

The Local Economy of Uttlesford

**Developing an evidence base to inform the new
Local Plan**

**Working Paper C: Insights from employment projections
prepared by Cambridge Econometrics – DRAFT**

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Contact:

Isabel Hampton
Tel: 020 7391 4114
email: ihampton@sqw.co.uk

Approved (as draft) by:

Christine Doel
Director
Date: 02/07/2021

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1. Introduction

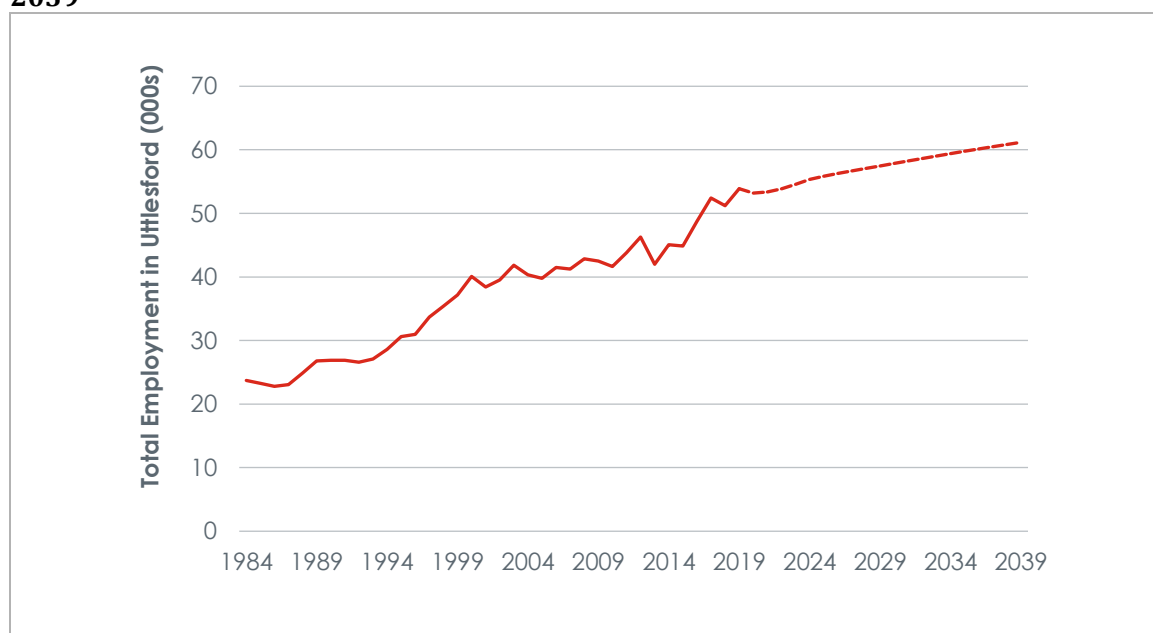
Aim

- 1.1** This Working Paper examines a set of employment projections produced by Cambridge Econometrics (CE). These provide sectoral data on granular scale, reporting on 45 sectors. As well as future projections, they provide evidence on historic performance.
- 1.2** CE's projections for Uttlesford are based on its Local Economy Forecasting Model. The projections are informed by CE's UK and regional (East of England) forecasts from March 2021. They take into account both the UK's departure from the EU, and the implications of the pandemic (insofar as this was known and understood in March 2021).
- 1.3** This Working Paper is divided into two chapters:
 - Chapter 2: Historic and projected future patterns of employment growth
 - Chapter 3: Sectoral analysis

2. Historic and projected future patterns of employment growth

- 2.1** In 1984, the total level of employment in Uttlesford was 23,700. Between 1984 and 2012 this increased fairly steadily to 46,300, before falling to just shy of 42,000 in 2013. From 2013 to 2019 the total level of employment increased to 53,800 (Figure 2-1). In comparison to other data sources, the Cambridge Econometrics estimates for 2019 are lower than the ONS Jobs Density data (which estimated there to be 56,000 jobs in Uttlesford in 2019) and higher than the Business Register and Employment Survey data, which estimated total employment in Uttlesford to be 46,000 in 2019.
- 2.2** The forecasts project that the total level of employment in Uttlesford will continue to increase over the next 20 years. In 2024 the total level of employment is projected to be 55,300; by 2029 this is expected to increase to 57,500; and by 2034 to 59,500. By 2039 the total level of employment in Uttlesford is projected to be just over 61,000.

