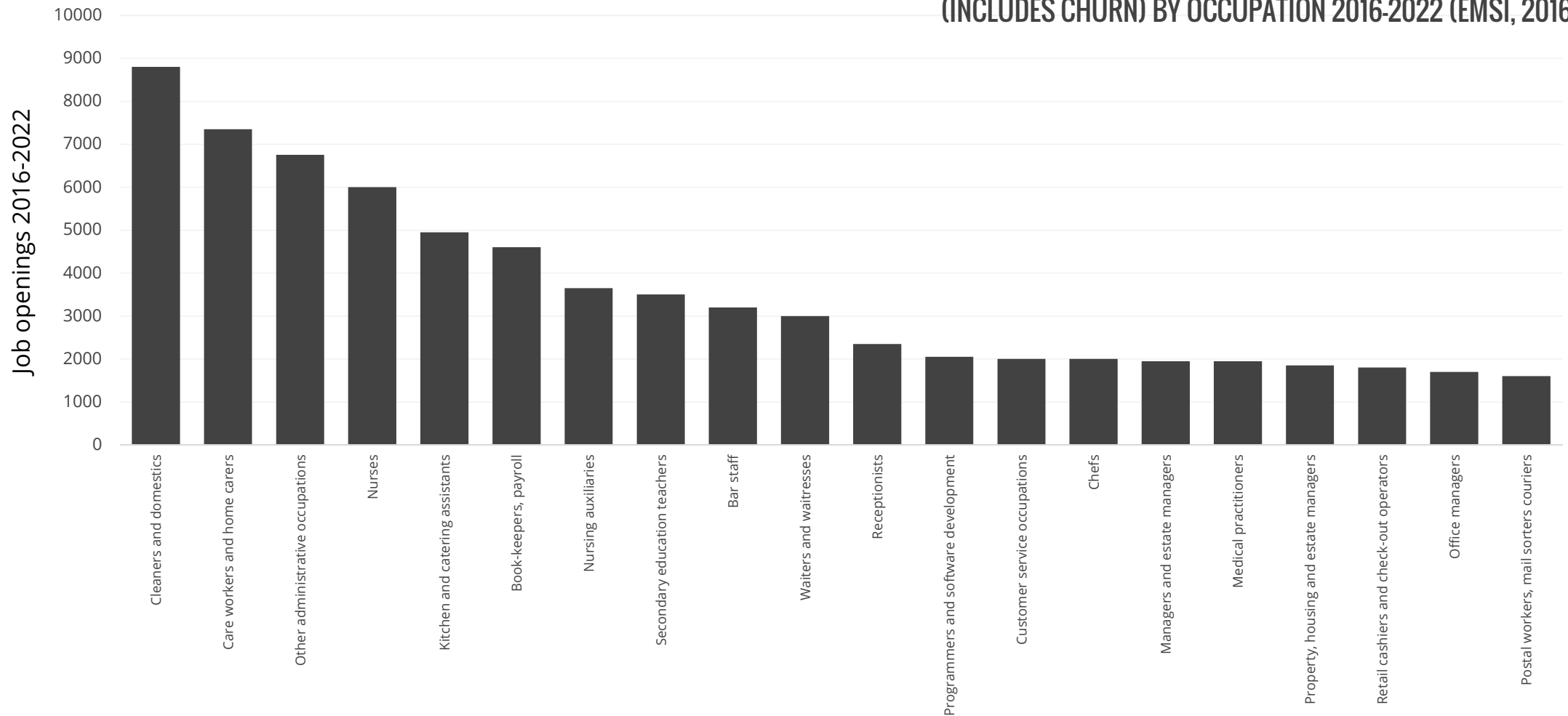


WHAT THIS MEANS FOR JOBS: FORECAST EMPLOYMENT GROWTH/DECLINE BY SECTOR 2016-2045

CAMBRIDGE ECONOMETRICS EEFM
MODEL, 2016
