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Greater Cambridge
DRAFT Sub-Regional Economic Strategy
2009-2012

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Preface – About this Sub Regional Economic Strategy.

This Strategy looks forward over the next 10 years and – with a particular focus on the period 2009-2012 when the economic climate is likely to be challenging – it sets out the key economic development priorities for the Greater Cambridge area.

The Sub Regional Economic Strategy (SRES) sits within the wider context of both community development/regeneration and regional economic development. The goals and priorities developed within the strategy are aligned with those set out in the Regional Economic Strategy yet reflect the particular issues, opportunities and concerns facing businesses, institutions, people and communities that together constitute Greater Cambridge. The community development context is reflected by close alignment with the Cambridgeshire Together Vision.

The SRES balances the ambition of long term strong and continued economic growth with a drive towards reduced carbon emissions and an improved quality of life for all sectors of the community.

The SRES sets out the vision that the Greater Cambridge Partnership (in its widest sense) has for Greater Cambridge¹, and presents a framework of goals and priorities for how this could be achieved. It is intended that this strategic framework will guide and shape the economic development work of all partners within Greater Cambridge, across the public, private and community sectors. To this end it has been developed and will be implemented in collaboration with a wide range of partners.

Section 1.6 provides further detailed information on the scope of the SRES.

The goals developed in this strategy and laid out in detail in Section 3 are summarised below:

- Goal 1** A world class, knowledge based, low carbon economy
- Goal 2** Resource efficient business growth across the Greater Cambridge area
- Goal 3** A strong skills base and high levels of economic participation
- Goal 4** Sustainable infrastructure and a high quality of life

¹ The Greater Cambridge area is defined as all wards in the districts of Fenland, Huntingdonshire, East Cambridgeshire, Cambridge City, South Cambridgeshire and Forest Heath, and parts of St Edmundsbury, Uttlesford and North Hertfordshire.

A summary of the SRES impact on Regional Economic Strategy Goals is outlined below:

RES Goal	Sub Regional Economic Strategy Goals			
	Goal 1	Goal 2	Goal 3	Goal 4
Enterprise	✓	✓	✓	
Innovation	✓			
Digital Economy	✓	✓		
Resource Efficiency	✓	✓		
Skills			✓	
Economic Participation			✓	
Transport				✓
Spatial Economy		✓		

The interventions listed in Section 4 of the SRES have been included to give an indication of how the goals and associated priorities of the SRES may be taken forward through some key activities already planned for the Greater Cambridge area.

This is the second SRES for Greater Cambridge; some core elements from the first SRES have been retained where appropriate, but updated to reflect the current economic context. It is acknowledged that current expectations of an unprecedented global and national downturn in economic growth will require ongoing and more detailed consideration of immediate actions within the framework of the longer term Strategy. For the long term, the emphasis will be on the development of a sustainable, low carbon economy that continues to generate a high level of business start-ups and to build on our exceptional scientific expertise.

1 Introducing Greater Cambridge

1.1 The Greater Cambridge Partnership (GCP)

In 1998 the County Council, along with partner agencies with an interest in the economic development of Cambridgeshire, established the GCP as an alliance of public, private and voluntary-community sector interests.

Underpinned by the conviction that the Greater Cambridge area should become a world leader for learning and knowledge-based businesses, the mission of the Partnership is one of:

Encouraging and facilitating a balanced framework for the structural, economic, social, environmental and cultural development of the Greater Cambridge area.

Initially membership was limited to agencies operating within Cambridgeshire but from 2002, adjacent districts in neighbouring counties were included to better reflect the true economic geography and sphere of influence of the Greater Cambridge area (see map in section 2.5).

A stable partnership with a largely consistent geography focused on Greater Cambridge has therefore existed for the last six years. The area was extended to the north two years ago to include Fenland, thereby reinforcing the inclusion of the whole county within the sub-region.

Over the years, the partners, working through the GCP, have achieved a great deal in raising the profile of the sub-region, commissioning strategic research, securing funding for key economic interventions, and convening well-attended conferences at which key issues facing the area have been discussed, informing the strategic direction of the GCP and the sub regional economy.

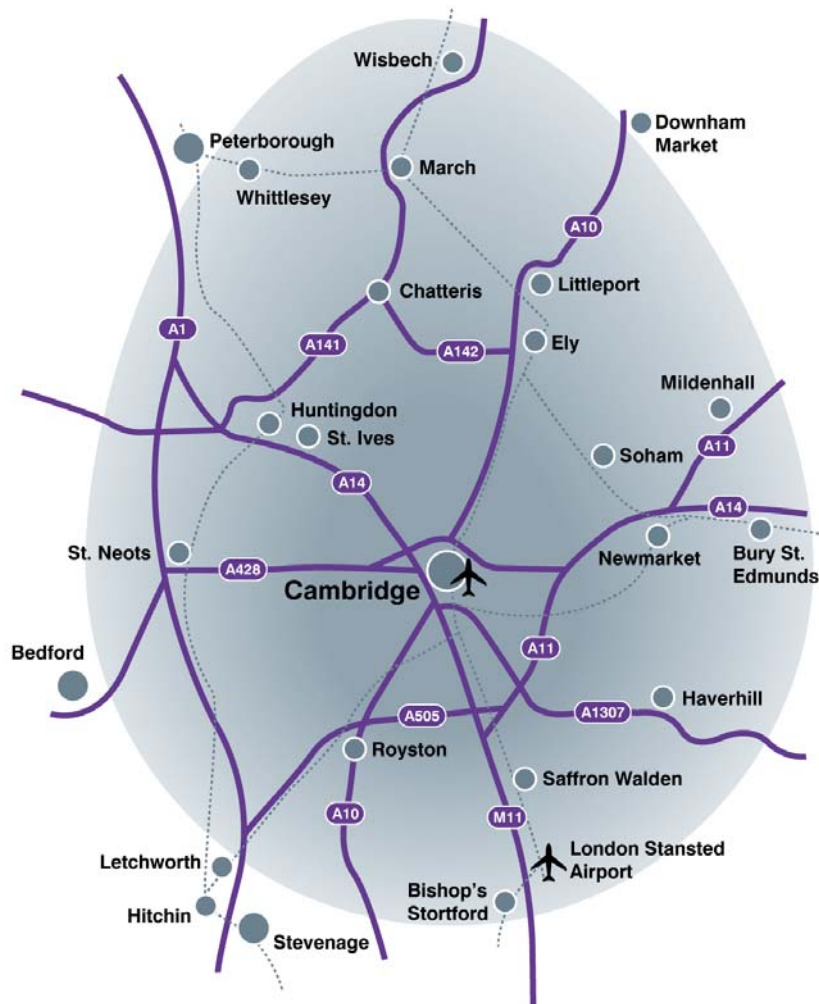
Following a review of Sub Regional Economic Partnership (SREP) performance by EEDA, the GCP was recognised as an “excellent” performing partnership, which is the highest ranking available.

As the SREP for the area, the GCP has engendered greater understanding between the private, public and third sectors to ensure that sustainable economic development is delivered not least in helping to achieve the 75,000 jobs target for the area. It has been instrumental in bringing the districts together at member and officer level to coordinate interventions and agree strategy development.

1.2 The Geography of Greater Cambridge

The Greater Cambridge area reflects the “engine of growth” for Greater Cambridge as identified in the Regional Economic Strategy (RES) and the Cambridge sub-region in the Regional Spatial Strategy (RSS).

The Greater Cambridge Area



(For indicative purposes only - Not to scale)

In relation to local authority boundaries, the Greater Cambridge area covers all of the Cambridgeshire county area including Cambridge City and the districts of East Cambridgeshire, Fenland, Huntingdonshire and South Cambridgeshire, as well as Forest Heath, St Edmundsbury (Suffolk) and parts of North Hertfordshire (Hertfordshire) and Uttlesford (Essex).

The broader geography includes a number of sizeable settlements, each of which has a distinctive economy in its own right. Functionally, these settlements have strong relationships with Cambridge in terms, for example, of labour markets, housing markets and business networks. Hence this area must be recognised as a functional economic sub-region and in developing an economic strategy to help shape its future, the range and scope of interconnections must be embraced fully. In addition Peterborough, although outside the Greater Cambridge area, has strong links with the area, both in terms of labour market and complementary economic strengths, and this relationship is reflected in the close working and joint initiatives that take place between the two areas. The ability to work across Local Authority boundaries

is essential in addressing real world economic relationships and issues; however due to the way many initiatives are administered, cross boundary working can be complicated and hard to put into practice. Recent national proposals have recognised this and provide the opportunity for more cross boundary working.

As a predominantly rural area, until the late 1960s the local economy was based around farming and food, with a core of technology, engineering and service businesses in Cambridge and the market towns. However, since the 1970s the area has been transformed into a world-leading hi-technology cluster that has become widely known as the 'Cambridge Phenomenon'. Although strengths in the food industry still exist in the north of the area, Greater Cambridge now acts as the scientific research and development capital of the UK with five times more R&D jobs than the UK average and a cluster of around 1,500 hi-tech businesses employing nearly 43,000 people.² There are particular specialisms within the cluster including biotechnology and software development.

As Greater Cambridge has become an increasingly desirable place to live and work, the population has grown from 420,000 to 750,000 between 1971 and 2006. Over the same period the number of people working in the area has risen from 200,000 to 365,000. The presence of a world-class university, thriving enterprise economy, proximity to London, Stansted Airport and east coast ports, plus an attractive environment, have all combined to create one of the UK's fastest growing and most dynamic areas.

1.3 Growth Context

Such economic success has led to growth pressures. From 2001 to 2021 the RSS has set targets of an additional 73,000 houses and 75,000 jobs in the area equating to 16% population growth compared to 8% nationally. Although this growth is necessary to sustain the area's economic performance it will need to be achieved in a sustainable manner – so that Greater Cambridge retains and improves its environmental performance and quality of life and remains an attractive location as an internationally competitive knowledge-based economy.³

The local authorities in Cambridgeshire are embracing change and growth and have established Cambridgeshire Horizons as the Local Delivery Vehicle to co-ordinate the implementation of the housing and the necessary infrastructure projects to accommodate the growth.

Central to the area's continued economic success as a centre for knowledge-intensive and hi-tech businesses is the ability to attract, retain and develop a workforce with the right skills to meet business needs. To sustain economic success, areas also need the right supply of housing to support the local workforce and business base and that housing needs to be affordable and in

² High Technology Cluster in the Greater Cambridge Area (2008), Cambridge Investment Research

³ Centre for Cities (2008) 'Unlocking City Potential and Sustaining City Growth' preliminary research,

the right place for the workers the area needs.⁴ There are already indications that Greater Cambridge is facing constraints – for many professions, housing across the area is increasingly unaffordable. Over the last ten years house price to income ratios have risen across Greater Cambridge to a greater extent than in the rest of England.⁵ Expansion of the area to meet evolving labour market demand is therefore necessary, but this has to be undertaken carefully, with high quality developments in the right place, supported by appropriate infrastructure that will enable residents to access jobs and offer them a high quality of life. However the growth agenda offers both challenges and opportunities.

The Long Term Delivery Plan (LTDP) produced by Cambridgeshire Horizons considers the infrastructure required to support development on sites over 100 dwellings in size. A carbon appraisal of the LTDP estimated that growth in the area would result in an 8% increase in CO₂ emissions. In the context of a national and regional drive to significantly decrease carbon emissions, the impact of the growth agenda on the area's ability to tackle climate change needs to be carefully considered.

The GCP however recognises that Cambridgeshire Horizons does not cover the whole of the Greater Cambridge area, and that partners in west Suffolk, who have strong economic links with Cambridge, have limited influence on Cambridgeshire's growth initiatives. The GCP will encourage recognition that infrastructure initiatives must take account of the needs of the entire functional economic area.

Transport plays an important role in underpinning the planned growth with an emphasis on more sustainable modes of travel. By linking residents with jobs and businesses with businesses, good transport links have a major impact on both the economic prospects and environmental sustainability of a city region. Although much has already been done to reduce congestion within Cambridge city centre, key issues still remain to be addressed, particularly in tackling bottlenecks around market towns, improving links to the wider region and reducing dependence on the private car. Current levels of congestion are already limiting the growth of the Greater Cambridge economy and its potential future contribution to the wider UK economy. Both the 2006 and 2007 Cambridge Cluster reports published by Library House suggest that there are signs that the Cambridge hi-tech cluster has started to hit the limit set by regional conditions and that the long term health of the cluster may be at risk. The programmed A14 improvements and completion of the Cambridge Guided busway are therefore vital. Further improvements will be needed, such as dualling of the A11. Thus, Cambridge is now facing the challenge of meeting the future transport needs of the economy as well as dealing with the environmental impacts (both on local environmental quality

⁴ Centre for Cities (2008) 'Unlocking City Potential and Sustaining City Growth' preliminary research,

⁵ Greater Cambridge Annual Profile, 2007.

and levels of CO₂ emissions) of existing congestion within the city centre and on sub regional and regional transport links.⁶

Government funding for infrastructure to pump-prime the growth is essential if Greater Cambridge is going to be able to continue to compete on behalf of “UK Plc” with places such as Munich, Silicon Valley, Beijing and Bangalore, all of which, at different scales, continue to invest and expand.

1.4 Greater Cambridge and its role within the East of England and the Greater South East

The Greater Cambridge area has a dynamic and diverse economy. Over the last three decades, it has turned in an impressive performance across a broad range of sectors. It has a strong global profile and it is also, increasingly, functioning as a hub of the economy in the East of England. The contribution of the area to the UK economy can be seen both in GDP growth and indirectly through a whole range of equally important productivity gains including attracting world class R&D facilities, transferring ideas and knowledge to other parts of the economy, and the start up and growth of many highly entrepreneurial companies.

Although the area's hi-tech cluster is significant in world terms, on certain measures it is relatively small when compared with the main global clusters and lacks the critical mass as a single entity to fully compete on a global scale. In addition, some observers believe there has been a recent leveling off of activity in the hi tech cluster, which must be of concern.

Collaboration with partners across the Greater South East would offer the Cambridge Cluster with the best opportunity to increase in scale and build on its strengths.