Figure 2-1: Absolute Level of Employment in Uttlesford, Historic and Projected, 1984-2039

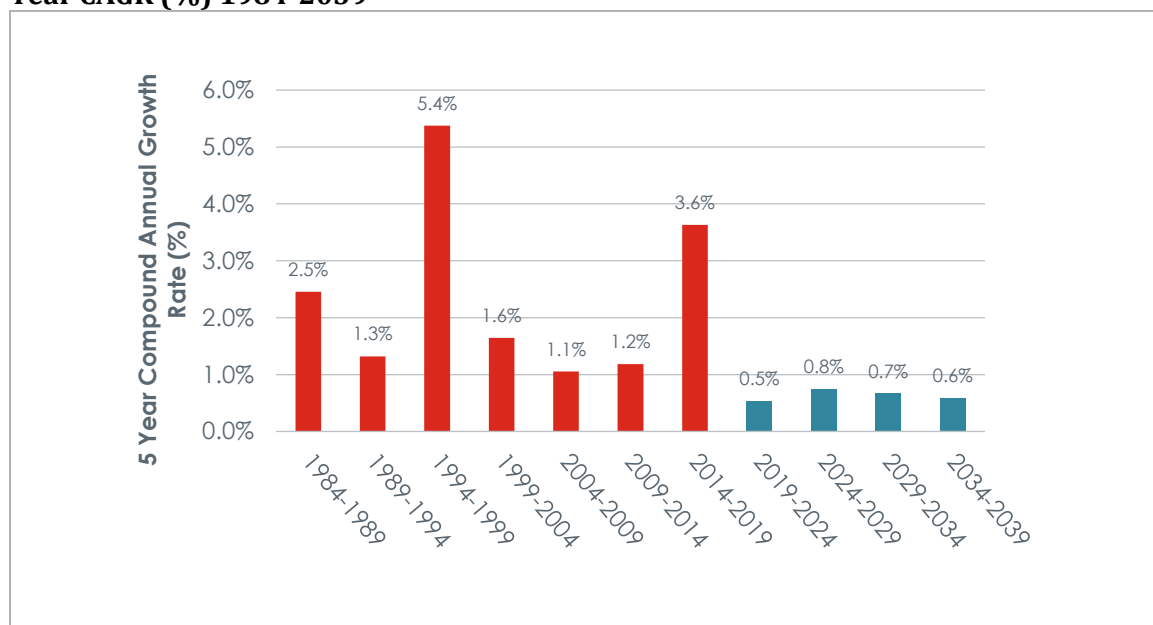


Source: SQW Analysis of Cambridge Econometrics Forecasts

- 2.3** Between 1984 and 2019 – and over a series of five-year intervals – the average annual rate of employment growth in Uttlesford fluctuated quite substantially (Figure 2-2). From 1984 to 1989, the average rate of growth was 2.5% per annum; over the following five-year period this fell to 1.3% per annum before more than quadrupling to 5.4% per annum between 1994 and 1999. Between 1999 and 2014 the rate of growth remained below 2% per annum. However between 2014 and 2019 it almost doubled to 3.6% per annum.

- 2.4** Looking ahead, the projected patterns of employment growth in Uttlesford over the next 20 years are expected to be lower than the rates of growth observed historically: in the four five-year periods between 2019 and 2039, rates of growth are not expected to exceed 1% per annum.

Figure 2-2: Historic and Projected Patterns of Employment Growth in Uttlesford, 5 Year CAGR (%) 1984-2039



Source: SQW Analysis of Cambridge Econometrics Forecasts

- 2.5** Comparison of the historic patterns of employment growth in Uttlesford to those observed across the East of England and the UK between 1984 and 2019 reveal that rates of growth in Uttlesford have been consistently higher (Figure 2-3). This is most notable in two five-year periods: 1989-1994 (where Uttlesford recorded 1.3% growth in employment per annum in comparison to a 0.9% and 1% decline across the East of England and UK) and 1994-1999, where Uttlesford's annual employment growth rate was more than three times the rate observed across the East of England and more than four times the rate observed nationally.
- 2.6** Looking ahead, this trend is expected to continue with rates of employment growth in Uttlesford projected to be consistently higher than the rates anticipated for the East of England and nationally.

