East of England Implementation Plan Evidence Base

1. Regional Economic Strategy and Regional Spatial Strategy Headline Targets and Trajectories

Introduction

The RES and RSS contain a number of headline targets that address the distinctive set of challenges facing the region. The headline targets illustrate the region's aspirations to improve its economic and environmental performance and quality of life in the broadest sense.

This document provides information on what these targets are and how the targets compare to the region's recent performance. It also sets out the latest projections of the region's future performance against these targets.

While most of these targets do not have a sub-regional element, the document contains an analysis of sub-regional performance and projections against the regional targets to help to assess the particular spatial strengths and challenges in relation to the targets. For most of the targets, a sub-regional analysis is provided for upper tier local authority areas for consistency and ease of comparison across the targets.

Full sets of regional and sub-regional data are provided in accompanying spreadsheets.

Contents

GVA per Capita

What is the target?

The RES-RSS target is for real GVA per capita growth to average **2.3 per cent** per annum between 2008 and 2031.

How does this compare to the region's recent performance?

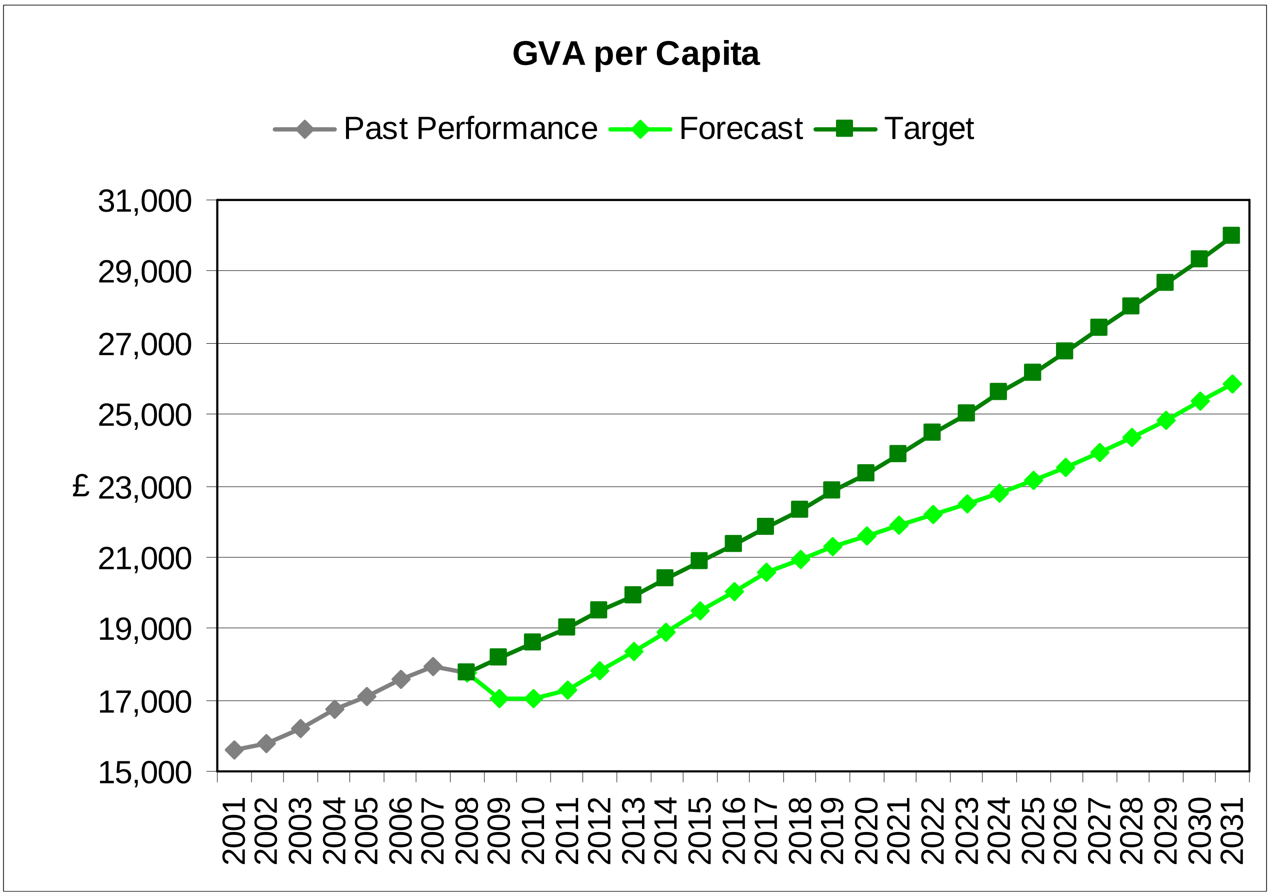
This is a significant uplift on past performance: real GVA per capita growth averaged **1.9 per cent** per annum between 2001 and 2008.

Where are we likely to get to on current trajectories?

Assuming no additional interventions, the latest forecast suggests that average annual growth in real GVA per capita will be **1.6 per cent** per annum between 2008 and 2031 – well below target.

Average per annum growth over the forecast period has been depressed by the recession: between 2008 and 2010, real GVA per capita growth is forecast to average -2.2 per cent. Between 2010 and 2031, real GVA per capita growth is forecast to average 2.0 per cent – still below target.

If the target was achieved, an additional **£52,600** GVA would be created per head of the population in the region between 2008 and 2031.



What are the challenges at sub-regional level?