The Greater South East of England, comprising the regions of the East of England, London and South East England, remains the largest concentration of R&D activity in Europe and at the forefront of financial, creative and biotechnology markets. The 2006 Cambridge Cluster report suggests that evidence (such as the movement of Venture Capital firms back to London and increasing congestion of transport routes between Cambridge and London) points towards Cambridge as developing into an innovation outpost of the ‘London Cluster’ with Oxford and Reading being the other two significant ‘outposts’. If the centre of gravity is shifting to London, the transport infrastructure to connect Cambridge with the West of London, and also enable access to Oxford, Reading and Heathrow airport, will become increasingly important.⁷

Better connected, Library House believe the Greater South East would be one of the few places in the world to have all of the required ingredients in a sufficient concentration to effectively compete with expected future rivals, of

⁶ Centre for Cities (2008) ‘Unlocking City Potential and Sustaining City Growth’ preliminary research,

⁷ Cambridge Cluster (2006), Library House.

which Shanghai is currently among the leading contenders.⁸ Being part of a 'supercluster', or the 'golden triangle' of London-Oxford-Cambridge, would allow Cambridge to be recognised for what it is - predominantly a 'hotbed' of start up activity involving businesses that are commercially exploiting scientific knowledge – but with much stronger links to the substantial financial, marketing and manufacturing capabilities from across the South East of the UK.⁹

1.5 'Cambridgeshire Together', the Local Area Agreement and links to neighbouring counties

Cambridgeshire Together was established in 2007 and fulfils the role of a county level Local Strategic Partnership (LSP), building on the success of the established district level LSPs and their community strategies that broadly support and align with the economic development priorities of the Local Area Agreement (LAA).

In common with other county level LSPs in the region, Cambridgeshire Together is led by Cambridgeshire County Council which, along with other public sector bodies, has worked in partnership to establish the LAA as a delivery mechanism across the county. In this role, the Cambridgeshire Together Board has responsibility for monitoring and reporting to government on performance against all 199 indicators in the National Performance Framework for Local Authorities, and for meeting targets for the 55 selected indicators in the LAA.

The partners comprising Cambridgeshire Together have agreed a vision for the county as one that has strong, growing, prosperous and inclusive communities. A key theme of the vision is Economic Prosperity and:

Supporting the special role of Cambridgeshire as a centre of knowledge and innovation, especially in low carbon technologies.

Further themes relate to Environmental Sustainability, Growth, Equality and Inclusion and Safer & Stronger Communities.

The complementary vision of the GCP is that:

Greater Cambridge should be a world leader in the knowledge-based economy that combines business success with a high quality of life for all

More specifically, over the next decade or so, the Cambridgeshire Together partners wish to promote the well being of local people, the economy and the environment by (in part):

- supporting the sustainable growth of business sectors critical to future economic success
- encouraging a high level of start up of new, and the development of existing, businesses and social enterprises

⁸ Cambridge Cluster (2006), Library House.

⁹ Cambridge Technopole Report (2008) St John's Innovation Centre

Although the LAA and its selected indicators and targets relate only to Cambridgeshire, the GCP, as the county's main economic partnership, has been a key partner in developing the new LAA, particularly in influencing priorities under the Economic Prosperity theme of the Vision for Cambridgeshire and identifying interventions linked to appropriate national performance indicators. Under current arrangements, the GCP nominates the private sector members to the Cambridgeshire Together Board and has a seat on the officer led LAA Reference Group for the county. In the future, following a partnership and governance review the GCP will be well-positioned to support the LAA (see diagram overleaf), with the GCP Partnership Board taking responsibility for the overview of the Economic Prosperity theme and delivery of the LAA targets, relating to skills, business, regulation, worklessness and arts and culture. Partnership working and monitoring in these areas will form a key component of the Comprehensive Area Assessment when it is introduced in 2009.

Although the LAA only covers the Cambridgeshire area of Greater Cambridge, many its priority indicators for 2008 to 2011, are also shared with the Suffolk, Essex and Hertfordshire LAAs as shown below.

Cambridgeshire, Suffolk, Essex and Hertfordshire
 NI154 Net additional homes provided
 NI163 Proportion of population aged 19-64 for males and 19-59 for females qualified to at least Level 2 or higher.
 NI 186 Per capita reduction in CO2 emissions in the LA area

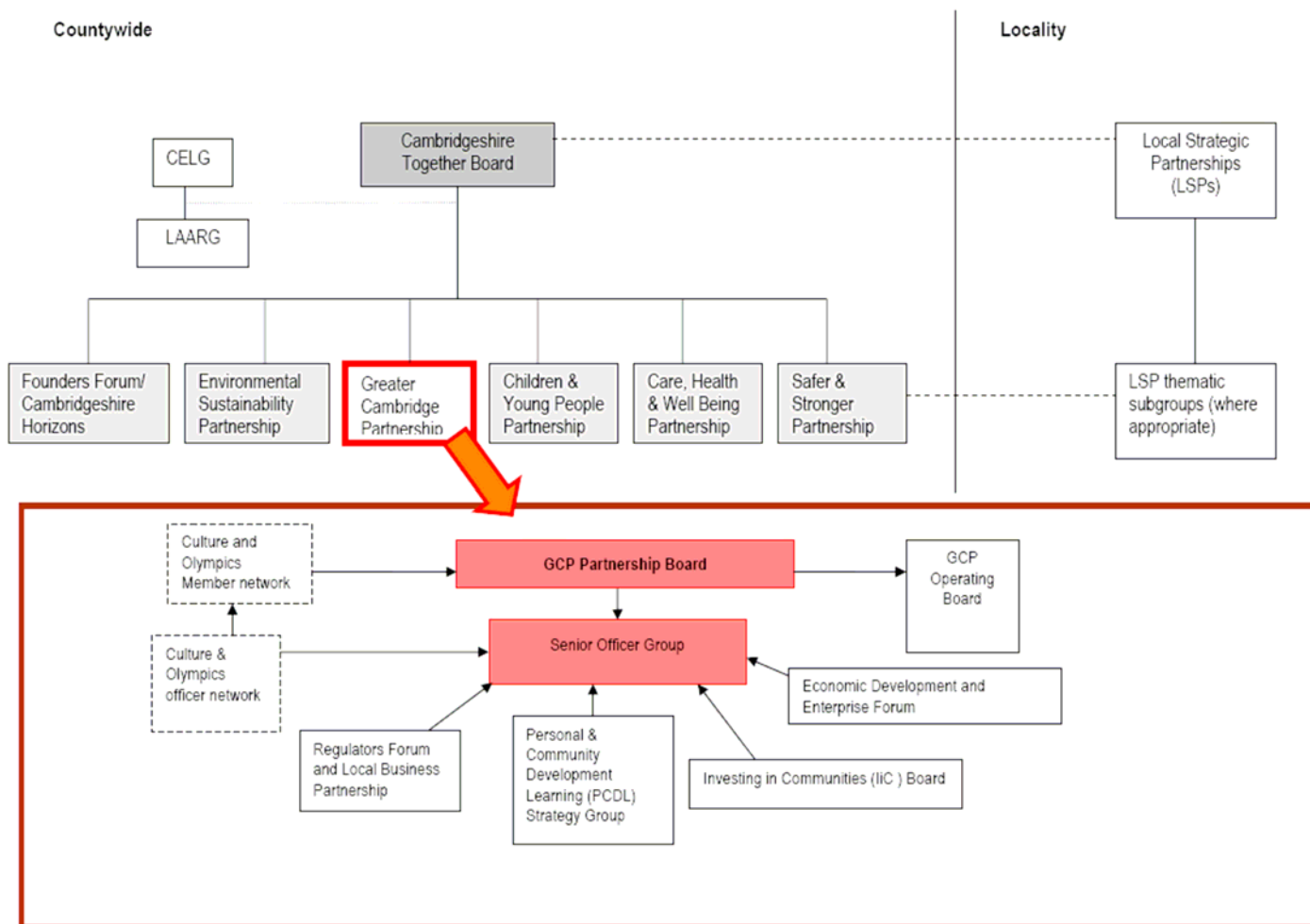
Cambridgeshire, Essex and Suffolk
 NI 188 Planning to adapt to Climate Change

Cambridgeshire, Hertfordshire and Suffolk
 NI152 Working age people on out of work benefits

Cambridgeshire and Suffolk
 NI155 Number of affordable homes delivered (gross)

Cambridgeshire and Hertfordshire
 NI 7 Environment for a thriving third sector

This proposed structure is illustrated in the diagram below:



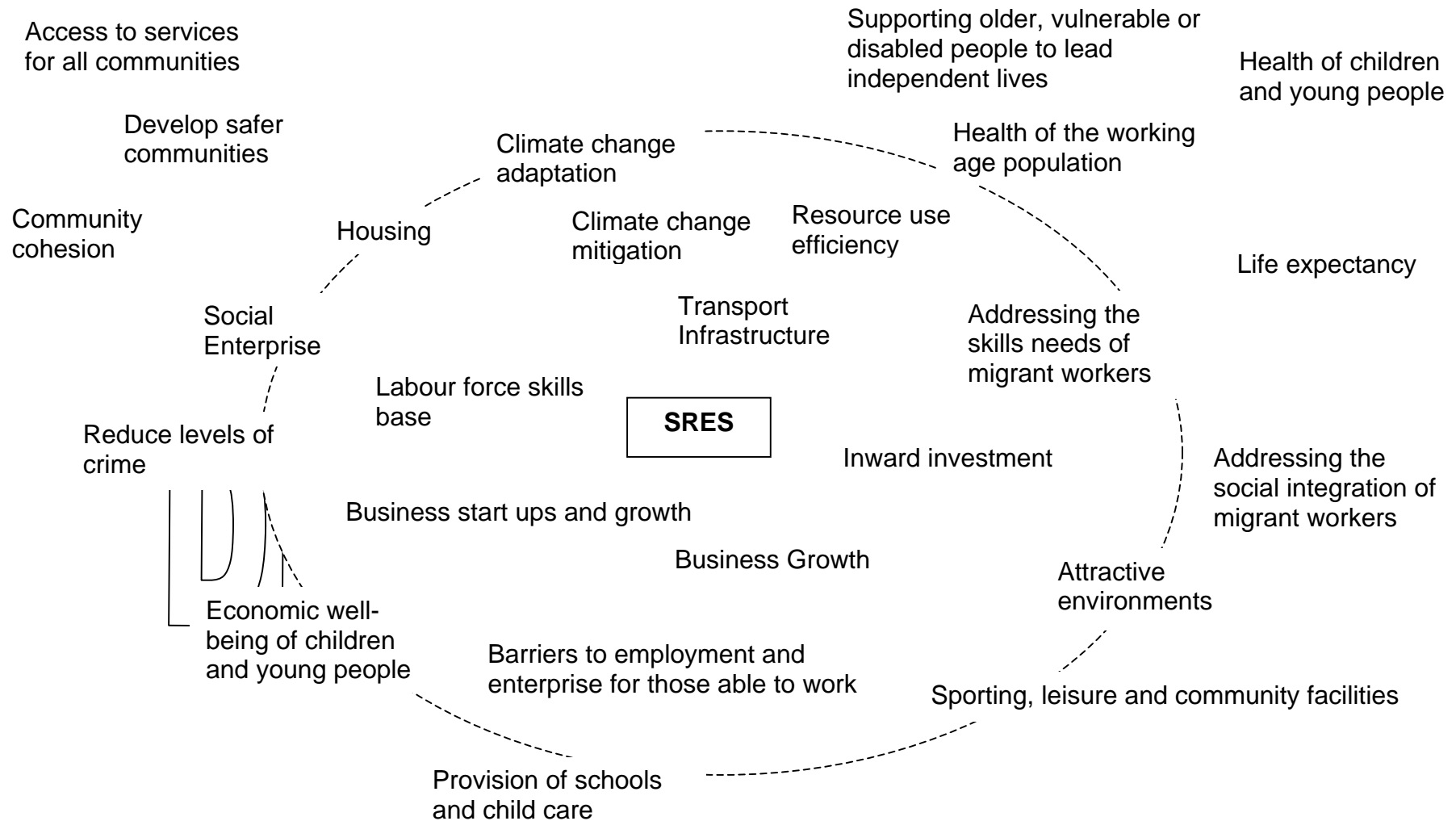
To fulfil this strategic partnership role in support of Cambridgeshire Together, GCP will be adding a new dimension to its activities and evolving its structures appropriately.

1.6 Between Regional and Local: The Development of the Sub Regional Economic Strategy

The Greater Cambridge Sub Regional Economic Strategy (SRES) sits within the wider context of both community development/regeneration and *regional* economic development. The goals and priorities developed within the strategy are aligned with those set out in the Regional Economic Strategy yet reflect the particular issues, opportunities and concerns facing businesses, institutions, people and communities that together constitute Greater Cambridge. The community development context is reflected by close alignment with the Cambridgeshire Together Vision. In order to clarify the scope of the Sub Regional Economic Strategy it is helpful to establish what sits within and outside the scope of the document.

The diagram below maps the scope of the SRES. The dotted line represents the boundary of the SRES and therefore indicates where issues sit in relation to the SRES. Those issues inside the boundary are considered to exert a strong, direct influence on the strength of the local economy. Elements of those issues sitting on the boundary are considered to exert a strong influence on the local economy, but potentially over a slightly longer term. Those issues sitting furthest from the boundary are still recognised to exert an influence on the broader economic health of the sub region, yet over a much longer term and are therefore not addressed directly in the SRES.

The Scope of the Sub Regional Economic Strategy



Development of the strategy has included a consideration of:

- Key economic data for the Greater Cambridge area, drawn from the Greater Cambridge profile
- The economic development/community strategies for the district members of the Greater Cambridge Partnership: Cambridge City, South Cambridgeshire, East Cambridgeshire, Huntingdonshire, Fenland, Forest Heath, St Edmundsbury, Uttlesford and North Hertfordshire
- The Cambridgeshire Together vision and feedback from the Cambridgeshire Together Economic Summit.
- Recently commissioned, relevant research undertaken on a local, regional and national level
- Consultation responses gathered from the Greater Cambridge annual conference, key sub groups and individual meetings
- An analysis of sustainability, completed by the Cambridgeshire County Council Environment Policy and Programmes team
- The sub-regional economic strategies for adjacent sub-regions
- The Regional Economic Strategy and Regional Spatial Strategy

The intention of this document is to support the County Council duty to carry out an economic assessment of the county and inform the eventual development of the Integrated Regional Strategy.