Figure 2-3: Historic and Projected Patterns of Employment Growth in Uttlesford Compared to the East of England and UK, 5 Year CAGR (%) 1984-2039



Source: SQW Analysis of Cambridge Econometrics Forecasts

3. Sectoral Analysis

Sectoral Profile of Employment

- 3.1** In 2009, five sectors accounted for 43% of the total employment in Uttlesford. These sectors were *Construction* (which had a total employment of 4,000, equating to 9.5% of all employment in the District), *Education* (3,900, 9.1%), *Warehousing and Postal* (3,700, 8.8%), *Retail Trade* (3,500, 8.2%) and *Business Support Services* (3,000, 7.1%). Notably, employment in the *Warehousing and Postal* sector in Uttlesford was over four times as concentrated as the national average (Table 3-1).
- 3.2** In 2019, total employment in the *Warehousing and Postal* sector increased to 4,600, making it the largest sector by the percentage of total employment (8.5%). This was followed by *Construction* with total employment of 4,300 (8%), *Business Support Services* (3,800, 7%), *Education* (3,700, 7%) and *Food and Beverage Services* (3,500, 6.5%). Analysis of Location Quotients reveals that employment in the *Warehousing and Postal* sector in Uttlesford in 2019 was 3.5 times as concentrated as the national average.
- 3.3** Looking ahead over the next 20 years, the sectoral profile of employment is not projected to change very much. With anticipated employment of 6,000 and 6,800 respectively, *Construction* is expected to be the largest sector in both 2029 and 2039 with 10.4% and 11.2% of total employment respectively. Analysis of Location Quotients reveals that employment in this sector is expected to be around 1.5 times as concentrated as the national average.
- 3.4** *Warehousing and Postal*, with expected employment of 4,800 (8.3% of total employment) is projected to be the second largest sector in 2029 just ahead of *Food and Beverage Services* in third (4,000 employment, 7.3%). In 2039, these positions are expected to reverse with *Food and Beverage Services* projected to have a total employment of 5,000 (8.1%) and *Warehousing and Postal* projected to have a total employment of 4,900 (8%). In both 2029 and 2039, employment in *Warehousing and Postal* is expected to be over three times as concentrated as the national average.
- 3.5** *Business Support Services* and *Education* are expected to take the fourth and fifth spots in 2029 and 2039 with regards to the largest sectors by the proportion of total employment with 6.7% and 6.5%, and 6.5% and 6.3% respectively.

Table 3-1: Absolute Employment by Sector and LQs, 2009 - 2039

	2009		2019		2029		2039	
	N	LQ	N	LQ	N	LQ	N	LQ
Construction	4,000	1.3	4,300	1.2	6,000	1.5	6,800	1.6
Education	3,900	1.1	3,700	0.8	3,700	0.8	3,800	0.8
Warehousing and Postal	3,700	4.1	4,600	3.5	4,800	3.3	4,900	3.2

	2009		2019		2029		2039	
Retail Trade	3,500	0.8	3,200	0.7	3,200	0.7	3,300	0.7
Business Support Services	3,000	0.9	3,800	0.8	3,800	0.8	4,000	0.8
Food and Beverage Services	2,500	1.2	3,500	1.2	4,000	1.2	5,000	1.2

Source: SQW Analysis of Cambridge Econometrics Forecasts

Fastest Growing Sectors, 2019-2039

- 3.6** Over the 20 year period from 2019 and 2039, the three sectors projected to experience the fastest growth in employment in Uttlesford are *Construction* (growth rate of 2.3% per annum, equating to an additional 2,500 jobs in the sector), *Health* (2.1% growth pa, 700 additional jobs) and *Food and Beverage Services* (1.7% growth pa, 1,400 additional jobs) (Table 3-2).
- 3.7** These sectors are also projected to be in the top four fastest growing sectors across the East of England (with the addition of *Real Estate*) and in the top six nationally (with the addition of *Food and Beverage Services*, *Other Professional Services*, and *Real Estate*), although the rates of growth projected for Uttlesford across these sectors are expected to be higher.

Table 3-2: Fastest Growing Sectors by Employment, CAGR (%) 2019-2039, Uttlesford, East of England, UK

	Uttlesford		East of England		UK	
	Rank	CAGR	Rank	CAGR	Rank	CAGR
Construction	1	2.3	1	1.9	6	0.7
Health	2	2.1	2	1.4	4	1.0
Food & Beverage Services	3	1.7	4	1.1	2	1.2

Source: SQW Analysis of Cambridge Econometrics Forecasts

Aviation

- 3.8** Uttlesford is home to Stansted Airport. The policy review revealed that Stansted is a major employer in the District and a regional economic driver.
- 3.9** The data reveal that employment in sectors related to the Aviation (*Air Transport, Land Transport, Warehousing and Postal, and Food and Beverage Services*) accounted for 25% of total employment in 2019 (as opposed to 10% across the East of England and 11% across the UK). Over the next 20 years this industry is expected to remain dominant and is projected to account for 26% of total employment in both 2029 and 2039.



Contact

For more information:

Christine Doel

Director, SQW

T: +44 (0)1223 209 400

E: cdoel@sqw.co.uk

Reuben House
Covent Garden
Cambridge
CB1 2HT

www.sqw.co.uk

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