- There are no sub-regional GVA per capita targets and the regional target could be achieved in a number of ways. To highlight the challenges in meeting the regional target, the following compares projected sub-regional performance to regional target levels.
- No sub-region is expected to experience GVA per capita growth that is at or above the regional RES-RSS target level throughout 2008 to 2031.
- Bedford and Central Bedfordshire are expected to experience the lowest levels of growth (1.2 per cent and 1.3 per cent per annum respectively) while Luton and Peterborough are forecast to experience the highest levels of growth (both 1.9 per cent per annum).
- All sub-regions have been negatively affected by the recession, with forecasts suggesting that GVA per capita will fall furthest in Thurrock and the Bedfordshire/Luton area throughout 2008-2010. Cambridgeshire and Norfolk are forecast to be the least-affected areas.
- From 2010 onwards, Peterborough is expected to experience the highest level of GVA per capita growth (2.4 per cent per annum) while Bedford is forecast to see the lowest level of growth (1.5 per cent per annum).

GVA per capita: average real annual growth by sub-region				
	Past Performance	**Forecast**		
	2001-2008	**2008-31**	**2008-2010**	**2010-2031**
Bedford	1.5	1.2	-2.6	1.5
Central Bedfordshire	2.5	1.3	-2.7	1.7
Luton	3.7	1.9	-2.5	2.1
Cambridgeshire	2.4	1.8	-1.8	2.1
Peterborough	3.7	1.9	-2.4	2.4
Essex	2.6	1.7	-2.1	2.1
Southend	0.6	1.6	-2.2	2.0
Thurrock	1.7	1.5	-2.9	1.9
Hertfordshire	0.7	1.7	-2.4	2.1
Norfolk	2.0	1.6	-1.8	1.9
Suffolk	2.1	1.5	-2.1	1.9

Source: East of England Forecasting Model, Autumn 2009

GVA per Employee

What is the target?

The RES-RSS target is for real GVA per employee growth to average **2.1 per cent** per annum between 2008 and 2031.

How does this compare to the region's recent performance?

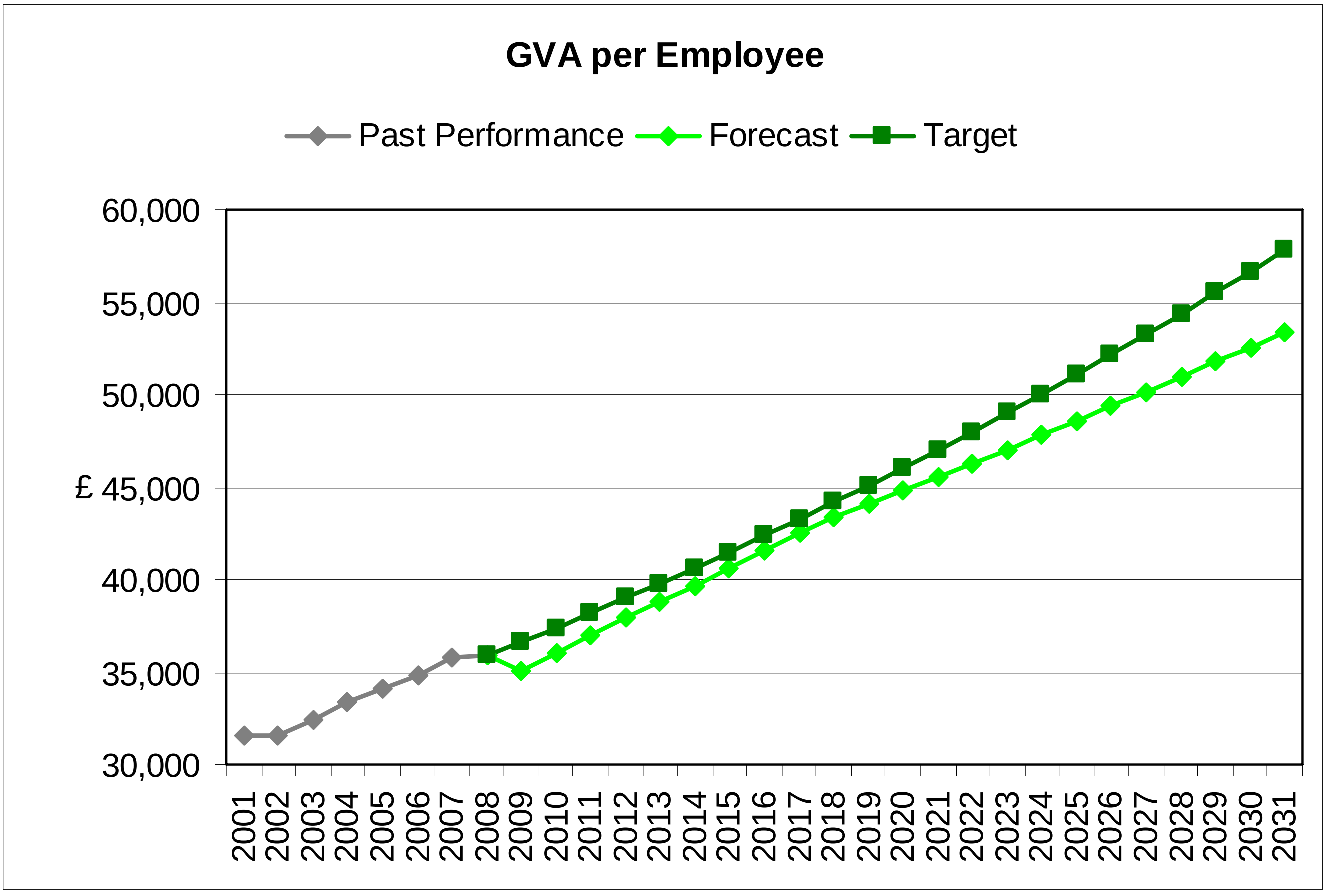
This is a significant uplift on past performance: real GVA per employee growth averaged **1.8 per cent** per annum between 2001 and 2008.