2 Strengths and Weaknesses of the Greater Cambridge Economy

2.1 Introduction

This section of the SRES provides an overview of the strengths and weaknesses of the Greater Cambridge economy and highlights potential opportunities and threats that help shape the priorities and interventions in Sections 3 and 4.

The Greater Cambridge area has a dynamic and diverse economy: it creates output to the value of £12bn pa and employs 370,000 people. Greater Cambridge is home to one of the world's leading technology clusters and Europe's top ranking university.¹⁰

Greater Cambridge has a broad based economy, with particular strengths in the knowledge based sectors, business and financial services, manufacturing, retail and tourism. However, there are signs that the economic growth in Greater Cambridge has started to hit the limit set by regional conditions with slight downturns in both the employment rate and VAT registration rates.

Key facts - economy

- Number in employment 370,000
- Employment rate dropped slightly since 2004
- Median wage increasing above the national average
- GVA per head increasing in line with regional and national figures.
- Rate of increase of VAT registered businesses in Greater Cambridge slowing
- Public administration, education and health still dominant sectors of employment across Greater Cambridge, followed by manufacturing, banking, finance and insurance and distribution, hotels and restaurants. Transport and construction, small, but relatively stable. Agriculture, energy and water are slowly growing.
- Steady growth in the levels of employment in knowledge based professions across Greater Cambridge compared to a national picture of little if any growth of employment in these sectors.
- In Cambridgeshire, self employment rates for women are less than half that for men – highlighting particularly low levels of enterprise amongst women in the sub region.

Greater Cambridge remains a popular place to live, with figures showing an increase of 330,000 residents between 1971 and 2006.

In the age range 19-59/64, a significantly higher proportion of Greater Cambridge's resident population is educated to NVQ level 2, 3 and 4+ than the equivalent national and East of England figures, and this trend looks set to continue.

¹⁰ Academic Ranking of World Universities (2007) Shanghai Jiao Tong University

The skilled workforce of Greater Cambridge is one of the areas biggest assets in terms of global competitiveness. It is imperative that the area continues to provide employment openings and educational opportunities that engage and meet the needs of both , individuals and businesses.

Patterns of claimant rates for Job Seekers Allowance and Incapacity Benefit/Severe Disablement Allowance are relatively stable and low across the Greater Cambridge area, however Fenland has consistently experienced high benefit claimant rates compared with the rest of the Greater Cambridge area.

Key facts - people

- Rapidly increasing resident population, approx 754,000 recorded in 2006
- Greater Cambridge demography – higher percentage of population aged between 15 and 44 years, than nationally.
- 34%% working age population of Greater Cambridge educated to NVQ level 4+ compared to 27.7% East of England and 30.2% England.
- Numbers claiming Job Seekers Allowance sits considerably below national figures and is slowly decreasing (2007, Greater Cambridge 1.2% vs England 2.2%) – Fenland 1.9%
- Number claiming Incapacity benefit/Sever Disablement Allowance sit considerable below national figures although has increased slightly since 2000 (2007, Greater Cambridge 4.1% vs England 6.9%) – Fenland 7.5%

Greater Cambridge remains an attractive place to live, offering a good balance of historical architecture, open space and an abundance of culture and entertainment for individuals and families of all ages.

However, the Cambridge Sub-region has a clear need for more affordable housing to be provided as part of future development. The ratio of house price to salary is higher than the national average in all Greater Cambridge districts apart from Fenland. There are significant levels of commuting into Cambridge, from Huntingdonshire, East Cambridgeshire, Fenland and South Cambridgeshire. There is also some commuting to areas outside of the Greater Cambridge area.

Key facts – Quality of Life

- The ratio of salary to house price is still higher in Greater Cambridge than the national average, although it does appear that the rate of increase is beginning to slow down and is certainly slowing quicker than the East of England average.
- Of all Greater Cambridge districts, East Cambs, Hunts, South Cambs and Fenland all have significantly higher resident population than workplace population. We can infer from this that a significant number of residents travel beyond the district they reside in to work.¹¹
- Traffic on Cambridgeshire roads has increased by 30% over the last 10 years compared with national average of 19%.

¹¹ Developing the Evidence Base for the Cambridgeshire Investing in Communities Programme, OCSI, Roger Tym and Partners (2006)

- Over the period 2000 – 2004, jobs densities have fallen in the sub-region by 3.6% in the context of a rise across the region by 3.5%
- Air quality is generally good although there are several problem areas including Cambridge City, Huntingdon, St Neots, Wisbech and stretches of the A14

Key facts – Climate Change

- The current annual carbon footprint of Cambridgeshire is 6.5 million tonnes of carbon dioxide (CO₂)
- Industry and commerce account for 39% of Cambridgeshire emissions.
- Road transport accounts for approx 31% of Cambridgeshire's emissions
- Growth in the Cambridgeshire sub-region will result in an 8% increase in CO₂ emissions
- The Climate Change Bill will set a legally binding target of 80% reduction in UK carbon emissions by 2050 (from a 1990 baseline).

2.2 Impact of the Economic Downturn

The global economy is currently facing unprecedented challenges. The twin impacts of tighter credit conditions and increases in global commodity prices are already affecting the UK economy and although Greater Cambridge is in a relatively strong position to help it through this difficult period, it is inevitable that the consequences will be felt through both the public and private sectors and probably for the next 2-3 years. In the 1994 economic downturn, Greater Cambridge weathered difficult economic conditions comparatively well, however this did highlight that the area's economy is not immune to the impacts of a downturn. The Work Foundation Ideopolis II report 'How can cities thrive in a changing economy' states that cities like Cambridge, dominated by public sector, knowledge intensive employment, are likely to weather the economic downturn better than others, especially those dominated by the financial service industries. However, because of the knock on effect, particularly in terms of credit availability and the threat to exit routes for venture backed companies, it is likely that the impact will be felt over the longer term, not least for the hi-tech sector; recent figures show that in the first half of 2008, the East of England's economy held up well, with little indication of employment restructuring or increases in unemployment.¹² However this is changing reflecting the fact that business confidence in the region is generally low and future orders for goods and services are reduced.

There is extreme uncertainty at the moment as to both the extent and duration of the economic down turn. UK share prices have fallen by around a third and bank lending has been dramatically reduced, impacting on businesses ability to exploit opportunities and plan for the future. It is hoped the Government's rescue package for the banks will help restore confidence and revive the economy but the timing and pace of recovery is a matter of speculation.

Different sectors of the economy are likely to be impacted in different ways:

- With less capital available, start ups are more likely to feel the squeeze of the economic downturn than more mature companies. The ability of

¹² A joint response to changing economic circumstances (2008), HM Treasury, BERR, EEDA

businesses to 'soft start', i.e. be customer driven, will be increasingly important. The revisiting by the Government of the SBIR scheme could be important in helping this to happen. Public policy has an important part to play in maintaining early stage/pre-start up interest in setting up a business. Maintaining the innovative edge of Greater Cambridge will be key in exploiting new markets and opportunities that arise from the economic downturn, for example clean-tech.

- Tourism businesses in the region indicated that levels of visitors were unchanged between April and June compared to the previous year. However the majority of tourism businesses expected a decrease in visitor numbers later in 2008.
- Oxford Economics (July 2008) identified the industrial sectors as most at risk as being banking, finance and insurance, construction, restaurants and bars and the retail and wholesale sectors.
- A similar piece of work completed by PACEC (2008) identified that the main industries at risk will include manufacturing and construction. Hotels and restaurants, and transports and storage are expected to be less effected in this recession than the last one.
- A national downturn in manufacturing is beginning to show and could impact particularly on South Cambridgeshire, west Suffolk, Huntingdonshire and Fenland where this sector is relatively strong.
- Property and development activities have slowed and there have already been redundancies in the construction sector in the East of England according to Job Centre Plus data. In the residential property market, whilst volumes of transactions have decreased in line with the national trend, regional house prices do not seem to have been as badly affected. Similarly growth has been either static or slow in the retail and industrial markets respectively.

Figures from the 2008 National Business Survey indicate the main pressures facing business relate to transport, energy and materials, therefore helping reduce business exposure to increasingly high energy costs will be key. EEDA are putting in place Resource Efficiency East to advise businesses on using resources more efficiently and partners in the GCP will actively encourage businesses to take part in this programme.

PACEC (2008) commissioned by the Local Government Association assume that the economy will enter a recession that reduces GDP by 2.0% in 2009 and recovers by 0.75% in 2010. The report then projects the likely local distribution of the overall impact of the recession, building on the data for what took place in the recessions of 1979-1982 and 1990-1992. The projected local variations for Greater Cambridge show it performing relatively well compared to other parts of the country. However, job losses are still anticipated at between 3.2 and 4%, equating to between 10,800 and 13,500 jobs lost between 2008 and 2010

Overall Greater Cambridge businesses, are active in international markets, and with the relatively low value of the pound, this may help to alleviate some of the impacts of a downturn in domestic demand. Increasing the extent to which Greater Cambridge businesses trade overseas, particularly to China,

India and Russia will be important in maintaining the areas competitiveness. In the same way, *targeted* inward investment campaigns will be important in bolstering local economic growth.

A flexible and skilled workforce is crucial to businesses remaining competitive and profitable, which is even more important during an economic downturn. It is therefore important that education and training delivery infrastructure caters for the needs of business both currently and in expectation of improved and new business opportunities in the future.

As the depth and duration of the emerging recession are both still unclear, further work will be needed to ensure that the response of partners in Greater Cambridge is both timely and appropriate.

2.3 Impact of the 'Low Carbon Agenda'

The Stern Review: The Economics of Climate Change, played a key part in raising awareness of the economic implications of climate change. The report viewed mitigation – taking strong action to reduce emissions – as a cost that must be incurred now to avoid the risks of severe consequences in the future. Evidence presented in the report shows that ignoring climate change will eventually damage economic growth and have serious impacts on physical and human geography within the next 50 years. However, Stern suggests that it is not necessary to choose between averting climate change and promoting growth and development. Stern recognises that although costs will be incurred as the world shifts from a high-carbon to a low-carbon trajectory, there will also be business opportunities as the markets for low-carbon, high-efficiency goods and services expand. Greater Cambridge with its hi-tech cluster companies, broad range of environmental consultancies and reputation for innovation is in a strong position to take advantage of these business opportunities.

Green house gas emissions can be cut in four ways:¹³

1. Reducing demand for emissions-intensive goods and services
2. Increased efficiency, which can save both money and emissions
3. Action on non-energy emissions, such as avoiding deforestation
4. Switching to lower-carbon technologies for power, heat and transport

A transition to a low carbon economy will have a substantial impact on the nature of transport and a knock on effect on how business is conducted. Improving the fuel efficiency of transport alongside reducing dependence on the car, reducing the need to travel all together and promoting more sustainable forms of travel will be essential if both the regional target of a 60% reduction in CO₂ emissions by 2031¹⁴ and the national target of an 80% reduction in CO₂ emissions by 2050 are going to be achieved. There is the opportunity for Greater Cambridge to take a leading role in this transition providing this ambition is balanced with the need to maintain the area's competitiveness.

¹³ The Stern Review: The Economics of Climate Change (2006).

¹⁴ Regional Economic Strategy for the East of England (2008) EEDA

The technical potential for efficiency improvements to reduce emissions and costs is substantial. Studies by the International Energy Agency show that, by 2050, energy efficiency has the potential to be the biggest single source of emissions savings in the energy sector. This would have both environmental and economic benefits: energy-efficiency measures cut waste and often save money.¹⁵

There are also significant new opportunities across a wide range of industries and services. Markets for low-carbon energy products are likely to be worth at least \$500bn per year by 2050, and perhaps much more¹⁶. The GCP will establish a framework and propose interventions to help create the conditions necessary to enable companies in the Greater Cambridge area to maximize on opportunities in the expanding clean-tech sectors.

Stern also points out that adaptation will be critical over the next several decades to deal with the unavoidable impacts of climate change that will occur before mitigation measures can have an effect. Providing improved regional and sub regional climate predictions will be crucial in encouraging investment that takes account of climate change.

A transition to a low-carbon economy will impact on all areas of this sub regional economic strategy and therefore it is appropriate that *each* goal is underpinned by initiatives that help drive towards a low carbon economy rather than grouping all priorities relating to a low carbon economy in one separate goal.

2.4 Greater Cambridge and the High Tech Cluster

The Cambridge High Tech cluster has developed substantially over the last 30 years to become one of the best known in the world. Cambridge now has the highest innovation rate of any city in the UK¹⁷ and is recognised by the European Union as a Centre of Excellence for Innovation. The cluster is based largely on the 'bottom-up' development of numerous small, innovative technology companies, embedded in a rich and diverse science base that employs around 43,000 people – particularly in the life sciences and high technology industries.

The impact of the cluster extends across the whole Greater Cambridge area. The nearby towns have strong relationships with the city but they also have distinctive economies of their own and are increasingly developing niche sectors of technology expertise such as audio and high value manufacturing in Huntingdon and high value manufacturing in Haverhill.

The knowledge-based sectors provide around a third of the employment in the Greater Cambridge area whilst the more strictly defined high tech sectors make up just over 10% of the employment base. Approximately 1500 hi-tech

¹⁵ The Stern Review: The Economics of Climate Change (2006).

¹⁶ The Stern Review: The Economics of Climate Change (2006)

¹⁷ Communities and Local Government, State of the English cities

related organisations employ nearly 43,000 people.¹⁸ It is estimated that of these 1500, around 725 make up the core, or Tier 1, defined as “where [the business’s] products and processes are the commercial result of investment in the research and development of new scientific and technology applications”¹⁹. The rest can be considered to support this core, either through technical consultancy or through the provision of sector specific services such as patent attorneys, venture capital companies or marketing consultants.