2016 - 2045 FORECAST JOB CHANGE

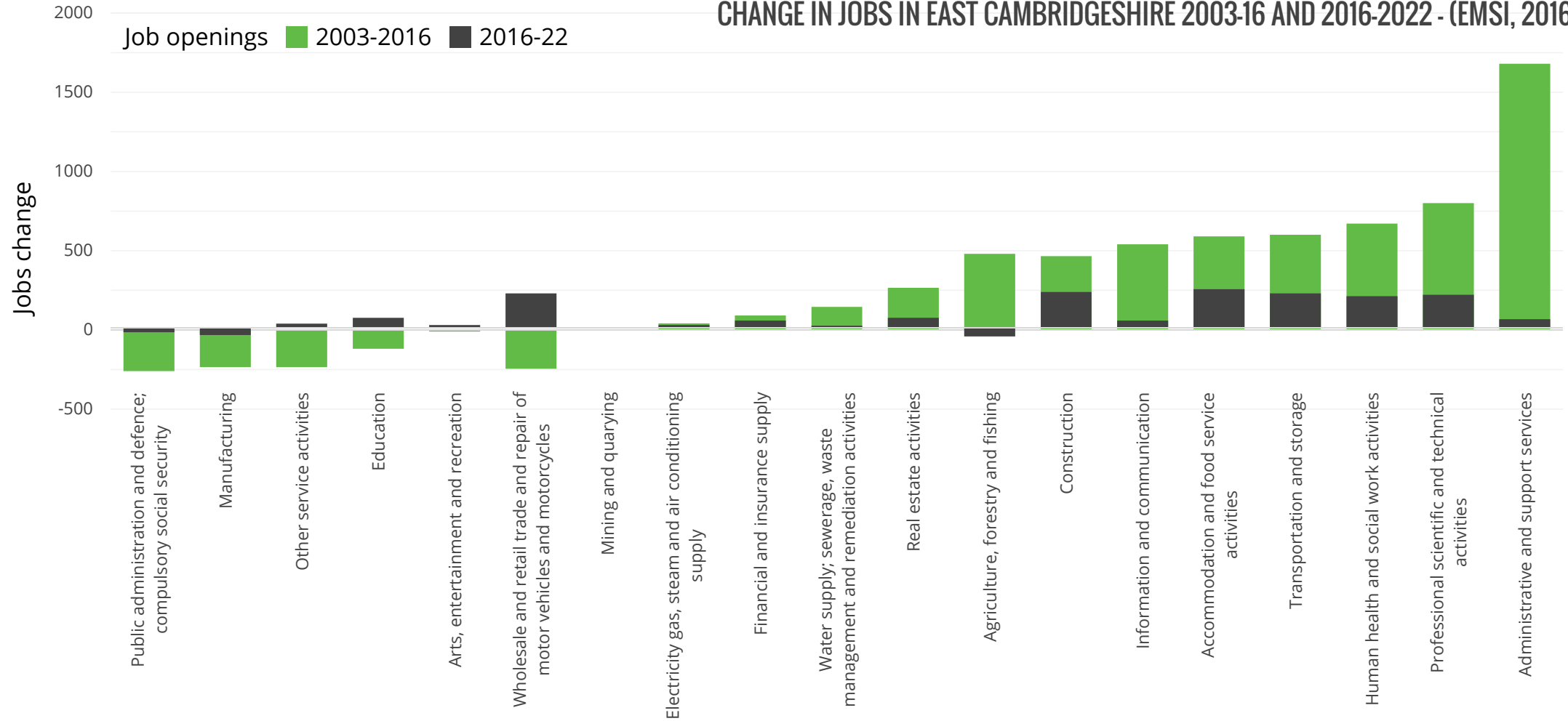


WE CAN ALSO IDENTIFY JOB OPENINGS (INCLUDES CHURN) BY OCCUPATION 2016-2022 (EMSI, 2016)