Where are we likely to get to on current trajectories?

Assuming no additional interventions, the latest forecast suggests that average annual growth in real GVA per employee will be **1.7 per cent** per annum between 2008 and 2031 – well below target.

Average per annum growth over the forecast period has been depressed by the recession: between 2008 and 2010, real GVA per employee growth is forecast to average 0.3 per cent. Between 2010 and 2031, real GVA per employee growth is forecast to average 1.9 per cent – still below target.

If the target was achieved, an additional **£44,100** GVA would be created per employee in the region between 2008 and 2031.



What are the challenges at sub-regional level?

- There are no sub-regional GVA per capita targets and the regional target could be achieved in a number of ways. To highlight the challenges in meeting the regional target, the following compares projected sub-regional performance to regional target levels.
- There are no sub-regional GVA per employee targets and the regional target could be achieved in a number of ways. To highlight the challenges in meeting the regional targets, the following compares projected sub-regional performance to regional target levels.
- Only Peterborough is forecast to experience GVA per employee growth that is at or above the regional RES-RSS target throughout 2008 to 2031 (2.2 per cent average growth per annum).
- Bedford and Central Bedfordshire are forecast to experience the lowest levels of GVA per employee growth (both 1.5 per cent average growth per annum).
- Workforce productivity in Thurrock is expected to be hardest hit by the recession, with average GVA per employee growth of -0.4 per cent between 2008 and 2010. Productivity in Peterborough is expected to hold up better than other areas with average GVA per employee growth of 1.0 per cent between 2008 and 2010.
- From 2010 onwards, Peterborough is expected to experience the highest level of GVA per employee growth (2.3 per cent per annum) while Bedford is forecast to see the lowest level of growth (1.6 per cent per annum).

GVA per employee: average real annual growth by sub-region				
	Past Performance	**Forecast**		
	2001-2008	**2008-31**	**2008-2010**	**2010-2031**
Bedford	1.0	1.5	0.1	1.6
Central Bedfordshire	3.0	1.5	0.1	1.7
Luton	1.2	1.8	0.0	1.9
Cambridgeshire	2.0	1.8	0.0	2.0
Peterborough	2.0	2.2	1.0	2.3
Essex	2.0	1.8	0.3	1.9
Southend	1.6	1.6	0.2	1.8
Thurrock	1.6	1.6	-0.4	1.7
Hertfordshire	1.5	1.8	0.5	1.9
Norfolk	1.7	1.8	0.7	1.9
Suffolk	2.5	1.6	0.0	1.7

Source: East of England Forecasting Model, Autumn 2009

Employment Rate

What is the target?

The RES-RSS regional employment rate target is for **70 per cent of 16-74 year olds** to be in employment by 2031.

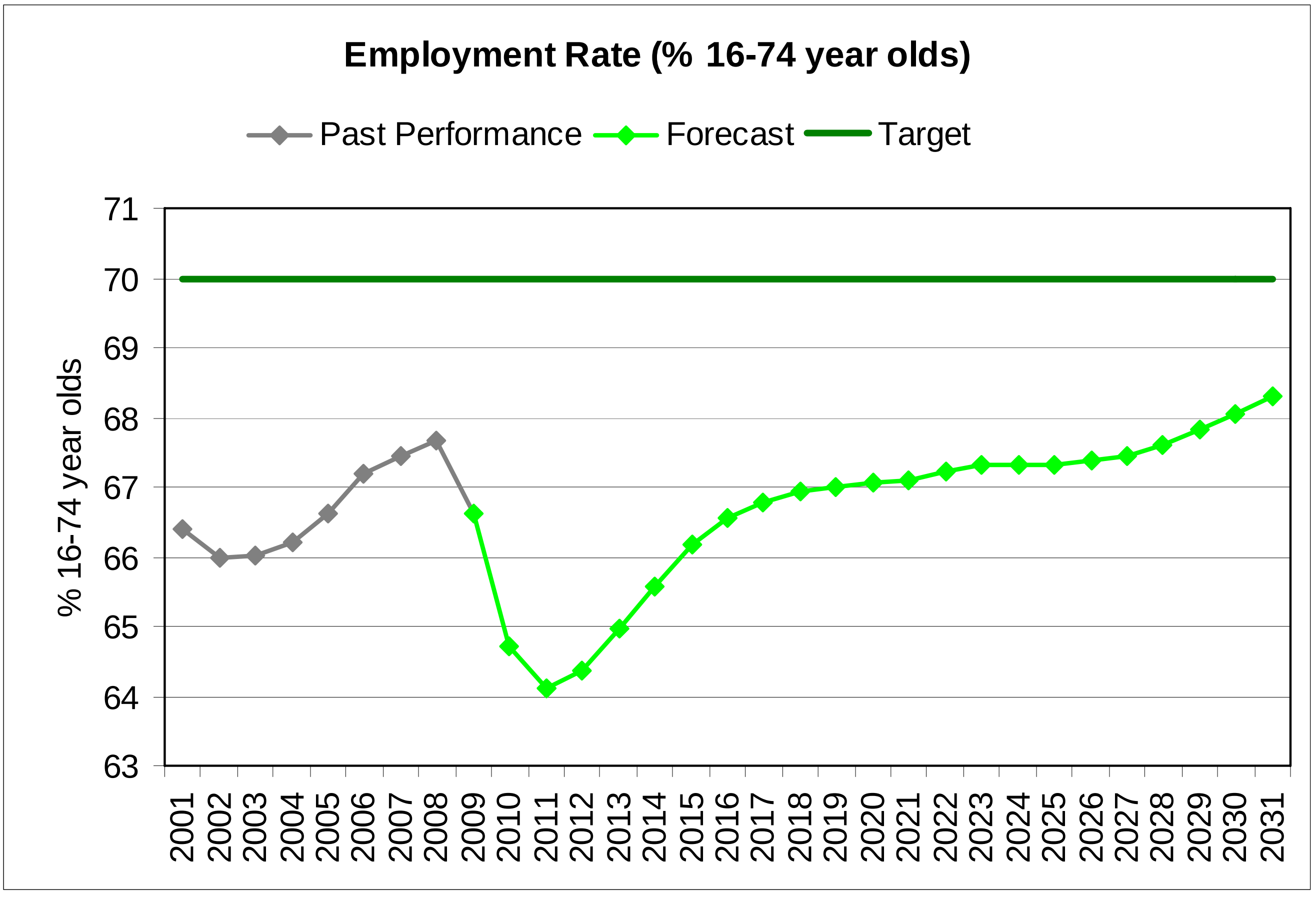
How does this compare to the region's recent performance?