The cluster has been growing significantly in the last decade, but there are indications now that that growth has slowed. This may indicate a ‘maturing’ of the cluster, as although the number of companies is stable, the number housed in more formal science parks is rising. In addition, observers of the Cambridge cluster believe the quality of technology being produced from the area is better than ever before. Alternative views suggest that the Cambridge cluster has started to hit the limit set by regional conditions and that the long-term health of the cluster may be at risk.²⁰

Recent research suggests key issues restricting the growth of the cluster are infrastructure (transport, housing affordability), funding and skills shortages (e.g. in the software, electronics and wireless sectors)²¹

If the Greater Cambridge cluster is going to succeed and compete on the world stage a range of business support activities will need to be encouraged including:

- commercialisation through the provision of appropriate amenities close to the sources of R&D.
- appropriate mentoring and advice for would be entrepreneurs
- development of international investor relations, but in a focussed way that genuinely supports the cluster’s key strengths
- local growth of embryonic high tech businesses in order to add robustness and resilience.
- provision of skills training needs to match the requirements of the business community

2.4.1 Key sectors

The graph below, taken from the Cambridge Investment Research paper on the high tech cluster completed for the GCP in 2008, shows a breakdown of the Tier 1 companies by sector.

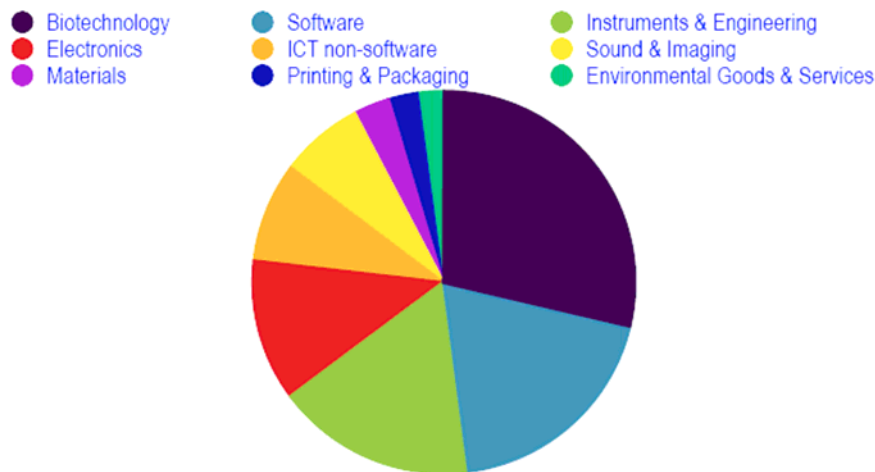
¹⁸ High Technology Cluster in the Greater Cambridge Area (2008), Cambridge Investment Research

¹⁹ High Technology Cluster in the Greater Cambridge Area (2008), Cambridge Investment Research

²⁰ Cambridge Cluster Report (2006), Library House.

²¹ High Technology Cluster in the Greater Cambridge Area (2008), Cambridge Investment Research

Sector % of Tier One High Tech Cluster in Greater Cambridge Area as of 2008 by number of companies



Nearly half the companies in the first tier are in biotechnology and software, rising to over three quarters when instruments & engineering and electronics are included. ICT non-software, and sound & imaging are significant clusters, while of the remaining three sectors, printing & packaging contains companies much larger than the average.²² The printing and packaging sector, containing a world-leading cluster of industrial inkjet companies, is perhaps more important than its number would suggest. This sectoral breakdown is broadly mirrored by the companies that make up the rest of the high tech cluster.

One area where Cambridge is considered to be well placed to develop world-class innovation is in the expanding field of clean-tech, where hard innovation is key. The 2007 Library House Cluster report states that this sector currently represents only a small fraction of venture capital backed companies in the Cambridge cluster. However, opinion is that whilst Cambridge may have missed the first wave, it is anticipated that the traditional core competences of the cluster could well see it emerge as a key player in the future.

2.5 Other strengths of the Greater Cambridge economy

The spatial footprint of high tech activity is very uneven across Greater Cambridge: over a quarter of high tech employment is concentrated within the boundaries of Cambridge City. In addition, for the high tech cluster to thrive it is essential that the Greater Cambridge economy as a whole prospers. For Greater Cambridge to function effectively as an economic area, different places need to perform different roles and develop distinct business and employment profiles. Opportunities for joint ventures across the geography of Greater Cambridge should be captured including:

- Technology transfer
- Linking business supply chains
- Forging links between the hi-tech cluster and high value manufacturing

²² High Technology Cluster in the Greater Cambridge Area (2008), Cambridge Investment Research

- Liaison with regards to inward investment.

Supporting the development of sectors, outside high tech, where there exist significant strengths, will add robustness to the Greater Cambridge economy.

2.5.1 Key sectors

Public administration, education and health remain the most important sectors of employment across the sub region, with approximately 135,000 employed. According to modelling work undertaken by Roger Tym and Partners, employment in education and health is expected to rise rapidly over the next ten years, not least due to the planned expansion of Addenbrooke's with the development of the Cambridge Biomedical campus due to create approximately 8,000 jobs.

Manufacturing remains one of the most important sectors in the sub-regional economy. In 2007, 73,500 people were employed in manufacturing across Greater Cambridge. A significant proportion of this is hi-tech manufacturing; there is an increasingly diverse range of manufacturing activity located in the area, including precision engineering and instruments, pharmaceuticals, industrial inkjet and materials, polymers and composite materials and electronics and display applications.

The majority of manufacturing activities are located to the north of the sub-region principally in large industrial estates in Huntingdon, in the market towns (St Ives, Royston, Haverhill, St Neots, Ely, Newmarket) and to some extent, in Cambridge itself. There are a number of reasons behind the trend for manufacturing activities to cluster in the locations noted above. These include the relative availability of land and premises, the cost of land and rents, access to national strategic road networks (A1, A14) and the availability of appropriately skilled labour.²³ Whilst the manufacturing sector appears to be relatively robust in the Greater Cambridge area, international competition from lower cost overseas producers is only likely to increase. One of the constraints to the maximisation of hi-tech-related employment and value in the sub-region is the relatively poor utilisation of the network of supply chain linkages. Ongoing work is needed to ensure companies are aware of the supply chain opportunities available within the sub-region and the long-term benefits of keeping the development of their product within their control rather than licensing out.

Tourism is an important economic force in the area, supporting in excess of 20,000 full time job equivalents. It has been a growth sector nationally and internationally and should play a strong part in diversifying the local economy and providing further, readily accessible service sector jobs for the area's expanding population.²⁴ The Economic Impact Study of the 2012 Olympic and Paralympic Games recognised there would be potential benefits for the region in the areas of tourism, business, culture & sport. Areas such as

²³ Economic Interventions for the Greater Cambridge Sub Region, Roger Tym and Partners, 2006.

²⁴ Tourism Strategy and Action Plan (2007) The Tourism Company, SQW.

Greater Cambridge with the greatest capacity for international visitors, synergistic industries (technology) and proximity/access to the Games would be likely to benefit the most. Evidence from previous Games suggests that the largest economic benefits arise from increased tourism, and the Greater Cambridge tourism industry was estimated to see the largest positive impact of any across the region.

Prior to the economic downturn, employment in Hotels and Restaurants, Wholesale and Retail was expected to grow over the next ten years, led by population growth.

Recent research into the Creative Industries sector of the area's economy revealed that the technology-based creative companies located in the Greater Cambridge area collectively employ 12,000 FTEs and turnover just under £1 billion per annum, with considerable potential for the creation of additional jobs and increased GVA contribution and exports. The sub-region's strengths in the creative industries are in the publishing, computer games and software sectors.²⁵ The research suggests that more needs to be done to raise the profile of the existing creative industries clusters in the area and to take measures to fuse the hi-tech and creative industries sectors together to exploit potential partnerships such as between creative content providers and digital/telecoms companies. Attempts need to be made to develop international relationships around core strengths within the creative industries.

Employment in Agriculture is expected to continue to decrease over the next 10 years, therefore schemes such as the Fens Adventurers EU funded programme focussing on diversification of the rural economy, will become increasingly important.

Specific areas of specialisation exist around the sub region, for example the Bloodstock cluster at Newmarket and Food Processing in Fenland. It is important to support such clusters to encourage strong market town economies and reduce levels of commuting into Cambridge.

2.6 Greater Cambridge Skills Profile

While Cambridge is known around the globe as a centre of world-class learning, the area's overall skills profile is only partially consistent with this perception.

In the age range 19-59/64, a significantly higher proportion of Greater Cambridge's resident population is educated to NVQ level 2, 3 and 4+ than the equivalent national and East of England figures, and this trend looks set to continue. However, this masks variations between districts and still leaves some way to go to meet the targets set by the Leitch report for the UK to be internationally competitive. These require for instance, 90% of workforce adults to be qualified to at least Level 2 by 2020 (Cambs currently 73%) and 40% of the adult population qualified to Level 4 (Cambs currently 32%).

²⁵ Greater Cambridge Creative Industries (2008) nmp.

From 2000 to 2006 Fenland has consistently performed below the national average in terms of the percentage of adults educated to NVQ levels 2, 3 and 4+. The figures improved slightly to 2006 but the rate of increase has been lower than the national average, apart from in NVQ level 2+ where the rate of increase matches the national average. 38.4% of the working age population of Fenland have no qualifications.

The top level figures also masks the numbers trained in certain specialist skill areas, for example many employers in the high tech sector point to skills shortages at the technician level for their specific industry. There are a significant number and range of vocational training providers across the sub region, however there is not necessarily a fit between the courses they provide and the requirements of local employers. There is evidence that training providers are increasingly responding to the needs of the private sector but, for many institutions, the bottom line is still the income that each course can generate. Further work is needed to better articulate the needs of employers at a sub regional level and to support colleges in ensuring courses meeting these needs are on the syllabus.

For many small, start-up companies, they have little scope to respond to changing requirements. The opportunity to source temporary staff for minimal outlay is very attractive. More could potentially be done to generate the best possible value from student placements and research projects for the local economy.

If the cost of living in Cambridge continues to rise, then there will not be enough skilled workers to provide for the required growth in development. A strong focus therefore also needs to be on the affordability of housing across Greater Cambridge.

Rather than dedicate a separate goal to skills, education and training will instead form a key part of each goal within the strategy, thus better reflecting how the growth and the performance of the economy is dependent to a great extent on the provision of appropriate training and education.

Areas of Deprivation

There are a number of highly deprived small areas in the sub-region (concentrated in Fenland, Cambridge and Huntingdon) and large numbers of deprived and vulnerable groups are located in rural and other areas where deprivation levels are lower.

Evidence shows that working age adults with no qualifications are 50% more likely to be unemployed than all working age adults across Cambridgeshire.²⁶

The unemployment claimant rate has fallen across Greater Cambridge since April 1999 with the most significant decreases evident in Cambridge City and Fenland. However this general analysis 'hides' the fact that in Fenland

²⁶ Developing the Evidence Base for the Cambridgeshire Investing in Communities Programme, OCSI, Roger Tym and Partners (2006)

unemployment rates for young people (aged 18-24) and people with no qualifications are higher than the county average. In addition, the number of people claiming Incapacity Benefit has been increasing over time with significant parts of this increase being driven by the rise in mental health problems.²⁷ Fenland has a significantly higher proportion of Incapacity Benefit claimants (7.9%) compared with elsewhere in the county.

In 2001 4% of the county's population was recorded as being from a black/mixed minority ethnic community and 5% from white non-British. Research has highlighted that the Pakistani, Black Caribbean and Bangladeshi groups are significantly more likely to be unemployed than other groups. Just under half of all Bangladeshi adults in the county possess no or unknown qualifications.²⁸

There are an estimated 7,275 Travellers across Cambridgeshire with the largest majority being in Fenland and South Cambridgeshire districts. Travellers can suffer discrimination from a very young age and their educational and economic prospects are fundamentally damaged as a consequence. This impacts upon their life and generally their health suffers and their prospects for life are considerably less than settled/ non -Traveller communities.²⁹

For Cambridgeshire the general figures for March 2008 show around 1,000 young people aged between 16-19 are Not in Employment, Education or Training. Whilst these figures are showing improvements over previous years (up by about 0.3% from November 2006-7) there remain significant challenges.

2.7 Quality of Life

Quality of life describes the quality of physical surroundings (both the natural and built environment) and also how residents and businesses 'feel' about being located in an area.

A recent quality of life survey completed on behalf of the Cambridgeshire Joint Consultation Partnership in 2006 found that responding Cambridgeshire residents tend to be satisfied with their neighbourhood as a place to live. However, the proportion satisfied has declined by six percentage points since 2003, and respondents are more likely to say their neighbourhood has got worse in the past 2 years than to say it has improved. Over half of those saying their neighbourhood has become worse give a reason related to crime and anti-social behaviour (such as crime/vandalism, litter/rubbish or nuisance neighbours), and four in ten of these respondents give a reason related to motor vehicles (such as traffic congestion or unsafe/inconsiderate parking).³⁰

One of the greatest threats to Greater Cambridge's success is the impact on the quality of life in the area if the infrastructure required to support the

²⁷ Investing in Communities Business Plan 2007-2011, Greater Cambridge Partnership

²⁸ Investing in Communities Business Plan 2007-2011, Greater Cambridge Partnership

²⁹ Thematic and Geographical Target Areas, 2009-2012, liC

³⁰ Cambridgeshire Quality of Life Survey 2006, RBA Research.

planned growth of the area is not delivered in a timely fashion and to the standard needed. The sub region faces an infrastructure deficit of an estimated £2bn over the next 10 years. The Government has helped the Sub-region tackle this issue but key elements such as road upgrading and improvement (eg A14 and A1307), high speed public transport links, health provision, green infrastructure, ICT infrastructure, sports and arts and cultural facilities still need addressing. Without this investment, it is likely that Greater Cambridge will lose its current prominence to the detriment of both UK and Europe, as it is unlikely that other locations will be able to take its place particularly given Far East competition.

With such a high level of anticipated growth it will also be essential for new developments to be built in such a way that their impact on the environment is minimised, and that environmental sustainability is built in from the start.

Cambridgeshire Horizons, the organisation responsible for driving the growth agenda in the sub-region to 2016, developed The Good Practice Guide for Sustainable Construction in Cambridgeshire. This includes detailed guidance for addressing sustainable construction issues under the following headings:

- Climate change
- Energy
- Waste
- Water
- Materials

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The guide is designed to aid all those involved in the planning, design and construction of new developments within Cambridgeshire. It is one of a range of documents providing guidance on different aspects of sustainable development. The purpose of the guide is to illustrate the manner in which development should be approached and seeks to raise the standard of construction across the sub-region.