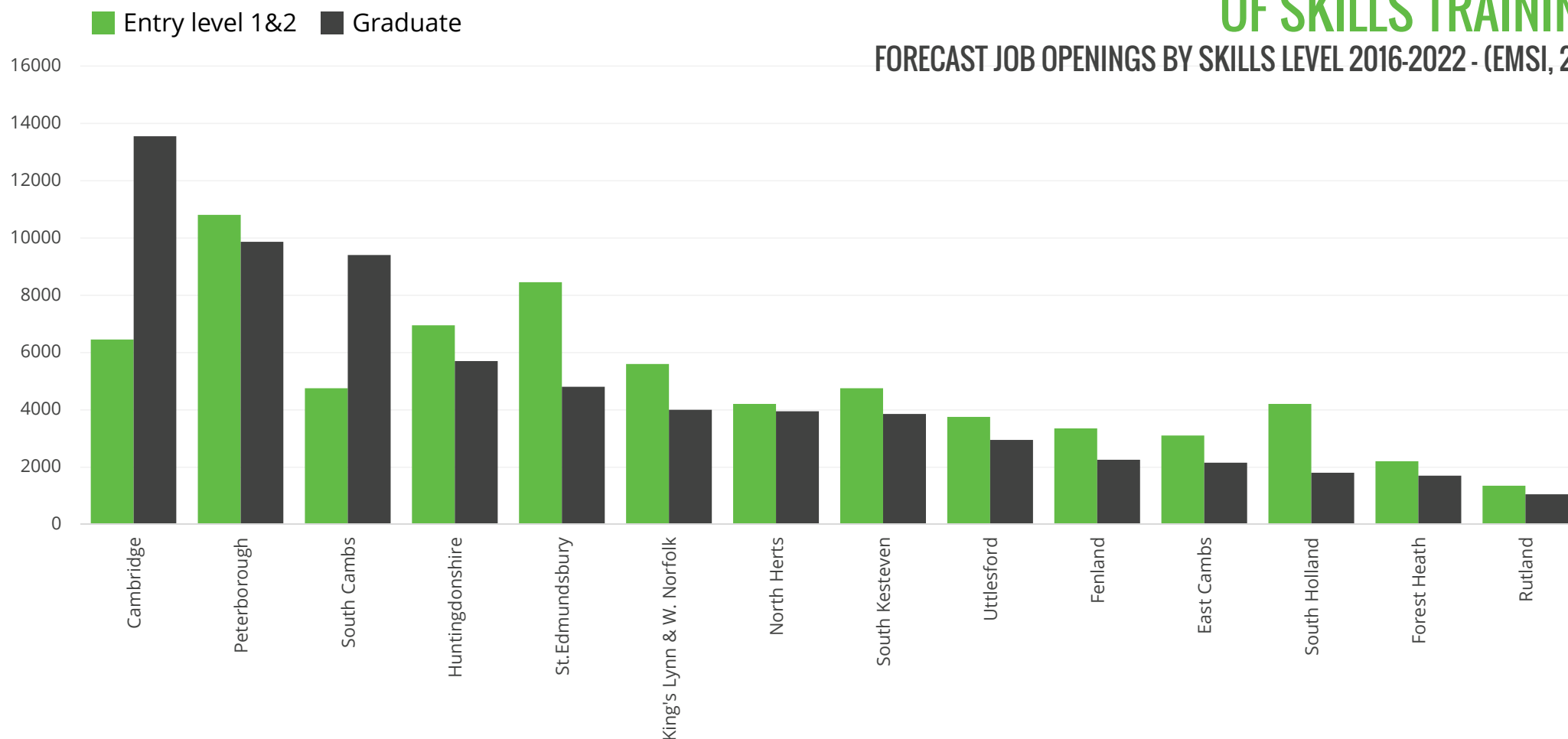
CAN INTERROGATE AT A LOCAL AUTHORITY LEVEL

CHANGE IN JOBS IN EAST CAMBRIDGESHIRE 2003-16 AND 2016-2022 - (EMSI, 2016)



WE CAN SEE IMPLICATIONS FOR TYPES OF SKILLS TRAINING:

FORECAST JOB OPENINGS BY SKILLS LEVEL 2016-2022 - (EMSI, 2016)



WE CAN MAP LOCATION OF BUSINESSES

(AND ANY GEOGRAPHIC CLUSTERING OF
SECTORS)

Location of businesses within a 20 mile radius of Cambridge
by number of employee. All businesses sectors.