Between 2001 and 2008, the region's employment rate for 16-74 year olds ranged from 66.0 per cent to 67.7 per cent.

Where are we likely to get to on current trajectories?

The latest forecasts for the East of England suggest that the employment rate for 16-74 year olds would reach **68.3 per cent** by 2031 – 1.7 percentage points below the target. If the target was achieved, there would be an extra **79,700 people** in employment in 2031.

Meeting the employment rate target has become more challenging since the onset of the recession. The region's employment rate for 16-74 year olds is expected to reach a low of 64.1 per cent in 2011 and is not forecast to recover to pre-recession levels until 2029. It could take some time for the labour market to recover after the recession has ended due to employers using existing capacity when demand picks up, employers being reluctant to recruit until they are satisfied that there is a genuine sustained recovery, and some individuals finding it difficult to re-enter the labour market without assistance.



What are the challenges at sub-regional level?

- There are no long-term sub-regional employment rate targets and the regional target could be achieved in a number of ways. To highlight the challenges in meeting the regional target, the following compares projected sub-regional performance to regional target levels.
- Only two sub-regions are expected to achieve an employment rate for 16-74 year olds that is at least 70 per cent by 2031: Hertfordshire and Suffolk, with Central Bedfordshire not far behind. These were the areas with the highest employment rates (at least 70 per cent) in 2008.
- The areas with the lowest employment rates in 2008 – Luton and Peterborough – are expected to experience the lowest rates in 2031. Employment rates were also on a downward trend in Luton and Peterborough between 2001 and 2008.
- The recession has affected the labour market in all areas, with the employment rate forecast to fall between 2008 and 2011.
- The employment rate is expected to take a long time to recover to pre-recession levels, particularly in Bedford, Central Bedfordshire, Peterborough and Norfolk.

Employment Rate (% 16-74 year olds)				
	Past Performance	**Forecast**		
	2008	**2031**	**Low point (2011)**	**Return to 2008 levels**
Bedford	68.0	66.3	64.0	Not in the forecast period
Central Bedfordshire	72.3	69.9	68.1	Not in the forecast period
Luton	58.4	61.6	55.2	2018
Cambridgeshire	67.4	68.3	64.3	2018
Peterborough	63.4	62.6	58.4	Not in the forecast period
Essex	67.4	69.2	64.1	2019
Southend	67.0	68.3	63.8	2022
Thurrock	67.0	67.5	63.6	2029
Hertfordshire	70.6	71.7	66.5	2026
Norfolk	63.8	62.5	60.4	Not in the forecast period
Suffolk	70.4	71.2	67.3	2027

Source: East of England Forecasting Model, Autumn 2009

Skills

What are the targets?

The RES skills targets are to raise qualification attainment, so that by 2020:

- at least **40 per cent** of adults (aged 19 to state pension age) are qualified to level 4 and above;
- **68 per cent** of adults are qualified to level 3 and above; and
- at least **90 per cent** of adults are qualified to level 2 and above;
  with these rates being at least maintained up to 2031.

How does this compare to the region's recent performance?