Cambridgeshire Horizons also worked with a range of partners to develop a Green Infrastructure Strategy and to secure public and private sector funding for its implementation. The vision for the strategy is to enhance the diversity of landscape character; connect and enrich biodiversity habitats, and extend access and recreation opportunities.

A buoyant housing market over the past decade has raised house prices across the area causing some issues of affordability, particularly for first time buyers, therefore, the Cambridge Sub-region has a clear need for more affordable housing to be provided as part of future development. High and rising house prices mean that many people are simply priced out of the market or forced to travel long distances to work and local employers find it difficult to recruit. The Regional Spatial Strategy target for the future is to achieve 35% affordable housing as part of new developments across the region.

Arts and cultural provision plays a vital part in improving quality of life and helps to make places attractive to live and work in. It can also help to develop

the local economy and attract businesses to locate in an area, helping to maintain the global competitiveness of the area. Cambridgeshire Horizons worked with a range of partners to develop a Sub-regional Arts and Culture Strategy that ensures that arts and cultural facilities are improved by opportunities created by planned new development.

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3 Vision, Goals and Priorities for Greater Cambridge

3.1 The Vision for Greater Cambridge

The GCP was established in January 1998 as an alliance of public, private and community sector interests. Underpinned by the conviction that the Greater Cambridge area should become a world leader for learning and knowledge-based businesses, the vision of the Partnership is that:

Greater Cambridge should be a world leader in the knowledge-based economy that combines business success with a high quality of life for all.

In seeking to achieve this vision, the partnership has identified five strategic long term goals and a series of related priorities, each of which will lead through into interventions by GCP or, more often, by its partners. The goals and priorities, whilst building on existing thinking within the partnership, have been shaped by:

- A re-assessment of the strengths and weaknesses of the economy and its changing character; key elements of this re-assessment are presented in Chapter 2.
- Consultation with key partners gathered from the Greater Cambridge annual conference, key sub groups, the Operating Board and individual meetings
- key economic data for the Greater Cambridge area, drawn from the Greater Cambridge profile
- the economic development/community strategies for the district members of the Greater Cambridge Partnership: Cambridge City, South Cambridgeshire, East Cambridgeshire, Huntingdonshire, Fenland, Forest Heath, St Edmundsbury, Uttlesford and North Hertfordshire
- the Cambridgeshire Together Vision and feedback from the Cambridgeshire Together Economic Summit.
- recently commissioned, relevant research undertaken on a local, regional and national level
- The sub-regional economic strategies for adjacent sub-regions.
- The Regional Economic Strategy and Regional Spatial Strategy
- Feedback from the Cambridgeshire County Council Environment, Policy and Programmes Team.

Key priorities are listed under each goal describing how the goal will be achieved.

The fit of each SRES goal with the Regional Economic Strategy and Local Area Agreement is outlined by reference to the RES goals and LAA Indicators that will be supported by the activities taking place within the framework of that goal.

3.2 Strategic goals and priorities for the Greater Cambridge economy

Strategic Goal			Priorities
GOAL 1 A WORLD CLASS, KNOWLEDGE BASED, LOW CARBON ECONOMY		1a	Support innovation, start up activity and resource efficient growth, particularly in the clean-tech, ICT and life science sectors.
		1b	Position Greater Cambridge as a hotbed of start up activity within the Greater South East.
		1c	Identify and communicate the opportunities and threats for business growth and operation, particularly resulting from climate change.
LAA Indicators*:	Linked RES Goals 1. Enterprise 2. Innovation 3. Digital Economy 4. Resource Efficiency	1d	Build on the area's academic strengths, improve opportunities for the commercialisation of research and build awareness of and access to university resources.
NI 186 - per capita CO2 emission in LA area¹		1e	Support activities which raise the international profile of Greater Cambridge, promoting inward investment and international trade.
NI 188 - adapting to climate change.²		1f	Encourage the provision and awareness of a range of funding and business development models.
NI 172 - % of businesses showing growth			
NI 171 – VAT registration rate		1g	Encourage the spread of hi-tech businesses across the Greater Cambridge area and support the development of low carbon high value manufacturing.

*Bold indicates targeted priority for Cambridgeshire

1 Cambridgeshire, Suffolk, Essex and Hertfordshire targeted priority

2 Cambridgeshire, Essex and Suffolk targeted priority

Strategic Goal			Priorities
GOAL 2	RESOURCE EFFICIENT BUSINESS GROWTH ACROSS THE GREATER CAMBRIDGE AREA	2a	Promote resource efficient operation and growth in all businesses
		2b	Maximise the opportunities of the 2012 Olympic and Paralympic Games for the area.
LAA Indicators: NI 186 - per capita CO2 emission in LA area NI 188 - adapting to climate change. NI 172 - % of businesses showing growth NI 171 – VAT registration rate	Linked RES Goals 1. Enterprise 3. Digital Economy 4. Resource Efficiency 8. The Spatial Economy	2c	Identify and communicate the opportunities and threats for business growth and operation across all sectors, particularly resulting from climate change.
		2d	Support Cambridge’s role as the driving force of the regional economy while protecting its nature and heritage.
		2e	Encourage local supply chains and develop niche capabilities within market towns to serve the sub region.
		2f	Encourage entrepreneurialism, business growth and diversification in rural areas.
		2g	In the current recession, raise business awareness of existing support and encourage the adaptation of initiatives in response to economic intelligence.

*Bold indicates targeted priority for Cambridgeshire
 1 Cambridgeshire, Suffolk, Essex and Hertfordshire targeted priority
 2 Cambridgeshire, Essex and Suffolk targeted priority

Strategic Goal			Priorities
GOAL 3 A STRONG SKILLS BASE AND HIGH LEVELS OF ECONOMIC PARTICIPATION		3a	Encourage and promote the provision and take up of education, training and re-training that meet identified skills gaps in growth sectors.
		3b	Promote initiatives focussed on the attraction, training and retention of skilled individuals.
LAA Indicators NI 163 - Working age population qualified to at least level 2 or higher¹ NI 152 - Working age people on out of work benefits (Fenland only)² NI 182 - Satisfaction of businesses with local authority regulation NI 7 - environment for a thriving third sector³	Linked RES Goals 1. Enterprise 5. Skills for Productivity 6. Economic Participation	3c	Address the barriers to employment, skills and enterprise for Black and Minority Ethnic Communities, including Travellers.
		3d	Support self-employment, enterprise and social enterprise development through work with disadvantaged groups and in the more deprived communities.
		3e	Support young people in transition from school to training or employment (particularly in Fenland).
		3f	Support economically inactive adults/adults without qualifications, with training (particularly in low carbon trades) to improve their skills and work prospects (especially in Fenland).
		3g	Increase understanding and knowledge of the capacity of the voluntary and community sector to deliver services for those who find it difficult to access services.

*Bold indicates targeted priority for Cambridgeshire

1 Cambridgeshire, Suffolk, Essex and Hertfordshire targeted priority

2 Cambridgeshire, Hertfordshire and Suffolk targeted priority

3 Cambridgeshire and Hertfordshire targeted priority

Strategic Goal			Priorities
GOAL 4	SUSTAINABLE INFRASTRUCTURE AND A HIGH QUALITY OF LIFE	4a	Promote the adequate provision of employment land and sustainably built premises at all major growth sites.
		4b	Promote the provision of sustainable travel and transport solutions, including: <ul style="list-style-type: none"> - reduced emissions from business and tourism related travel - reduced need to travel - the provision of additional, sustainably built travel infrastructure to meet business demand
		4c	Support the access of, and utilisation of, funding for capital infrastructure projects serving the functional economic area.
LAA Indicators NI 5 - Overall / general satisfaction with the local area NI154 – Number of affordable homes delivered¹ NI 186 - per capita CO2 emission in LA area²	Linked RES Goals 7. Transport	4d	Encourage the adequate provision of affordable housing
		4e	Support improved access to quality, green infrastructure
		4f	Improve the cultural, sporting and leisure infrastructure across Greater Cambridge
		4g	Promote safe, strong communities

*Bold indicates targeted priority for Cambridgeshire.

1 Cambridgeshire and Suffolk targeted priority

2 Cambridgeshire, Suffolk, Essex and Hertfordshire targeted priority.

4 Delivering the Strategy

The economic strategy that has been developed for the Greater Cambridge area is ambitious in its scope. It is achievable only if all the partners that form the GCP work together within the framework it provides to influence local, regional and national organisations and their agendas and priorities.

Within this context, roles and responsibilities for both the GCP as a partnership and for individual partners within it are identified. The roles of the GCP will include advocacy, influencing and facilitating, in addition to monitoring the implementation of the strategy. Partners within the partnership will lead on delivery, in a hands-on sense, supported by the GCP.

4.1 Governance Context

As part of the 2007 Comprehensive Spending Review, the Chancellor announced in the 2006 Budget that the Government would undertake a review of sub-national economic development and regeneration in England. The review was concerned with streamlining and rationalising current arrangements for economic development but also with allocating responsibilities and powers for economic development to the most appropriate tier of government. The review's publication followed shortly after a central government re-organisation, which created a Minister for each region and diverted about £7bn of Learning and Skills (LSC) funding to local authorities.

The document contained several announcements, the most significant of which concerns the Government's intention to abolish Regional Assemblies in their current form.

The document also has important implications for local authorities. The Government has consulted on a statutory economic development duty which would require upper tier local authorities to carry out a local economic assessment.

The new local government performance framework will be directly linked to national Public Service Agreements and indicators. The economic development and neighbourhood renewal objectives in LAAs will also need to reflect the local contribution to achieving regional economic strategies.

The Government will expect the Regional Development Agencies to delegate responsibility for spending to local authorities, county strategic partnerships or sub-regions wherever possible.

Sub-regional arrangements will be strengthened. The Government will work with interested sub-regions to explore the potential for allowing groups of local authorities to establish statutory sub-regional authorities.

The Government proposes a single regional strategy for each region setting out economic, social, and environmental objectives.

Each region will be set a regional growth objective which will define a simplified outcome and growth-focused framework. The growth objective will be aimed at increasing regional Gross Value Added per capita. However, the growth target set for RDAs may distort objectives. GVA development per capita is an imperfect measure of economic performance. It is influenced both by the employment rate and by productivity per head. A low level of non-working dependents will inflate GVA per head. More importantly, there is no means within the target to account for the costs of economic activity, including environmental damage. Although RDAs will be required, in various ways, to have regard to sustainability, the incentive to pursue it would be weakened if environmental costs are not included in the balance sheet of economic growth.

The relationship between local authorities and RDAs and the proposed performance frameworks for local authorities and RDAs is currently unclear. There is an urgent need to strengthen the democratic accountability of regional governance, but there is little detail on how local authorities are going to work with RDAs in their regions.

The new duty to produce an economic assessment will allow local authorities to better understand their local economies and should strengthen their position in relation to larger sub-regions and regions. The duty to co-operate means a strengthening of strategic capacity and more leverage over the activities of other statutory agencies in delivering an economic development strategy. The intention is that the SRES will feed into the new economic assessment, not duplicate it.

Section 1.5 describes the governance changes proposed as part of the partnership review surrounding the Cambridgeshire Local Area Agreement.

4.2 Business Support Simplification Programme (BSSP)

BSSP is streamlining publicly-funded business support at the national, regional and local level. Business support covers any publicly funded activity that benefits a business or potential business through grant, subsidy, advice or other service. This includes local authority activity.

The Government is committed to reducing the number of publicly funded support schemes from over 3,000 to fewer than 100 by 2010, alongside making Business Link the primary access channel for business to access government support.

BSSP aims to ensure publicly-funded business support is:

- Easier for business to understand and access
- Better value for public money
- Has a measurable impact in achieving economic and public policy goals

It will therefore be important to ensure that any publicly funded business support proposals developed to meet the priorities of the SRES, fit with the principals and operation of the BSSP.

4.3 Role of the Greater Cambridge Partnership

The GCP was formally established in January 1998 as an alliance of public, private and community sector interests. From across the wider partnership, the GCP Partnership and Operating Boards have been established, supported by a modest executive resource. The GCP Partnership Board is accountable to – and representative of – the area and community it serves, and it provides strategic guidance and direction. Its membership encompasses political leaders or chairs/senior executives drawn from the public sector, business sector and broad-based community sector. Across this spectrum, the GCP has over 1300 associates providing the wider accountability that provide the basis of the Partnership's legitimacy.

In addition to leading on specific interventions as detailed below, the GCP takes the following key roles in delivering the Sub Regional Economic Strategy:

4.3.1 Co-ordinating strategy development and delivery

The GCP has co-ordinated the development of the Sub Regional Economic Strategy (SRES) and in doing so, has brought together the views of key organisations, groups and individuals across Greater Cambridge. Moving forward to delivery of the SRES, the GCP will work with delivery partners to co-ordinate, monitor and support the implementation of the various interventions required to deliver the strategy.

The GCP will continually work with sector champions to identify new opportunities and, where appropriate, will set up task and finish groups to deliver and oversee specific pieces of work such as for the Creative Industries Action Plan and Tourism Strategy and Action Plan.

4.3.2 Advocacy

All of the key private sector member organisations, including the Confederation of British Industry, Institute of Directors, Chambers of Commerce, Junior Chamber and Federation of Small Businesses, are represented across the GCP Boards. The GCP thus plays a pivotal role in drawing together the views of the private sector on key issues for Greater Cambridge. The GCP also has contact with a wide range of individual companies in the area through the GCP associate network. In addition, business has an influential role at the GCP through Board positions, Chairmanship of the Boards and allocation of seats on the Cambridgeshire Together Board. Furthermore, as a result of the Local Area Agreement Partnership Review the GCP has been tasked with establishing a Business Forum.

The partners in the GCP will also use their individual contacts and channels to raise issues, influence Government and champion the sub-regional and regional case, when appropriate. This may be both through personal links with, for example, high-level civil servants and also through individual's involvement on influential national groups, for example the Business Support Simplification Programme National Transition Management Board. The

private sector associates of the GCP can equally influence Government through their contacts and cache as business leaders.