Number of employees

- 1 - 100 •
- 100 - 250 •
- 250 - 500 •
- 500 - 2500 •
- 2500 - 60100 •

Source: Dr Andy Cosh, University of Cambridge.
Contains Ordnance Survey data © Crown copyright and database right 2017

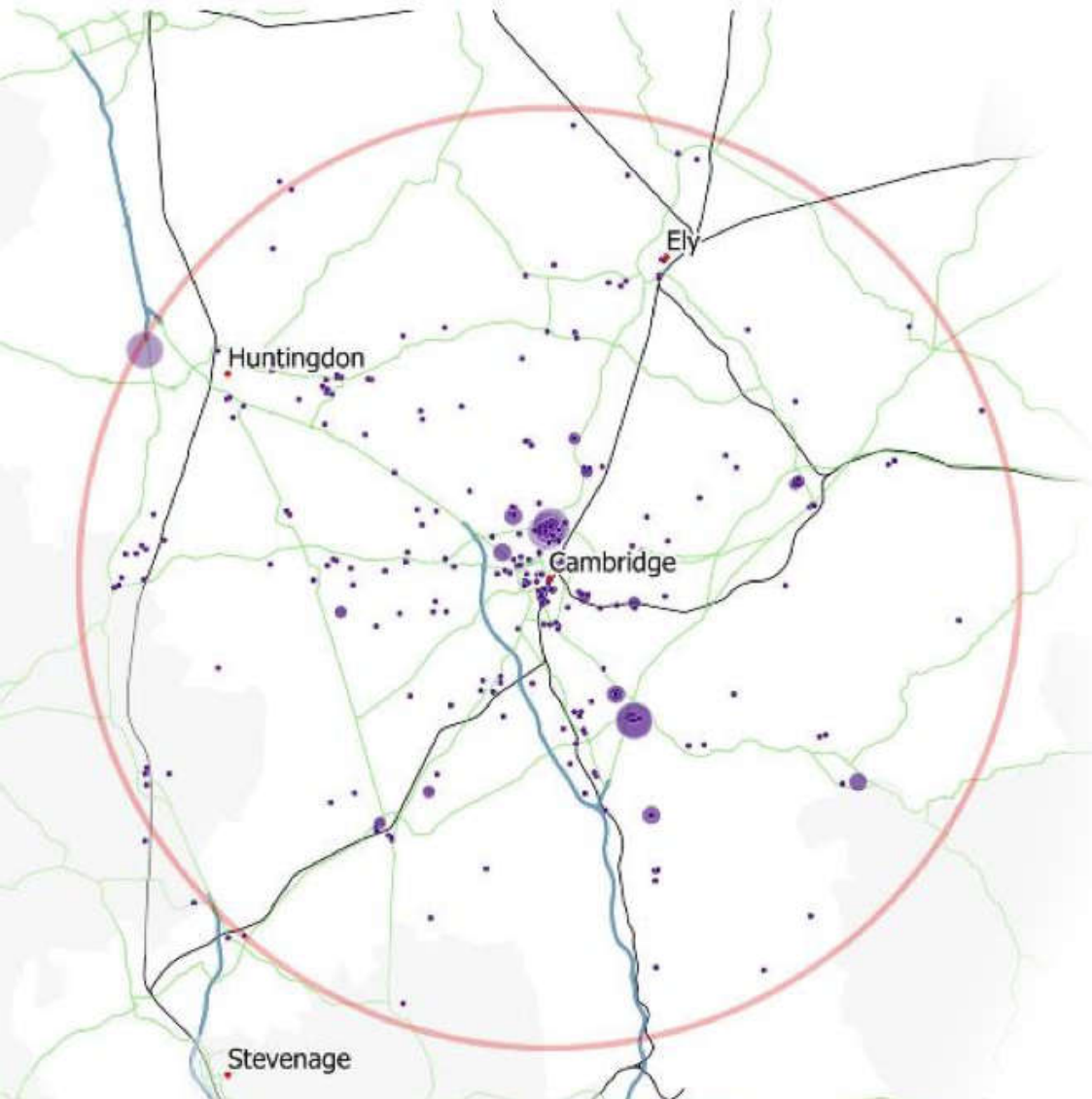
FILTER BY SECTOR/BUSINESS AND OVER TIME

AS AN EXAMPLE, HERE ARE THE LIFE SCIENCE
BUSINESSES AROUND CAMBRIDGE

Location of businesses within a 20 mile radius of Cambridge
by number of employee. Life sciences sector.