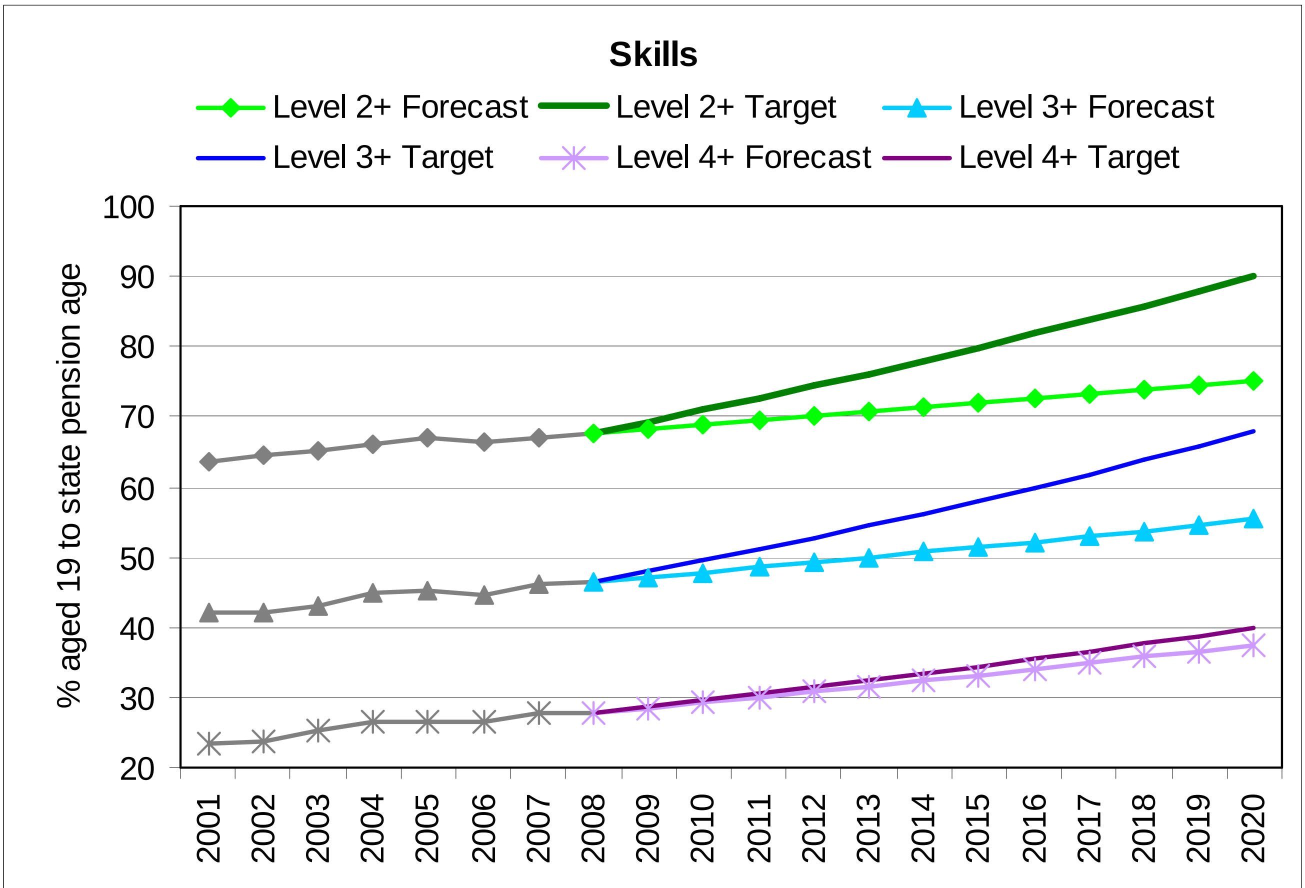
These targets are a significant uplift on qualification rates in 2008, when:

- **27.8 per cent** of adults were qualified to level 4 and above
- **46.5 per cent** of adults were qualified to level 3 and above, and
- **67.6 per cent** of adults were qualified to level 2 and above.

Where are we likely to get to on current trajectories?

While the region's qualification attainment improved between 2001 and 2008, much faster rates of improvement will be needed over the next decade to meet the region's skills ambitions. Based on a continuation of trends between 2001 and 2008, the region would achieve the following by 2020:

- **37.6 per cent** of adults qualified to level 4 and above
- **55.3 per cent** of adults qualified to level 3 and above, and
- **75.2 per cent** of adults qualified to level 2 and above.



What are the challenges at sub-regional level?

There are no long-term sub-regional skills targets and the regional targets could be achieved in a number of ways. To highlight the challenges in meeting the regional targets, the following compares projected sub-regional performance to regional target levels.

- **Level 2 and above**

- Thurrock had the lowest percentage of adults with at least a Level 2 qualification in 2008. An improvement of 4.1 percentage points per year between 2008 and 2020 would be needed to meet the region's skills target – a significant uplift on past performance (average increase of 0.5 percentage points per year between 2001 and 2008).
- Luton had the second lowest percentage of adults with at least a Level 2 qualification in 2008 and experienced an annual average fall of 0.3 percentage points between 2001 and 2008. A significant improvement would be required for Luton to meet the regional target (annual average increase of 3.7 percentage points between 2001 and 2008).
- Achieving the regional target would also be challenging in Peterborough and Suffolk.
- Meeting the regional target would not be quite so challenging in Cambridgeshire, which had the highest proportion of adults with at least a Level 2 qualification in 2008. The annual average improvement required over 2008 to 2020 to meet the regional target would be less than that experienced throughout 2001 to 2008.