In the future the GCP, working with partners from across the LAA, such as the local authorities, Cambridgeshire Horizons and the private sector, will:

- Develop a series of topic based “hymn sheets” to focus lobbying on specific Government departments and ministers
- Create an annual timetable of lobbying events including, for example, local MP briefings, Policy Mornings and dinner meetings with target MPs at Westminster.
- Reflecting EEDA’s recognition of Greater Cambridge as an ‘engine of growth’, lobby at regional and national levels for the removal of barriers that prevent the full value of cross boundary working from being recognised.

4.3.3 Programme Delivery

Working closely with Cambridgeshire County Council – the accountable body, the GCP will continue to manage the delivery of the Investing in Communities programme. As other economic development programmes may be delegated to the LAA/sub regional level by EEDA, then the GCP will offer to manage such programmes as appropriate.

In addition, the GCP will investigate and promote European funding opportunities that have the potential to deliver against the SRES goals.

4.3.4 Monitoring

The GCP undertakes monitoring of the projects within the programmes that the Partnership manages.

On a broader scale the GCP, on behalf of partners, also undertakes monitoring of the sub-regional economy through the annual publication of the Greater Cambridge Profile that covers the economy, people and place (quality of life). Importantly, the Profile highlights the trends across these headings with a base of the year 2000, so enabling a clear steer for strategy direction and the need for key interventions. The Annual Profile is made available to all partners and EEDA and was used in the creation of the new RES.

Following the publication of the SNR, and when more is known about the requirements for upper tier authorities to undertake an economic assessment of their areas, GCP will support Cambridgeshire County Council in providing data or undertaking elements of the assessment as appropriate.

4.4 Roles of partners within the Greater Cambridge Partnership

The SRES has been developed, and will need to be implemented, in collaboration with a wide range of partners across the Greater Cambridge area. It is intended that partners (across the public, private and voluntary/community sectors) will use the SRES to both guide and shape their activities.

Whereas the role of the GCP will primarily be coordination, partners from across the Greater Cambridge Partnership in its widest sense, will lead on delivery, in a hands-on sense, supported by the GCP.

Partner will also help provide ongoing intelligence to identify gaps and changing priorities throughout the life of the SRES. In addition to general intelligence gathering on a day to day basis, the GCP will work closely with specific sub groups to monitor delivery against the different priorities and develop specific interventions where gaps are identified. Examples of the groups include:

- The Technopole Group
- The Economic Development and Enterprise Forum
- The County Tourism Group
- The Investing in Communities Strategic Board
- Cambridgeshire Horizons
- Fens Adventurers Steering Group
- Greater Cambridge women in SET
- The Greater Cambridge Partnership Operating and Partnership Boards
- Cambridgeshire Together Board

4.5 Interventions

4.5.1 Introduction

The key interventions listed below (and where applicable in the Masterplan overleaf) have been derived from a range of sources including:

- The local economic development or community strategies of each local authority in the GCP area
- GCP and partner research work e.g. interventions to meet the 75k jobs target
- Regional research, e.g. EEDA business tourism
- National reports, e.g. Lord Sainsbury “The race to the top” Oct 2007.

The interventions have been:

- Developed from and evaluated against the priorities in the new SRES
- Tested for fit with the new Regional Economic Strategy, Regional Spatial Strategy and Local Area Agreement
- Assessed against the trends and needs analysis in the Greater Cambridge Profile
- Used as the basis of the economic development section of the Long Term Development Plan of Cambridgeshire Horizons

To assist local and regional partners with investment planning the likely completion date of each intervention is stated.

Indications of funding amounts, lead partners, contribution to LAA indicators and (if appropriate) an estimate of the number of jobs created have also been included.

Relevant LAA indicators include:

- Working age people on out of work benefits (Fenland only),
- Working age population qualified to at least level 2 or higher,
- Satisfaction of businesses with local authority regulation
- Environment for a thriving third sector
- Number of affordable homes delivered
- Per capita CO2 emissions in the LA area
- Adapting to climate change

The list is not exhaustive but provides an indication of the major interventions, already planned, that the GCP and its partners believe will make a significant contribution to the sub regional economy and the RES/RSS jobs target to 2021. The list could also help inform the Joint Integrated Development Plan being produced by the GCP and Cambridgeshire Horizons. The Joint Integrated Development Plan will be based on the Greater Cambridge area footprint. Appendix C lists potential areas of work under each priority that are not yet in the pipeline but would contribute to achieving each goal if they were undertaken.

The implementation of these key interventions is of sub regional to regional significance and will help in achieving the vision in the Regional Economic Strategy and Sub Regional Economic Strategy and assist in advancing the 75,000 jobs target for the area by 2021.

It is the intention that special consideration will need to be given by the partners in the Sub-Region to the implications of the current adverse economic circumstances and to specific responses that may be required to lessen the impact and speed the process of recovery.

4.5.2 Key Interventions

Goal 1: A World Class Knowledge Based, Low Carbon Economy

Priority	Project	Lead	Cost	Completion Date	Contribution to LAA targets (state which)	Potential number jobs generated (range)
1a	Support innovation, start up activity and resource efficient growth, particularly in the clean-tech, ICT and life science sectors					
	Cambridge Bio-medical Campus (Addenbrooke's campus) including start up incubator	Cambridge University Hospitals (Addenbrooke's)	£1.4bn	2012-2020	- VAT registration rate - % businesses showing growth	8000-9000 jobs
	Haverhill Technology Park CB9 including incubation facility	St Edmundsbury Borough Council		2009	- % businesses showing growth - VAT registration rate	
	SmartLIFE (2) and Citi-life low carbon, socially responsible business incubator	Cambridgeshire County Council		2011	- Per capita CO2 emissions in LA area - VAT registration rate	
	Greater Cambridge environmental technology network	Envirolink		2010	- Per capita CO2 emissions in LA area - VAT registration rate	
	Development of TWI facility at Granta Park to Enterprise Hub status				- VAT registration rate - % businesses showing growth	
	Creative Exchange: Creative Industries incubator, St Neots	Hunts District Council	£1.96m	2009	- VAT registration rate - % businesses showing growth	
	Low Carbon Creative Industries Incubator, Cambridge	Anglia Ruskin University	£7.75m	2010	- Working age population qualified to at	20 per year

					<ul style="list-style-type: none"> - least level 2 or higher - Per capita CO2 emissions in the LA area - Adapting to climate change 	
1b	Position Greater Cambridge as a hotbed of start up activity within the Greater South East					
	Pre-start facility and Open Innovation support at the Hauser Forum	Cambridge Enterprise	£9 million	2009	<ul style="list-style-type: none"> - VAT registration rate - % businesses showing growth 	1700
1c	Identify and communicate the opportunities and threats for business growth and operation, particularly resulting from climate change.					
	Climate change adaptation workshops	Cambridgeshire County Council	£20k	2009	- adaptation to climate change	
1d	Build on the area's academic strengths, improve opportunities for the commercialisation of research and build awareness of and access to university resources.					
	Signposting to academic resources via the Hauser Forum	Cambridge Enterprise	£9 million	2012	- % businesses showing growth	
1e	Support activities which raise the international profile of Greater Cambridge, promoting inward investment and international trade					
	Inward Investment: Targeting of knowledge based technical consultancies especially in life sciences	GCP, EEI	core		- % businesses showing growth	
	Support inward investment to the equine and food processing industries	Forest Heath District Council			- % businesses showing growth	
	Wireless Gateway East Project	Cambridge Wireless, Screen East, GCP		2009	- % businesses showing growth	
1f	Encourage the provision and awareness of a range of funding and business development models					
	Early stage finance development for bio companies	ERBI		2010	- VAT registration rate	

	Promotion of improved SBIR and other initiatives to encourage public bodies to do business with SMEs	GCP	core	2012	- % businesses showing growth	
	Promotion of a range of funding sources available to business	Business Link East	core	2012	- % businesses showing growth	
	Open Innovation training at the Hauser Forum	Cambridge Enterprise	£9 million	2009	- % businesses showing growth	
1g	Encourage the spread of hi-tech businesses across the Greater Cambridge area and support the development of low carbon high value manufacturing					
	High Value Manufacturing Campus in Hinchingsbrooke linked to Hunts Regional College	Huntingdonshire District Council	£100k	2013	- % businesses showing growth - per capita CO2 emissions in LA area	

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Goal 2: Resource Efficient Business Growth across the Greater Cambridge Area

Priority	Project	Lead	Cost	Completion Date	Contribution to LAA targets (state which)	Potential number jobs generated (range)
2a	Promote resource efficient growth in all businesses					
	New incubator space to high environmental standards at: South Fens II Chatteris Ramsey Enterprise Centre	Fenland District Council Huntingdonshire District Council Business Link East	£3m	2011/12	- VAT registration rate	
2b	Maximise the opportunities of the 2012 Olympic and Paralympic Games for the area.					
	Greater Cambridge short break visitor campaign	Cambs Tourism Partnership with EET		2009	- % businesses showing growth	
	Olympic Procurement breakfast briefings	GCP with EEDA	£8k	2009	- % businesses showing growth	
2c	Identify and communicate the opportunities and threats for business growth and operation across all sectors, particularly resulting from climate change.					
	Climate change adaptation workshops	Cambridgeshire County Council	£20k	2009	- adaptation to climate change	
2d	Support Cambridge's role as both the driving force of the regional economy and a centre of world-renowned architecture and heritage.					
	Transport Innovation Fund	Cambridgeshire County Council, Transport Commission			- per capita CO2 emissions in LA area	
2e	Encourage local supply chains and develop niche capabilities within market towns to serve the sub region					
	National Home of Horseracing Museum, Newmarket	Forest Heath District Council				
	Town centre regeneration schemes in Ely, Royston, Haverhill, Mildenhall, St Neots, Huntingdon	East Cambs District Council North Herts District Council St Edmundsbury District Council				

		Forest Heath District Council Hunts District Council	£100k	2008/09		
2f	Encourage entrepreneurialism, business growth and diversification in rural areas					
	Leader Plus projects for the Fens "Adventurers" area	Fens Adventurer Steering Group		2008-13	- VAT registration rate - % businesses showing growth	
2g	In the current recession, raise business awareness of existing support and encourage adaptation of support initiatives in response to economic intelligence					
	'Weather the Storm', Cambridgeshire Together website and leaflet	Cambridgeshire Together		2009		

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Goal 3: A Strong Skills Base and High Levels of Economic Participation

Priority	Project	Lead	Cost	Completion Date	Contribution to LAA targets (state which)	Potential number jobs generated (range)
3a	Encourage and promote the provision and take up of education, training and re-training that meet identified skills gaps in growth sectors					
	Sub regional employer led skills and training board to highlight training needs and encourage adaptation of course provision accordingly	GCP, LSC, County Council	ESF funding	2009	- Working age population qualified to at least level 2 or higher	
	Increase take up of Train to Gain	LSC	Core		- Working age population qualified to at least level 2 or higher	
	Increase the number and range of Apprenticeship places	LSC	Core		- Working age population qualified to at least level 2 or higher	
	Relocation and new build of Huntingdonshire Regional College (Hinchingbrooke and St Neots)	Huntingdonshire Regional College		2011	- Working age population qualified to at least level 2 or higher	
	Relocation and new build of the College of West Anglia (March)	LSC			- Working age population qualified to at least level 2 or higher	
	Addition of wing to Cambridge Regional College	Cambridge Regional College	£22.5		- Working age population qualified to at least level 2 or higher	

	Increase public sector agency sign up to and delivery against the Skills Pledge	Cambridgeshire County Council Fenland District Council LSC			- Working age population qualified to at least level 2 or higher	
	Cambridge East Specialist ICT Technical College to support Hi Tech cluster	Cambridgeshire County Council	£33 million	2013	- Working age population qualified to at least level 2 or higher	
3b	Promote initiatives focussed on the attraction, training and retention of skilled individuals					
3c	Address the barriers to employment, skills and enterprise for Black and Minority Ethnic Communities, including Travellers					
	Improve English in Pakistani , Bangladeshi & Afro Caribbean communities to provide confidence to secure work.	Cambridgeshire County Council Race Equality & Diversity Service	£200,000	2011	- Working age people on out of work benefits - Working age population qualified to at least level 2 or higher	
	Increase greater mutual cultural awareness and learning through visits to museums, libraries and participation in sport			2011		
3d	Support self-employment, enterprise and social enterprise development through work with disadvantaged groups and in the more deprived communities					
	Regional initiatives like 'Big Fish' to encourage new business formation.	EEDA			- Working age people on out of work benefits	
	Specialist enterprise support for the third sector.	Social Enterprise East of England			- Environment for a thriving third sector	
3e	Support young people in transition from school to training or employment (particularly in Fenland)					
	Fenland Engineering Skills Centre	EEDA liC/Fenland District Council/COWA/Stainless Metal Craft	£400,000	2011	- Working age population qualified to at	Year 1 – 12 Year 2 – 24

					least level 2 or higher (180)	
	14-19 Diploma centre on Addenbrooke's campus	Cambridgeshire County Council	£5-7m		- Working age population qualified to at least level 2 or higher	
	SmartLIFE (2) training and education in low carbon trades	Cambridgeshire County Council		2011	- Working age population qualified to at least level 2 or higher	
3f	Support economically inactive adults/adults without qualifications with training (particularly in low carbon trades) to improve their skills and work prospects (particularly in Fenland)					
	Cambridgeshire Rural Enterprise and Mentoring (CREAM); training/employment for economically inactive	NWES	£190,000	2011	- Working age people on out of work benefits - Working age population qualified to at least level 2 or higher	
	Affordable, flexible workspace in March and Oxmoor	NWES Huntingdonshire District Council /Luminus	£1.2 million c £1 million	2010 2011	- Working age people on out of work benefits	
	'First step' learning to improve confidence, skills and employability through 'learning communities approaches'	EEDA /IiC through Cambridgeshire & Peterborough Learning Partnership Trust (CPLT)	£330,000	2011	- Working age population qualified to at least level 2 or higher	
	Investment in learning centres in Wisbech and Ramsey	Cambridgeshire County Council – Libraries & Information Services	£175,000	2010	- Working age population qualified to at least level 2 or higher	
	Encourage those receiving out of work benefits to move	Job Centre Plus, Reed in		2013	- Working age	

	into employment. Encourage those with work limiting illness to move into employment	Partnership, Papworth Trust Currently tendered	£170,000	2011	people on out of work benefits	
	SmartLIFE (2) training and education in low carbon trades	Cambridgeshire County Council		2011	- Working age population qualified to at least level 2 or higher	
	Wheels to Work investment to overcome rural transport barriers	Kickstart – East Dereham, Norfolk	£300,000	2011	- Working age people on out of work benefits	
3g	Increase understanding and knowledge of the capacity of the voluntary and community sector to deliver services for those who find it difficult to access services					
	Longer-term investment in organisations that are successful in engaging with disadvantaged groups like the Rosmini Centre in Wisbech	Rosmini Centre Trust	£70,000	2011	- Environment for a thriving third sector	