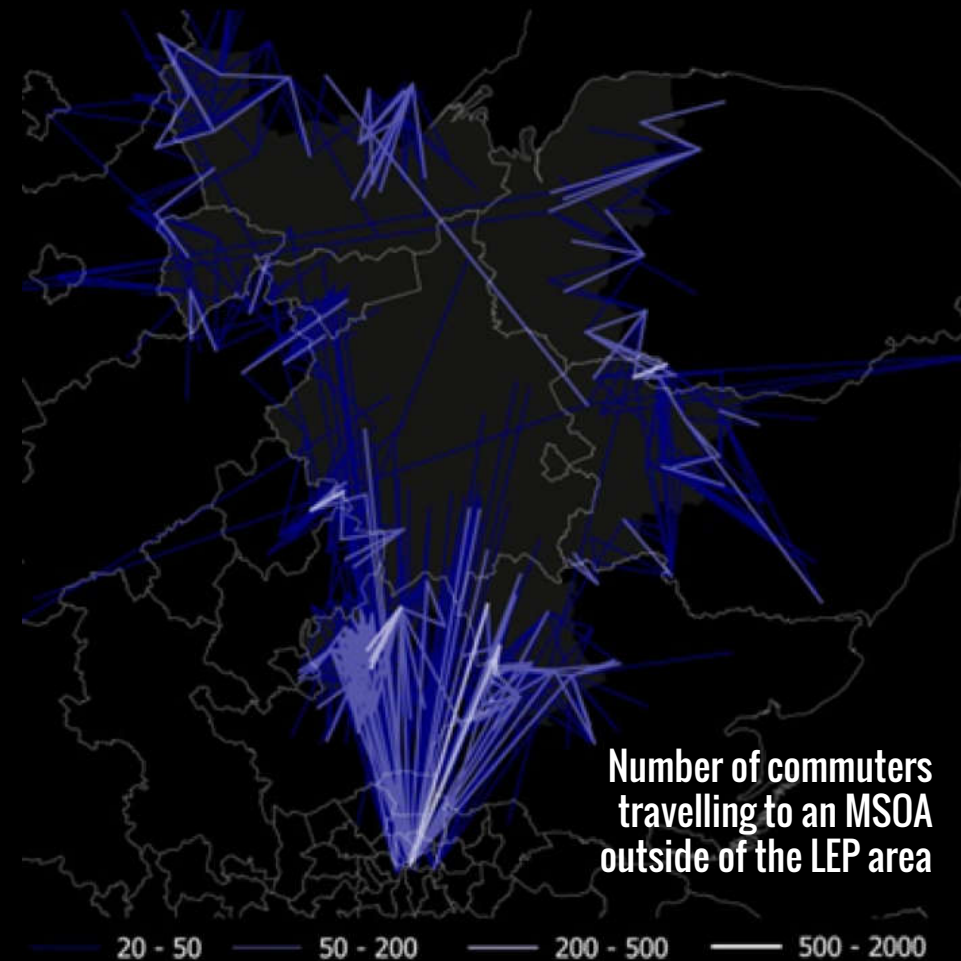
Number of employees

- 1 - 100 •
- 100 - 250 ●
- 250 - 500 ●
- 500 - 2500 ●
- 2500 - 60100 ●



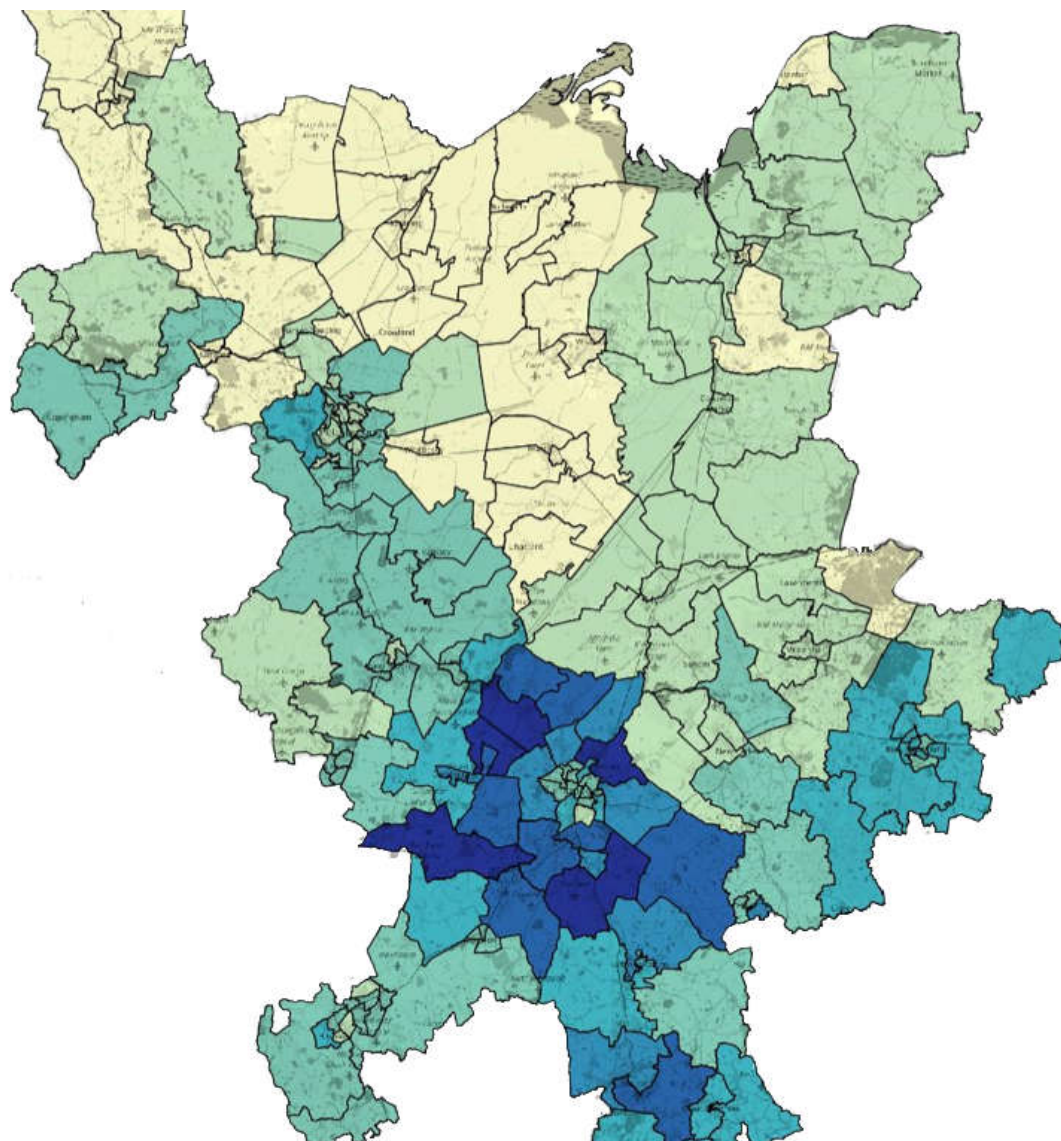
Source: Dr Andy Cosh, University of Cambridge.
Contains Ordnance Survey data © Crown copyright and database right 2017