	Percentage of Adults Qualified to Level 2 and Above		
	2008	**Average annual percentage point change 2001-2008**	**Average annual percentage point change required to meet regional target 2008-2020**
Bedfordshire	71.0	0.6	2.0
Luton	58.0	-0.3	3.7
Cambridgeshire	73.4	1.9	1.7
Peterborough	62.3	0.2	3.1
Essex	66.6	1.2	2.5
Southend	65.8	0.7	2.6
Thurrock	55.6	0.5	4.1
Hertfordshire	73.1	0.7	1.7
Norfolk	65.1	1.0	2.7
Suffolk	63.7	0.3	2.9

- **Level 3 and above**

- Thurrock and Luton had the lowest proportions of adults with at least a Level 3 qualification in 2008. An improvement of 5.6 percentage points per year between 2008 and 2020 would be needed to meet the region's skills target in both areas – a significant uplift on past performance. In Luton, this would mean reversing an annual average decline throughout 2001 to 2008.
- Achieving the regional target would also be challenging in Peterborough and Suffolk.
- Meeting the regional target would not be quite so challenging in Cambridgeshire, which had the highest proportion of adults with at least a Level 3 qualification in 2008. The annual average improvement required over 2008 to 2020 to meet the regional target would also be less than that experienced throughout 2001 to 2008.

	Percentage of Adults Qualified to Level 3 and Above		
	2008	**Average annual percentage point change 2001-2008**	**Average annual percentage point change required to meet regional target 2008-2020**
Bedfordshire	49.5	0.2	2.6
Luton	35.5	-1.8	5.6
Cambridgeshire	55.5	3.0	1.7
Peterborough	39.1	0.8	4.7
Essex	43.8	2.0	3.7
Southend	43.8	1.6	3.7
Thurrock	35.2	1.7	5.6
Hertfordshire	53.6	1.1	2.0
Norfolk	42.9	1.8	3.9
Suffolk	42.5	0.9	4.0

- **Level 4 and above**

- Achieving the regional Level 4 target would be extremely challenging in Thurrock. In 2008, just 17.8 per cent of people were qualified to at least Level 4. While this was a significant improvement on levels in 2001, an improvement of 7 percentage points per year would be needed between 2008 and 2020 to achieve the regional target.
- Meeting the regional target would also be very challenging in Luton and Peterborough, with Luton experiencing an annual average fall in the percentage of adults with at least a Level 4 qualification of 0.1 percentage points between 2001 and 2008.
- The percentage of adults qualified to Level 4 and above in Cambridgeshire was above 40 per cent (the region's 2020 target) in 2008.

	Percentage of Adults Qualified to Level 4 and Above		
	2008	**Average annual percentage point change 2001-2008**	**Average annual percentage point change required to meet regional target 2008-2020**
Bedfordshire	29.2	0.1	2.7
Luton	20.1	-0.1	5.9
Cambridgeshire	40.8	5.6	-
Peterborough	20.1	1.4	5.9
Essex	25.2	3.7	3.9
Southend	23.9	4.1	4.4
Thurrock	17.8	4.7	7.0
Hertfordshire	34.6	1.2	1.2
Norfolk	22.9	3.3	4.8
Suffolk	23.0	0.6	4.7

Source: Annual Population Survey 2008, Office for National Statistics

Earnings

What is the target?

The RES earnings target is for lower-quartile (LQ) earnings to increase to **60 per cent** of average earnings by 2031.

How does this compare to the region's recent performance?

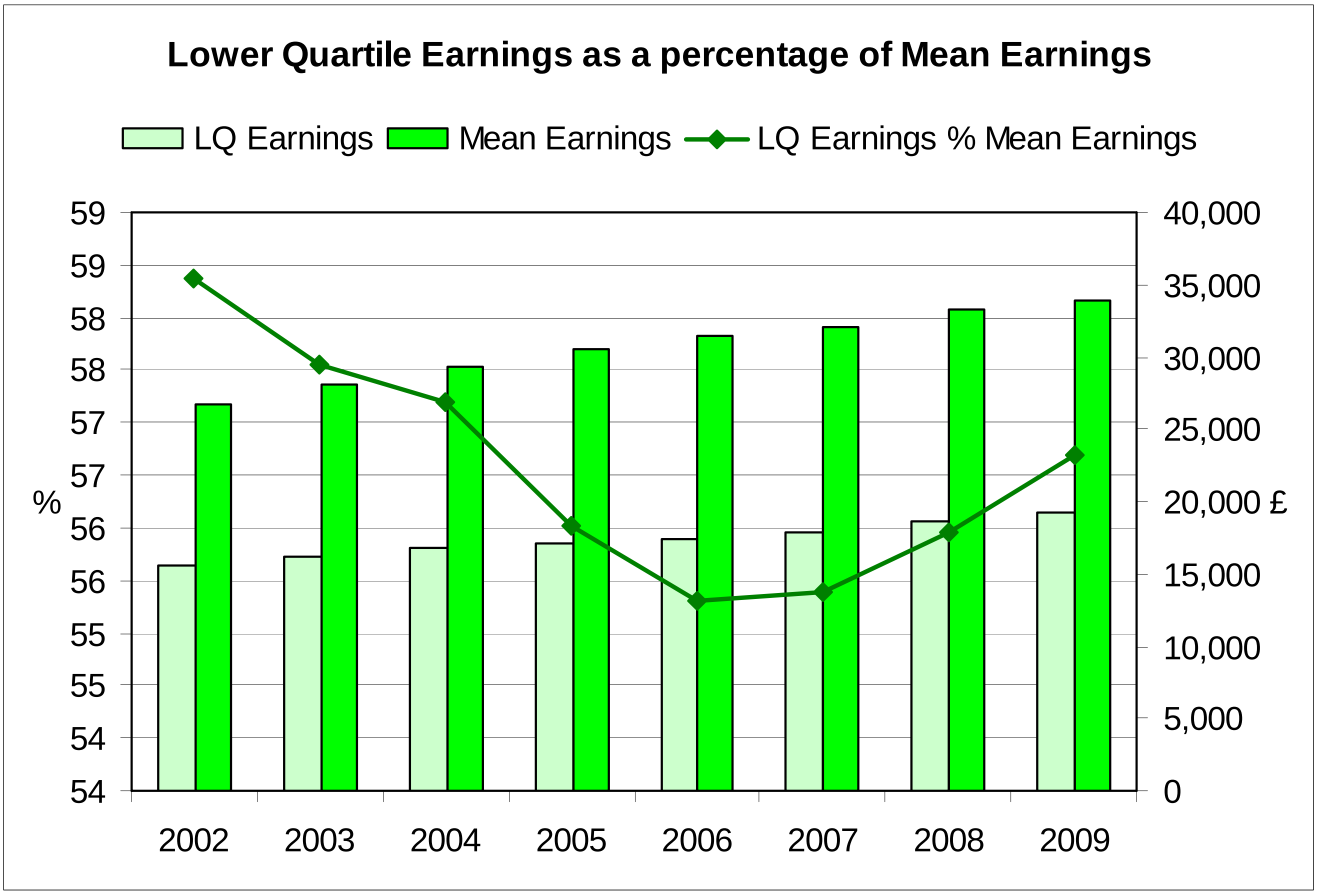
From 2002 to 2006, average earnings grew more strongly than LQ earnings, resulting in rising wage inequality (LQ earnings as a percentage of average earnings fell from 58.4 per cent in 2002 to **55.3 per cent** in 2006). In some years, the increase in LQ earnings was less than the rate of inflation, resulting in a fall in real earnings.