Goal 4: Sustainable Infrastructure and a high quality of life

Priority	Project	Lead	Cost	Completion Date	Contribution to LAA targets (state which)	Potential number jobs generated (range)
4a	Promote the adequate provision of employment land and sustainably built premises at all major growth sites					
	Regional centre of excellence in Modern Methods of Construction at Cambridge Regional College	Cambridge Regional College				
	Release of employment land to encourage business development in Royston (), Bury St Edmonds (Suffolk Business Park, A14 North), Whittlesey and Wisbech (South)	North Herts District Council St Edmundsbury Borough Council Fenland District Council		2011		
	Development of CB1 commercial space					
	Development of employment sites, including 'Follow On' space at Northstowe					
	Development of employment sites at Southern Fringe/Addenbrookes					

	Development of employment sites at Cambridge North West					
	Development of employment sites at East Cambridge					
	Development of employment sites at Northern Fringe					
	Provision of retail space on all major development sites					
4b	Promote sustainable travel and transport					
	Encourage all employment sites / businesses to adopt transport plans with a pragmatic and environmental basis.	Local Authorities, Major Site Developers and employers			-	Per capita CO2 emissions in LA area
	Encourage take up of initiatives to increase infrastructure capacity, e.g.car sharing, buses and more cycling and more cycle lanes	Local Authorities, Travelwise			-	Per capita CO2 emissions in LA area
	National Trust site travel plan – establishing links to public transport nodes	National Trust		2008-2028	-	Reduction in per capita CO2 emissions
	Cycling Town Demonstration project		£3.6m	2008-2011	-	Per capita CO2 emissions in LA area
	Cambridgeshire Guided Busway	Cambridgeshire County Council			-	Per capita CO2 emissions in LA area
	Promote the use of S106 monies for economic infrastructure	Local Authorities				
	Implementation of market town transport strategies for Ely, March, St Neots, Huntingdon & Godmanchester and Wisbech, Ramsey, Chatteris and Whittlesey	Cambridgeshire County Council, East Cambs District Council, Hunts District Council, Fenland District Council	£1.5m-2m each year supplemented by developer, district/ / town council contributions			
	A14 scheme Ellington to Fen Ditton	Highways Agency, Costain Skanska, Atkins				
	A14 between Ipswich and the M6 resilience measures	Highways Agency	£90m			
	A14/A428/A421 route Ipswich to Milton Keynes	Highways Agency				

	Ely Southern Bypass for the A142	Cambridgeshire County Council				
	New rail station at Chesterton Sidings, Cambridge	Cambridgeshire County Council			-	Reduction in per capita CO2 emissions
4c	Support the access of, and utilisation of, funding for capital infrastructure projects serving the functional economic area.					
	Upgrading of the A1307 and sustainable transport links between Haverhill and Cambridge				-	
	Provision of a link road to enable opening up of the Suffolk Business Park				-	
	Dualling of A11				-	
	Upgrading of the Cambridge-Bury St Edmunds railway line				-	Reduction in per capita CO2 emissions
					-	
4d	Encourage the adequate provision of affordable housing					
	Encourage districts to commit to an agreed percentage of new build affordable homes	District Councils			-	Number of affordable homes delivered
4e	Support improved access to quality, green infrastructure					
	Great Fen Project	Great Fen Steering Group	£1.35m	TBC	-	Overall/general satisfaction with the local area Adaptation to climate change
	Wicken Fen vision	National Trust	£18m	2009-2021	-	Environment for a thriving third sector Reduction in per capita CO2 emissions Adaptation to climate change Overall/general satisfaction with the local area
	Needingworth project	RSPB			-	Overall/general

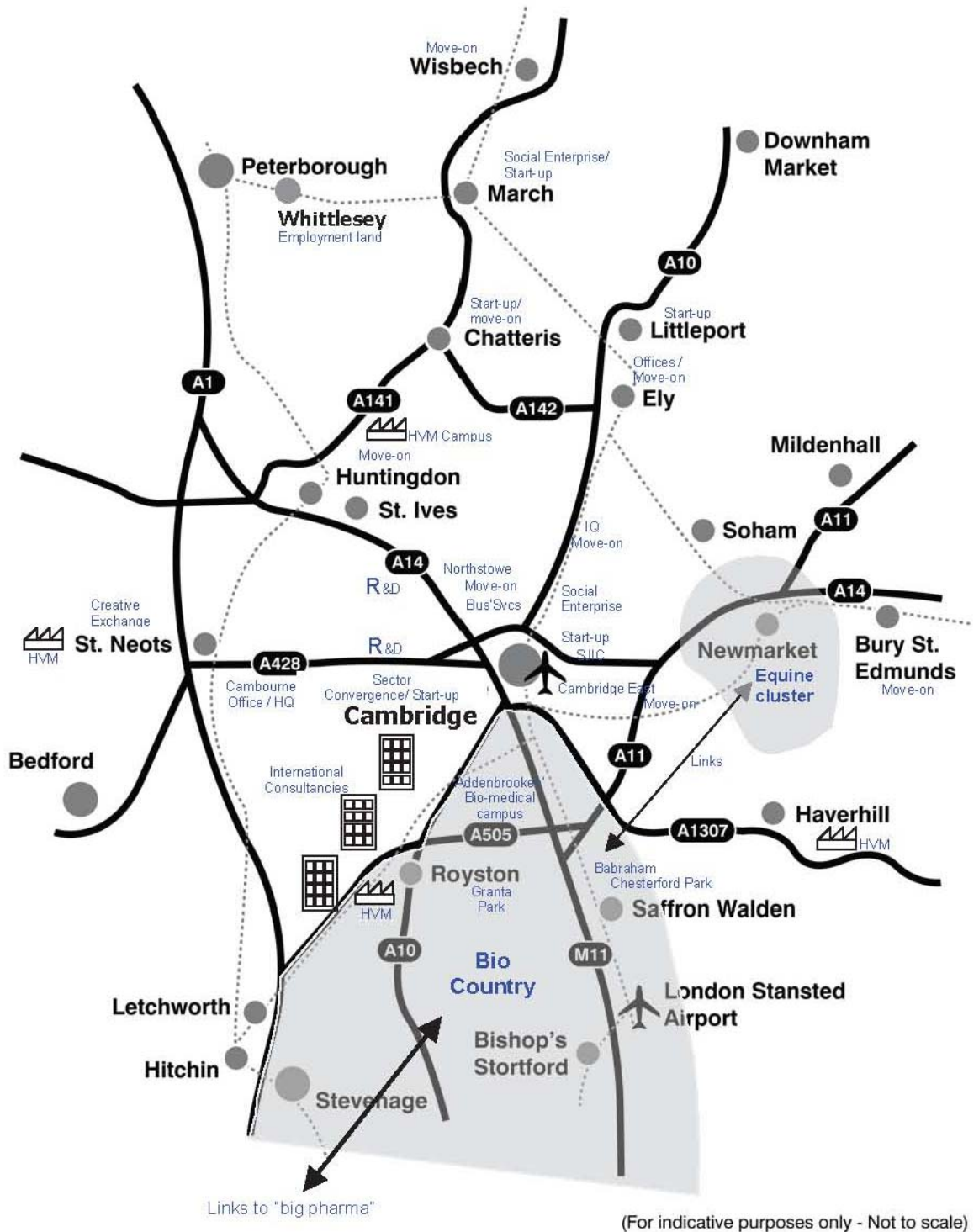
						satisfaction with the local area	
4f	Improve the cultural, sporting and leisure infrastructure across Greater Cambridge						
	Regional cultural and international conference venue; including feasibility study	Cambridgeshire Horizons	£100k	2012	-	Overall/general satisfaction with the local area	
	Cambridge Community Stadium	Cambridgeshire Horizons			-	Overall/general satisfaction with the local area	
	Cambridge Sports Lakes, Waterbeach	Cambridge Sports Lakes Trust	£16m	2011	-	Working age population qualified to at least level 2 or higher	10-15 FTE
					-	Environment for a thriving third sector	
					-	Adapting to Climate Change	
4g	Promote safe, strong communities						

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4.5.3 Economic Masterplan

The following map gives an indication of the spatial distribution of sectors and key physical infrastructure in Greater Cambridge.

Illustrative Economic Master Plan for the Greater Cambridge Area



5 Measuring Progress

The SRES for Greater Cambridge has identified a Vision, three goals and twenty four priorities.

These will need to be delivered over the next decade but within a context of changing external pressures and opportunities and a currently very uncertain economic climate globally. To respond to these, and to demonstrate progress, the delivery of the SRES must be underpinned by a robust monitoring and evaluation framework, which is able to provide intelligence, both in real time and in retrospect.

5.1 Monitoring and Evaluation Framework

The monitoring and evaluation framework will need two parts. A top-down component will monitor the changing state of the Greater Cambridge economy and will require the use of condition indicators. The Greater Cambridge Profile will largely meet the requirements of this element of the monitoring framework. Where possible, the indicators used will align with Local Area Agreement Indicators. The second component of the monitoring framework will be bottom-up and will enable the SRES activities, outputs and impacts to be assessed by using appropriate response indicators. Progress in meeting the priorities will be recorded and reported on a six monthly basis against the interventions listed in Part 4.

5.2 Greater Cambridge Profile

The Greater Cambridge Profile provides an overview of the performance of three important aspects that make up a healthy and thriving sub-region; economy, people and place. There are many existing reports on the region, each focussing on individual aspects of the above; this report brings this information together enabling a holistic view of the strengths and weaknesses of the sub region. The majority of information is gathered from the Cambridgeshire County Council research group, the Office of National Statistics and existing reports such as the Library House Cambridge Cluster Reports.

By monitoring the macro economic performance of Greater Cambridge over time, the Profile will:

- Enable the GCP and its partners to better prioritise key interventions
- Inform the strategic planning of partner organisations and policy makers
- Assist the private sector with investment decisions

Annex A: Challenges and Opportunities facing Greater Cambridge

The table below has been drawn up following a review of existing research reports and other literature on the Greater Cambridge area and the East of England region as a whole. It highlights some of the challenges and opportunities for the economy of Greater Cambridge and has been used to inform the discussions in Chapter 2 of the Strategy.

The focus of the analysis is on the Greater Cambridge area; namely the districts of Cambridge City, East Cambridgeshire, Huntingdonshire, South Cambridgeshire, Fenland, Forest Heath and parts of St Edmundsbury (Haverhill, Bury St Edmunds and the surrounding/linking areas), North Hertfordshire (Royston and surrounding area) and Uttlesford (Saffron Walden and the surrounding area).

Characteristics/Issues	Supporting Evidence
The Greater Cambridge area has grown rapidly	<ul style="list-style-type: none"> Greater Cambridge residential population increased by 330,000 between 1971 and 2006.
Within the area, there have been high rates of working but this is expected to decrease due to the recession	<ul style="list-style-type: none"> PACEC have predicted job losses of between 10,000 and 13,000 between 2008 and 2010. Employment rate has dropped slightly since 2004
Cambridge has an internationally significant high tech cluster which is potentially well placed to develop strengths in clean energy.	<ul style="list-style-type: none"> Around 1500 companies constitute the core of the Greater Cambridge high tech cluster. These companies employ around 43,000 people.³¹ Key sectors defined as biotechnology and software, instruments and engineering and electronics, ICT non software and sound and imaging³² Recent structural shift observed in the direction of venture funding towards 'soft innovation', e.g. media tech and clean energy³³ South Cambridgeshire and Cambridge City account for well over one-third of the total number of high tech jobs in Greater Cambridge³⁴
Cambridge and the surrounding region has a well developed biotech cluster that needs continuing support	<ul style="list-style-type: none"> Around 12500 people are employed in the biotech industry³⁵ Shortage of specialist premises for life sciences, from incubation units up to 1000 square metres³⁶ Employment in the biotech sector is concentrated in Cambridge, South Cambridgeshire and Huntingdon³⁷

³¹ GCP, Greater Cambridge Annual Profile, 2007

³² CIR, High Tech Monitoring Report, 2008

³³ Library House, Cambridge Cluster, 2007

³⁴ Greater Cambridge Partnership, Greater Cambridge Annual Profile, 2007

³⁵ Cambridgeshire County Council Research Group, High Tech Monitoring, 2006

³⁶ SQW, Strategy for Enterprise Hubs in the Greater Cambridge area, 2006

³⁷ Greater Cambridge Partnership, Greater Cambridge Annual Profile, 2007

Given the strength of the high tech and biotech clusters there is an opportunity to encourage related manufacturing in the GCP area	<ul style="list-style-type: none"> Nearly 15000 people are employed in high tech manufacturing in Cambridgeshire³⁸ For Cambridge to maintain its position as a world class cluster it needs to expand in the field of high tech development³⁹
In Greater Cambridge, the high tech sector is dominated by small and micro enterprises	<ul style="list-style-type: none"> Across Cambridgeshire around 75% of high tech companies employ 24 or fewer staff.
Start-up businesses can generate significant employment however a continuing challenge for the sub-region relates to the local growth of high tech businesses	<ul style="list-style-type: none"> Lack of funding, particularly seed funding, prototype development and mezzanine finance (£250,000 to £500,000)⁴⁰ Lack of awareness of the business support available⁴¹ Inadequate infrastructure exists to support businesses employing large numbers of people⁴² There is an unmet demand for “move-on” accommodation throughout Greater Cambridge⁴³
The area is strong in science, technology and the research element of R&D but there are issues around ensuring that it is fully commercially exploited.	<ul style="list-style-type: none"> Lack of critical mass and limited interdisciplinary activity threatens to limit the economic benefits from emerging technologies⁴⁴ Funding gap in the early stages of the commercialisation process⁴⁵ There is a lack of supported small incubator space for general business start-ups and unsupported space for general and high tech start-ups⁴⁶
There are particular skills which are required to sustain the growth of the high tech cluster	<ul style="list-style-type: none"> More support for the teaching of entrepreneurship in schools⁴⁷ Lack of critical mass and danger of potential flight of key staff threatens to limit the local economic benefits from emerging technologies such as nanotechnology⁴⁸ Declining numbers of STEM subject graduates recorded in the UK⁴⁹ Businesses report shortages of skilled technical staff, sales and marketing professionals..⁵⁰ Many high value manufacturing companies have raised issues around access to the right skills, both in terms of employees and advice⁵¹