WE HAVE MAPPED COMMUTING FLOWS



AND WHERE THE HIGHEST GVA JOBS ARE LOCATED

THIS SLIDE SHOWS PRODUCTIVITY AVERAGES



GVA per worker, 2015

17,693 – 21,265



21,265 – 24,836



24,836 – 28,407



28,407 – 31,979



31,979 – 35,550



35,550 – 39,121



39,121 – 43,000

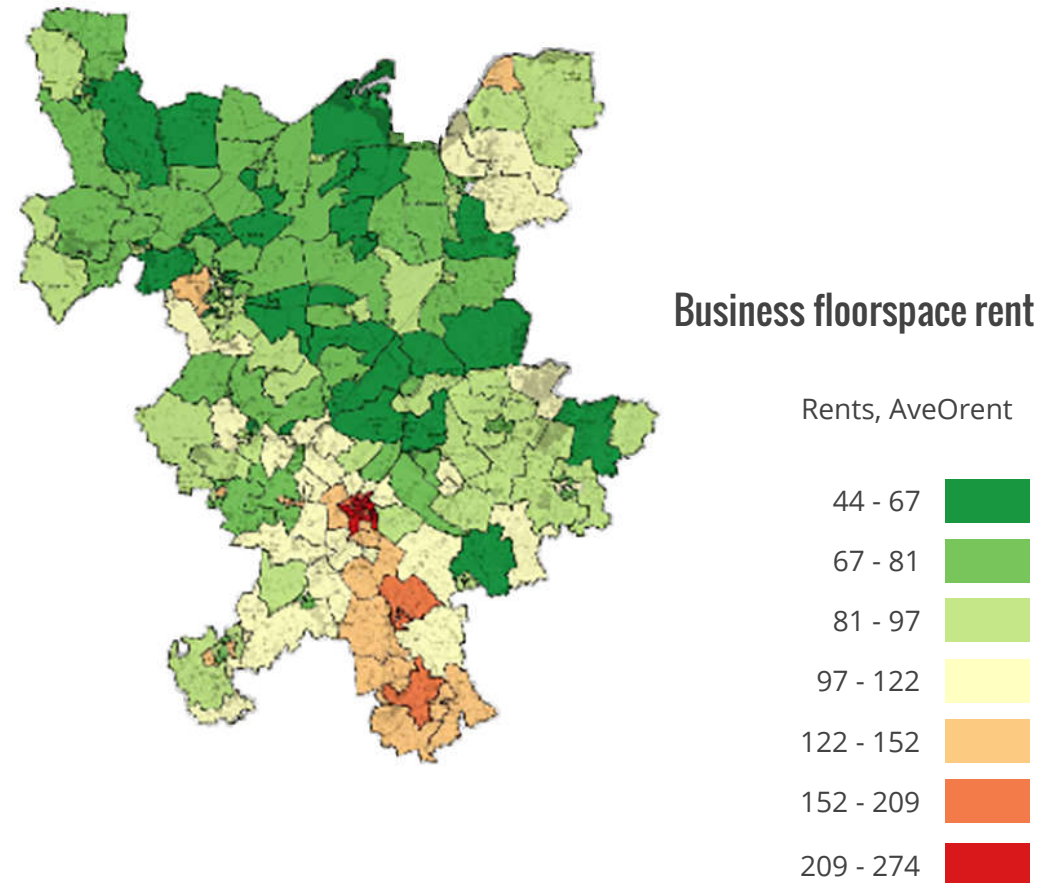
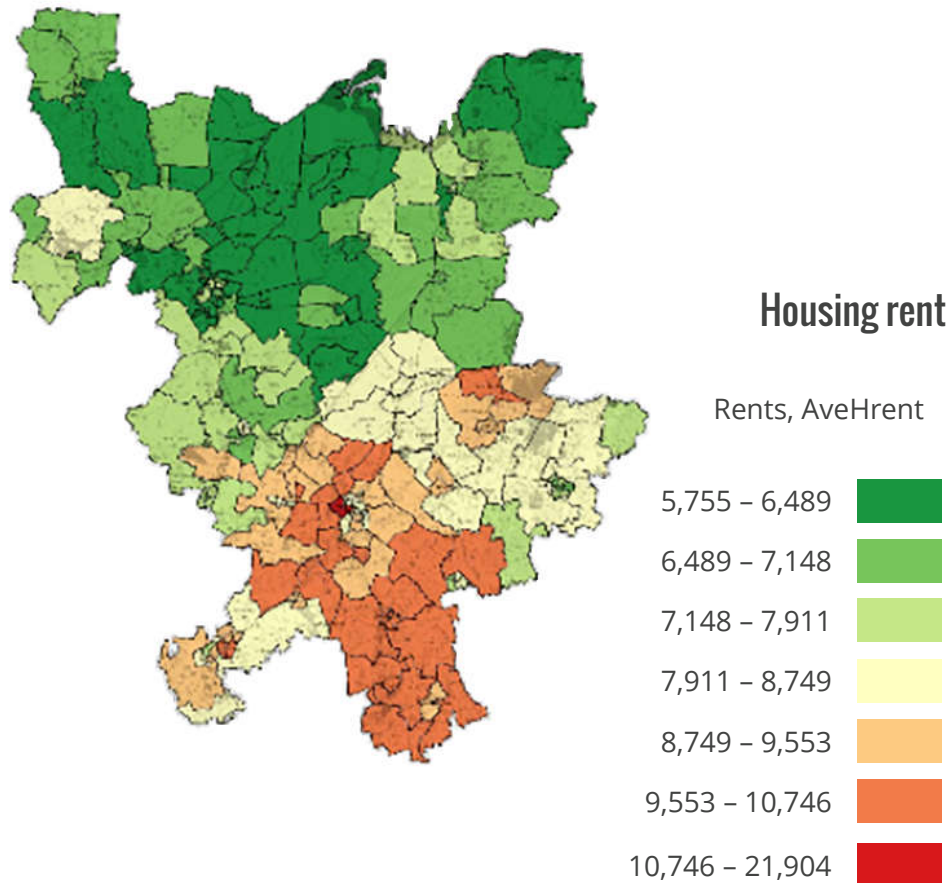


MAPPED RENTS OF HOUSING

(£ PER DWELLING PER YEAR, 2011)