In 2008 and 2009, LQ earnings grew more strongly than average earnings. In 2009, average earnings growth dipped below the rate of inflation as employers restricted pay settlements in response to the recession, for example, due to falling turnover/profits and increased competition for vacant jobs. LQ earnings as a percentage of average earnings rose to **56.7 per cent** in 2009.

Between 2002 and 2009, lower quartile earnings in the East of England grew by 23.4 per cent – lower than average earnings growth (27.0 per cent).

Where are we likely to get to on current trajectories?

While the recession has reduced average wage growth and marginally reduced wage inequality, the long-term trend is set to continue: the balance of jobs shifting from lower to higher-level skills requirements and the increasing premium on higher-level skills. Progression in skills levels among those in the lowest skilled jobs and earning lower quartile earnings will be a key factor in reducing wage inequality in the future.



What are the challenges at sub-regional level?

- There are no sub-regional lower quartile earnings targets and the regional target could be achieved in a number of ways. To highlight the challenges in meeting the regional target, the following provides an overview of recent sub-regional trends.
- Most areas have seen a recent reduction in wage inequality, although wage inequality was greater in 2009 compared to 2002 in most areas (Bedfordshire, Luton, Peterborough, Essex, Thurrock, Hertfordshire and Norfolk).
- Growth in LQ earnings was stronger than average earnings growth between 2002 and 2009 in Cambridgeshire, Southend and Suffolk.
- Inequality has increased most in Hertfordshire, with lower quartile earnings growing by 25.5 per cent between 2002 and 2009 compared to average earnings growth of 35.5 per cent with LQ earnings as a percentage of average earnings falling from 58.0 per cent in 2002 to 53.8 per cent in 2009. Hertfordshire had the highest level of earnings inequality in 2009.
- Thurrock had the lowest level of earnings inequality in 2009, with LQ earnings at 64.7 per cent of average earnings. Luton, Norfolk, Peterborough and Suffolk also had rates at 60 per cent or above.
- Between 2002 and 2009, LQ earnings grew most strongly in Cambridgeshire (30.8 per cent). Luton and Thurrock experienced the weakest LQ earnings growth (13.9 per cent and 14.0 per cent respectively). These two areas also experienced the weakest growth in average earnings.

Lower Quartile Earnings as a percentage of Average Earnings								
	2002	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**
Bedfordshire	58.3	58.2	57.4	57.1	56.3	55.1	56.7	57.2
Luton	66.1	64.1	64.5	62.1	64.8	63.8	62.5	63.7
Cambridgeshire	56.6	57.3	56.6	55.3	55.0	53.5	54.0	57.7
Peterborough	61.5	63.3	60.5	59.0	60.4	63.2	64.0	60.4
Essex	57.1	55.9	55.8	56.6	55.2	55.4	56.1	56.5
Southend	57.4	58.2	57.9	56.3	56.1	59.1	59.6	57.9
Thurrock	67.8	67.0	63.4	68.2	66.4	65.7	64.6	64.7
Hertfordshire	58.0	54.1	54.0	52.6	51.8	54.9	53.1	53.8
Norfolk	64.3	66.6	65.3	63.4	62.0	62.6	62.8	62.9
Suffolk[1]	59.3	61.8	61.6	59.1	56.9	56.5	-	60.4

Source: Annual Survey of Hours and Earnings 2009, Office for National Statistics

[1] Data for average earnings is unavailable for Suffolk in 2008

CO_2 Emissions

What is the target?