³⁸ Cambridgeshire County Council Research Group, High Tech Monitoring, 2006

³⁹ Roger Tym and Partners, Economic Interventions for the Greater Cambridge Sub-Region, 2006

⁴⁰ SQW, Strategy for Enterprise Hubs in the Greater Cambridge area, 2006

⁴¹ SQW, Strategy for Enterprise Hubs in the Greater Cambridge area, 2006

⁴² SJIC, Cambridge Technopole Report, 2008

⁴³ Roger, Tym and Partners, Economic Interventions for the Greater Cambridge Sub-Region, 2006

⁴⁴ PACEC “The Cambridge Phenomenon Fulfilling the Potential”, 2003

⁴⁵ PACEC “The Cambridge Phenomenon Fulfilling the Potential”, 2003

⁴⁶ Roger Tym and Partners, Economic Interventions for the Greater Cambridge Sub-Region, 2006

⁴⁷ SWQ, Strategy for Enterprise Hubs in the Greater Cambridge area, 2006

⁴⁸ PACEC “The Cambridge Phenomenon Fulfilling the Potential”, 2003

⁴⁹ Lord Sainsbury, “Race to the Top”, 2007

⁵⁰ PACEC, “The Cambridge Phenomenon Fulfilling the Potential”, 2003)

⁵¹ High Value Manufacturing, 2005

<p>The employment base of Greater Cambridge is relatively broad based</p>	<ul style="list-style-type: none"> Public administration, education and health are still the dominant sectors of employment across Greater Cambridge, followed by manufacturing, banking, finance and insurance and distribution, hotels and restaurants.⁵² Up to 2008 Greater Cambridge had witnessed a steady growth in the levels of employment in knowledge based professions compared to a national picture of little if any growth of employment in these sectors.⁵³
<p>In general, the resident population of the Greater Cambridge area is well qualified but there are pockets where there are considerable numbers of residents with no formal qualifications</p>	<ul style="list-style-type: none"> A significantly higher proportion of Cambridgeshire's resident population is educated to NVQ level 2,3 and 4+ than the equivalent national and East of England figures From 2000-2006 Fenland has consistently performed below the national average in terms of the percentage of adults educated to NVQ levels 2,3 and 4.⁵⁴
<p>Manufacturing plays an important role in the economy of the area</p>	<ul style="list-style-type: none"> 16% (69,000) of those in employment in Greater Cambridge, work in Manufacturing⁵⁵
<p>The tourism (both leisure and business) sector is a major – and growing – economic sector however Greater Cambridge currently experiences too many short stays.</p>	<ul style="list-style-type: none"> Tourism is an important economic force in the area supporting in excess of 20,000 full time job equivalents Easy accessibility from London make Cambridge a day trip rather than an overnight destination⁵⁶ The 2021 Olympic Games offer the opportunity to increase business tourism to the region by 3% (£150m) and international tourism by 3% (£100m). Cambridgeshire is identified as the sub-region within the East of England with the greatest potential to benefit⁵⁷
<p>The East of England region is a strong exporter and the GCP area has been successful at attracting international business</p>	<ul style="list-style-type: none"> The East of England is the 4th largest exporter of goods in the UK⁵⁸ The 2012 Olympic Games offer the opportunity to generate economic benefits for the area from inward investment generated through showcasing businesses in the region to the global market⁵⁹

⁵² 2008, Annual Population Survey

⁵³ 2008, Annual Population Survey

⁵⁴ ONS, 2008

⁵⁵ ONS, 2008

⁵⁶ The Tourism Company and SQW, Greater Cambridge and Peterborough Tourism Strategy and Action Plan, 2007

⁵⁷ EEDA, Economic Impact Study of the London 2021 Olympic Games and Paralympic Games, 2006

⁵⁸ EEDA, International Business Strategy for the East of England

⁵⁹ EEDA, Economic Impact Study of the London 2012 Olympic Games and Paralympic Games, 2006.

<p>There are significant differences between Cambridge City and more rural districts of the Greater Cambridge area.</p>	<ul style="list-style-type: none"> • 84% of Greater Cambridge population lives in a rural area . All Greater Cambridge districts except Cambridge are classified as rural⁶⁰ • Comparing districts within the Greater Cambridge Partnership area, Uttlesford, Forest Heath and St Edmundsbury have a noticeably higher proportion of the population without access to services such as a Post Office or village shop or store⁶¹ • In rural Cambridgeshire 15% households have no access to a car and 40% have one car. The proportion of those without a car is highest in the most remote parts – in East Cambs it is 18% compared to 13% in neighbouring Huntingdonshire⁶²
<p>There exist significant pockets of deprivation within the Greater Cambridge area</p>	<ul style="list-style-type: none"> • Significant areas of deprivation exist in and around Wisbech, around Huntingdon and in parts of Cambridge. • Particularly excluded groups include Travellers, migrant workers, Bangladeshi and Pakistani communities.⁶³ • Patterns of claimant rates for Job Seekers Allowance and Incapacity Benefit are relatively stable and low across the Greater Cambridge area however claimant rates in Fenland reach above the UK average⁶⁴
<p>The affordability and availability of housing is a major concern.</p>	<ul style="list-style-type: none"> • Insufficient housing of an appropriate quality and relatively high housing costs constrain recruitment and results in increased commuting and traffic congestion⁶⁵ • The ratio of house price to salary is higher than the national average in all Greater Cambridge districts apart from Fenland
<p>There are issues surrounding rising use of cars and commuting putting pressure on road and rail infrastructure and environment</p>	<ul style="list-style-type: none"> • All districts apart from Cambridge and North Hertfordshire have CO2 emissions per capita above those of the East of England. • There are significant levels of commuting into Cambridge, from Huntingdonshire, East Cambridgeshire, Fenland and South Cambridgeshire. • The current annual carbon footprint of Cambridgeshire is 6.5 million tones of Carbon Dioxide – of this, road transport accounts for 31%. • Growth in the Cambridgeshire sub region will result in an 8% increase in CO2 emissions.
<p>There are significant issues relating to congestion within Cambridge City and accessibility of surrounding rural areas</p>	<ul style="list-style-type: none"> • Limited local public transport exists, particularly outside Cambridge⁶⁶ • The A14 is currently not adequate to support a growing cluster⁶⁷ • Traffic on Cambridgeshire roads has increased by 30% over the last 10 years compared with a national average of 19% • Air quality is generally good although there are several problem areas including Cambridge City, Huntingdon, St Neots, Wisbech and stretches of the A14.

⁶⁰ ONS, 2006

⁶¹ New Policy Institute, Poverty and Social Exclusion in Rural East of England, 2004

⁶² Roger, Tym and Partners, Cambridge Sub Region study

⁶³ GCP, Investing in Communities Strategy, 2008-2011

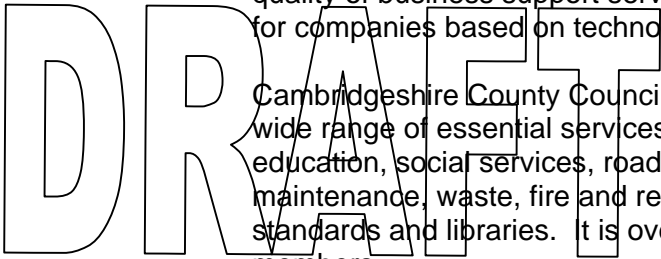
⁶⁴ GCP, Greater Cambridge Annual Profile, 2007.

⁶⁵ PACEC “The Cambridge Phenomenon Fulfilling the Potential”, 2003

⁶⁶ PACEC “The Cambridge Phenomenon Fulfilling the Potential”, 2003

⁶⁷ Library House, Cambridge Cluster Report, 2006.

Annex B: Glossary of Terms

Chamber of Commerce	The Cambridgeshire Chamber of Commerce is funded by member companies and represents the views of its members, lobbies on their behalf and provides networking opportunities
Cambridgeshire Horizons	A local delivery vehicle which has been set up to drive the delivery of development targets for the Cambridgeshire sub-region and the sustainability standards set out in the Cambridgeshire and Peterborough Structure Plan
Cambridge Technopole	An informal network of business support organisations operating in the Greater Cambridge sub region. It is seeking to improve the range and quality of business support services, particularly for companies based on technology.
County Council	 Cambridgeshire County Council: responsible for a wide range of essential services including education, social services, road building and maintenance, waste, fire and rescue, trading standards and libraries. It is overseen by elected members.
District Councils	District councils are separate entities from the County Council with their own elected members and council officers for each District. They each operate a range of services including community and leisure services, planning, housing and environmental health.
EEl	East of England International: Regional body to support companies considering investing in the East of England; to work with investors to ensure they grow profitably; to encourage export activity amongst business in the region.
EEDA	East of England Development Agency: one of the regional development agencies, established in April 1999 to give a focus to improving the economy of the East of England covering economic development, business competitiveness, skills, employment and sustainable development.
ERBI	Eastern Region Biotechnology Initiative: started in 1997 to enhance the growth and development of biotechnology in the East of England.
LSC	Learning and Skills Council: began in April 2001, part of the National Council matching the provision

of learning to local needs of individuals, communities and businesses.

RES	Regional Economic Strategy: sets out economic development priorities for the East of England
RSS	Regional Spatial Strategy: the expression of strategic policies on land use and related planning matters at the regional level.
IRS	Integrated Regional Strategy: a document that intends to replace both the RES and the RSS.
SJIC	St Johns Innovation Centre: provides business support and accommodation for early stage knowledge based companies
SME	Small and medium sized enterprises with less than 250 employees
SREP	Sub Regional Economic Partnership – there are nine SREPs across the East of England
SRES	Sub Regional Economic Strategy: a document developed by the relevant SREP which identifies local priorities within the broad framework provided by the RES.

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Annex C: Potential Areas for Activity

Priority	Indicative Areas of Activity	Lead Organisation	Indicative Cost
1a	<ul style="list-style-type: none"> - Raise local awareness of regional business support programmes - Establish a local advisory service - Support close links with existing business environment networks. - Women in science and technology greater Cambridge/regional network 		
1b	<ul style="list-style-type: none"> - Promote partnering with other regions with complementary assets - Develop the Greater Cambridge brand as a media applications solution provider 		
1c	<ul style="list-style-type: none"> - Commission research to analyse local climate impacts and opportunities for Cambridgeshire businesses - Foster sectors where there is opportunity for growth under a changed economic and physical climate - Raise awareness of the potential operational impacts of climate change for business 		
1d	<ul style="list-style-type: none"> - Encourage the application of research capabilities to develop clean-technology solutions - Develop support for commercialisation within research establishments - Encouragement of the wider use of student research projects by SMEs 		
1e	<ul style="list-style-type: none"> - Use the Olympics to showcase Greater Cambridge technology - Raise the international profile of Greater Cambridge 		
1f	<ul style="list-style-type: none"> - Encourage businesses to 'soft start' - Encourage open innovation 		
1g	<ul style="list-style-type: none"> - Support the development of a low carbon high value manufacturing campus 		
2a	<ul style="list-style-type: none"> - Raise local awareness of regional business support programmes - Establish a local advisory service - Support close links with existing business environment networks. 		
2b	<ul style="list-style-type: none"> - Promote CompeteFor to businesses across Greater Cambridge 		
2c	<ul style="list-style-type: none"> - Commission research to analyse local climate impacts and opportunities for Greater Cambridge businesses - Foster sectors where there is opportunity for growth under a changed economic and 		

	<ul style="list-style-type: none"> physical climate - Raise awareness of the potential operational impacts of climate change for business 		
2d	<ul style="list-style-type: none"> - Reduce congestion in and around the city. 		
2e	<ul style="list-style-type: none"> - Support the development of the blood stock industry around Newmarket - Promote town centre regeneration schemes 		
2f	<ul style="list-style-type: none"> - Delivery of enterprise support specific to rural areas 		
3a	<ul style="list-style-type: none"> - Promote STEM and entrepreneurship education at all educational levels, particularly with females. - Increase customer service training provision 		
3b	<ul style="list-style-type: none"> - Build cross sectoral links, particularly between business and technology specialists - Promote schemes encouraging the retention of technology graduates within the Greater Cambridge area - Encouragement of the wider use of student research projects by SMEs 		
3c	<ul style="list-style-type: none"> - Improve English skills in Pakistani and Bangladeshi communities - Encourage greater mutual cultural awareness - Improve cultural awareness among employers 		
3d	<ul style="list-style-type: none"> - Support specialist enterprise support for the third sector - Encourage new business formation 		
3e	<ul style="list-style-type: none"> - 		
3f	<ul style="list-style-type: none"> - Support those receiving out of work benefits to move into employment - Support the provision of vocational training in low carbon trades 		
3g	<ul style="list-style-type: none"> - Promote longer term investment in organisations that are successful in engaging with disadvantaged groups - Provide opportunities to discuss joint funding and project approaches 		
4a	<ul style="list-style-type: none"> - Promote integration of environmental solutions into new developments - Map and promote existing land and premise availability 		

	- Work to deliver a national academy for sustainable construction at Northstowe	District/County/Horizons	
4b	- Advance adequate infrastructure to key employment areas - Encourage increased opportunities for home-working.		
4c	-		
4d	- Maintain (and enhance) the biodiversity value of the Greater Cambridge area		
4e	- Improve the quality and quantity of accommodation available to tourists - Promote increased investment in art and culture		
4f	- Encourage improved child care provision - Support increased police resources		

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