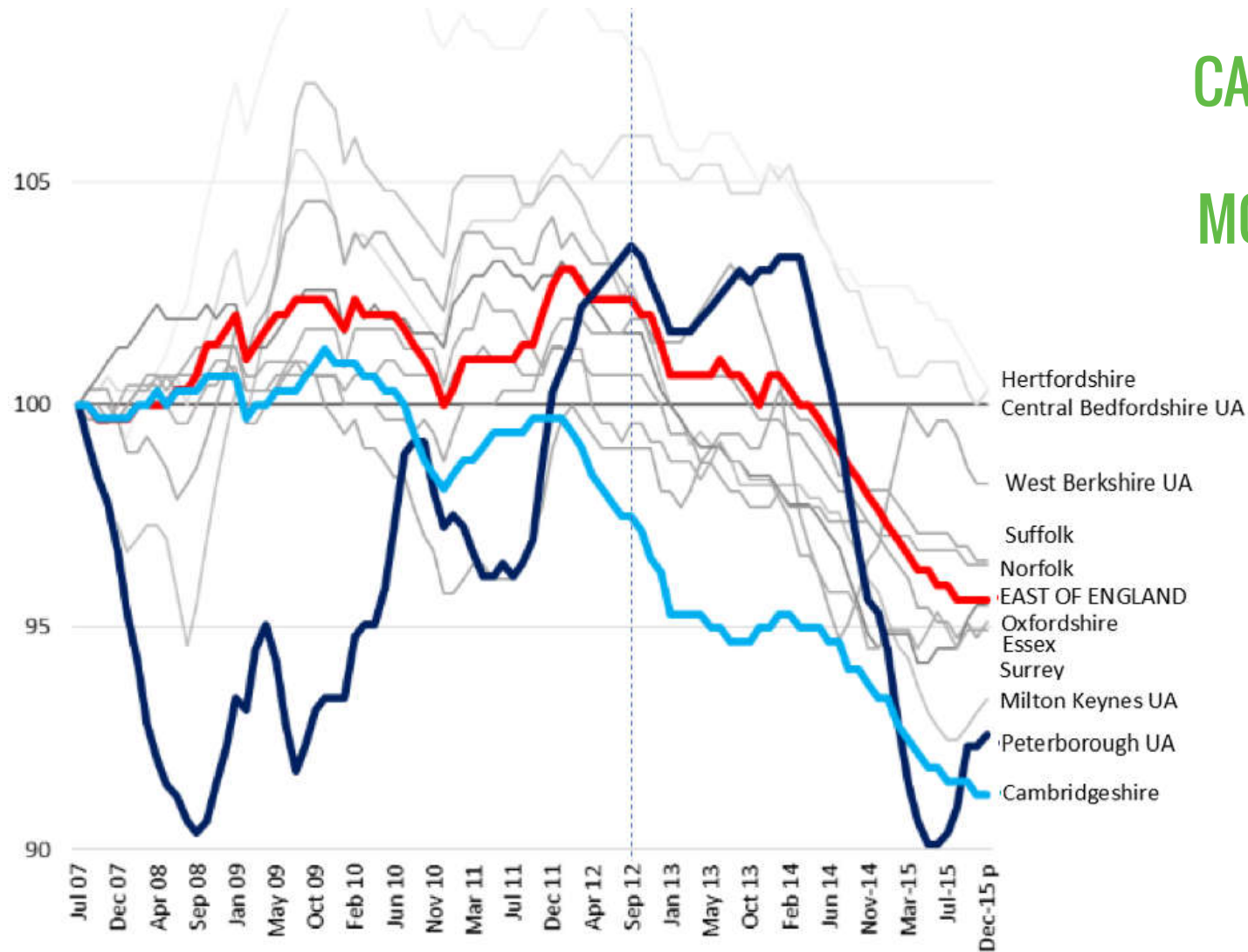
AND BUSINESS FLOORSPACE RENTS

(£ PER M2 PER YEAR, 2011)



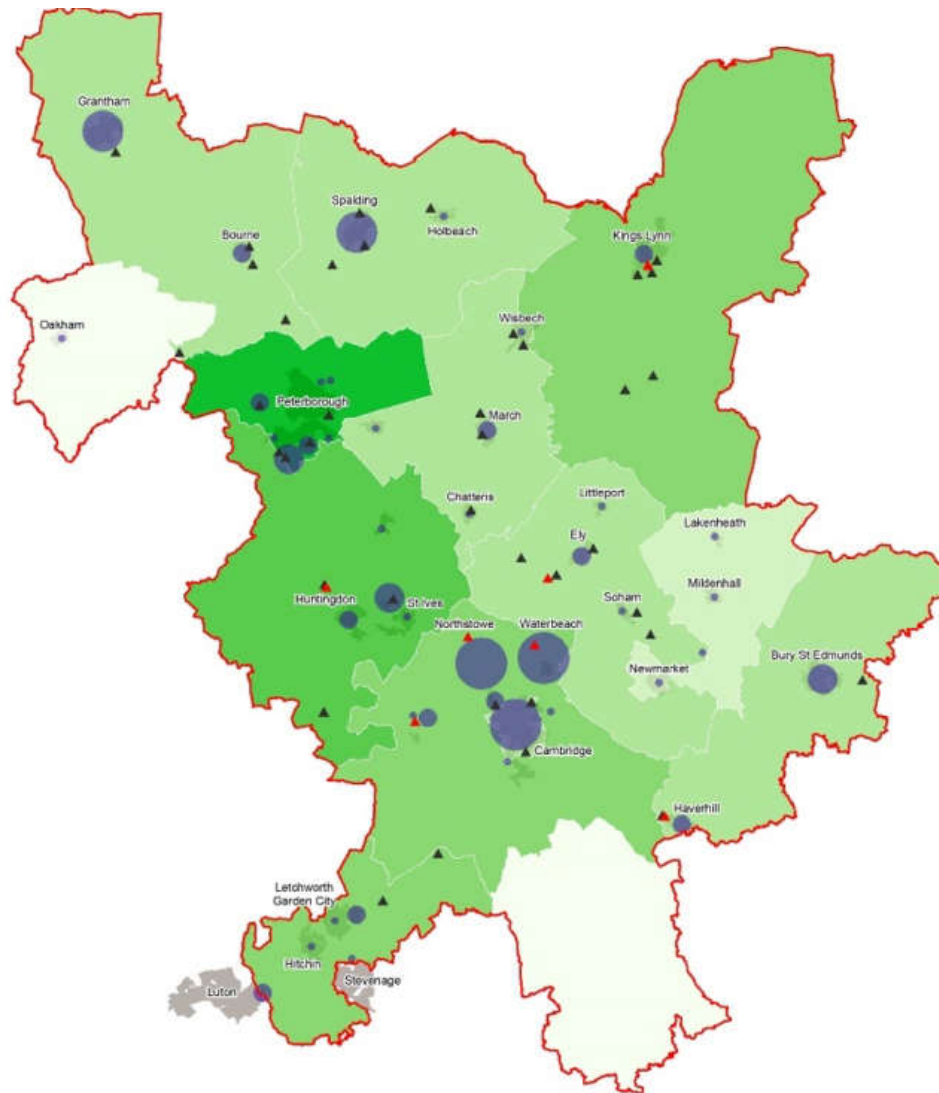
CAN SEE A DECLINE IN MORNING PEAK VEHICLE SPEEDS ON MONITORED LOCALLY MANAGED

A ROADS 2007-2015



Source: DfT (2016) Flow weighted vehicle speeds (CGN02)
<https://www.gov.uk/government/statistical-data-sets/cgn02-flow-weighted-vehicle-speeds#table-cgn0209>

CAN MAP THE STRATEGIC HOUSING (400 DWELLINGS+) AND EMPLOYMENT (10 HECTARES+) ALLOCATIONS AND PLANNING PERMISSIONS



LEP Boundary 

Number of houses from
identified strategic allocation(s)

Total housing target

400 – 2,000



0 - 5,000



2,000 – 4,000



5,000 – 10,000



4,000 – 6,000



10,000 - 15,000



6,000 – 8,000



15,000 - 20,000



8,000 – 10,000



20,000 - 25,000



25,000 +



Enterprise Zones



Employment
Allocation Zones



GCGP ECONOMIC POSITION AT A GLOBAL, NATIONAL AND SUB-NATIONAL LEVEL....

We are mapping/examining the various levels at which GCGP economies are competing at, whether global for footloose KI businesses or sub-national in terms of corridors/arcs of economic activity that extend beyond GCGP area.

THE WORLD IS CHANGING FAST....

Our Think Piece identified major socio-economic and technological drivers of change:

- ⚙ Infrastructure, manufacturing, business, academia and research are likely to become more decentralised, e.g. zero carbon energy, 3D manufacture and co-working
- ⚙ Potential for significant innovation and value creation from investment in new forms of infrastructure, e.g. automated web connected electric transport powered by renewables, climate resilience and new methods of delivering higher education
- ⚙ Need for different spatial patterns to accommodate economic and physical growth while maintaining high quality environments, e.g. on-demand travel could reduce the need for parking space
- ⚙ Some changes, like decentralised energy and climate change are creating competing pressures for land
- ⚙ Automation and AI will demand people who can work creatively with intelligent machines and master difficult and rapidly changing skills

WHAT IS THE ECONOMIC EVIDENCE BASE TELLING US?

- ⚙ Recent growth is above England average, with employment growth significantly above
- ⚙ A scenario of doubling GVA requires intervention above that of BAU
- ⚙ Congestion data shows a decreasing transport attractiveness of the GCGP area
- ⚙ A quarter of GVA is generated in the Cambridge/ South Cams area, but with high in-commuting already
- ⚙ An eighth of GVA is generated in Peterborough

WHAT IS THE ECONOMIC EVIDENCE BASE TELLING US?

- ⚙️ Tight labour supply, and skills challenges
- ⚙️ Distinct clusters of businesses / sub-sectors
- ⚙️ Concentration of: Agri and Manu-Food (but not greatly expanding in jobs); Research and Development
- ⚙️ Concentration of nationally job declining industries: Manu-Electronics / Manu-Chemicals / Manu-Transport
- ⚙️ Under represented in Finance and Telecoms (static job growth) and Professional Services (large job growth)
- ⚙️ Ranked 2nd for Innovation overall, but 10th for New to Market Innovation



CONSTRAINTS ON INCLUSIVE ECONOMIC GROWTH

- ⚙ Mismatch of available and required skills (attraction and retention of labour)
- ⚙ Fragility of the core infrastructure; connectivity and housing
- ⚙ Rising living cost and affordability
- ⚙ Problems obtaining affordable laboratory and incubator space
- ⚙ Availability and suitability of land/premises for SMEs to expand
- ⚙ Retention of investment; scale-up often occurs elsewhere
- ⚙ Lack of awareness by SMEs of what support and capabilities are on offer
- ⚙ Limited access to finance
- ⚙ Increasing cost of energy, particularly, exploiting low carbon market
- ⚙ Creating new business models to exploit and capture value
- ⚙ Declining UK-based supply chains



In response...

GCGP needs a short and long term approach integrated across the SEP, Non-Statutory Spatial Plan, Local Plans and Infrastructure Plans.

Together they should support sector needs and drive economic growth in ways which....



- ⚙️ Attracts and retains global KI businesses.
- ⚙️ Supports the business ecosystem (finance, networks, support services)
- ⚙️ Increases transport infrastructure capacity through public transport and new smart technologies, incl. internet of things.
- ⚙️ Makes use of spare capacity in in land, environment and infrastructure.
- ⚙️ Delivers new inter- and intra-regional infrastructure where existing capacity can't be increased or is unfit for purpose, e.g. energy, transport or flood risk.
- ⚙️ Improves the environment and maximises ecosystem services.
- ⚙️ Reduces inequality and builds resilience to change.
- ⚙️ Delivers high skills through business-led identification of demand, quality provision and access to education and training.
- ⚙️ Identifies new housing delivery mechanisms, including new market entrants, LA delivery, alternative tenures and off-site manufacture.

REVISED APPROACH TO ACHIEVING A REFRESHED SEP AND NEXT STEPS

Revision - no 'one SEP to rule them all', but use SEEB as a shared evidence base to enable prioritisation through a suite of complimentary partner intervention programmes

- ⚙ Finalise the SEEB
- ⚙ Summarise the key implications of the SEEB
- ⚙ Engage with partners on the evidence base to further test propositions (such as inclusive economic growth; doubling GVA etc)
- ⚙ Develop intervention programmes for those elements that GCGP is in a position to influence with its current funding
- ⚙ Work with partners to align where possible intervention programmes