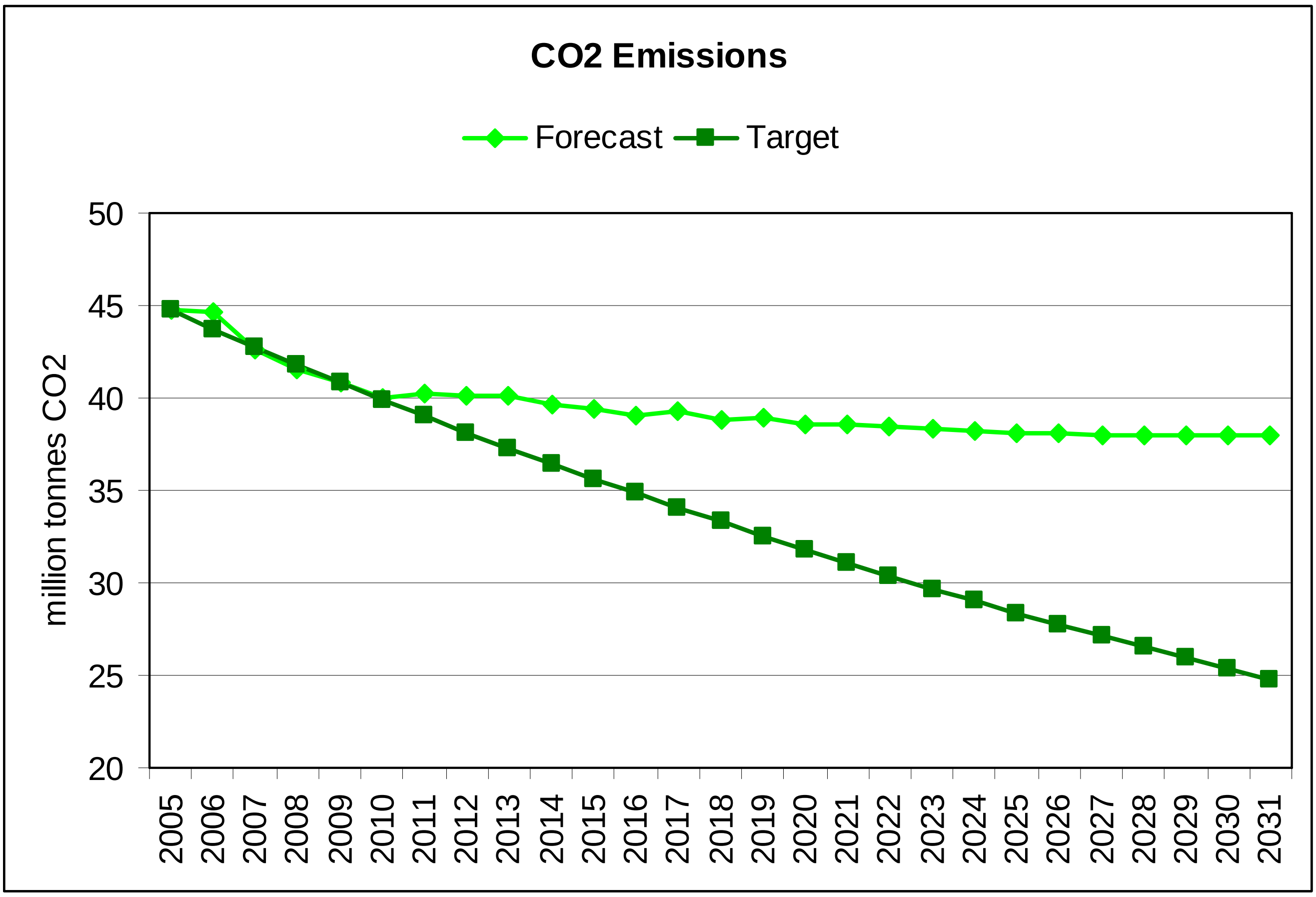
The RES target is to reduce CO_2 emissions to **60 per cent** below 1990 levels by 2031. This is estimated to be equivalent to a **2.25 per cent** annual average reduction in emissions (to 24.8 million tonnes of CO_2) between 2005 and 2031[2].

How does this compare to the region's recent performance?

The latest data from the Department for Energy and Climate Change shows that CO_2 emissions in the East of England fell by 2.6 per cent between 2005 and 2007 – an average annual reduction of **1.31 per cent**.

Where are we likely to get to on current trajectories?

Although existing policies would see the continued de-carbonisation of electricity and most sectors of the economy achieving strong reductions in the energy intensity of their production, this will be insufficient to achieve the CO_2 target. Forecasts[3] suggest that the region is likely to achieve an annual average reduction in CO_2 emissions of **0.61 per cent** (to 24.8 million tonnes of CO_2) between 2005 and 2031. New policies are needed to achieve major carbon savings whilst there is also a need to increase the scope or effectiveness of current policies.



[2] Resource Use and CO_2 Emissions Modelling (Cambridge Econometics, 2008).
[3] Derived using the REEIO model and based on economic & housing growth set out in the East of England Forecasting Model, RES-RSS scenario, Feb 2008 (Cambridge Econometics, 2008)

What are the challenges at sub-regional level?

- There are no long-term sub-regional CO_2 targets and the regional target could be achieved in a number of ways. To highlight the challenges in meeting the regional target, the following provides an overview of recent sub-regional trends.
- All upper-tier local authority areas experienced a reduction in CO_2 emissions between 2005 and 2007.
- The annual average reduction in CO_2 emissions between 2005 and 2007 was lower than regional target levels in all areas, except Thurrock (annual average reduction of 3.71 per cent).
- Bedford, Peterborough and Hertfordshire experienced the lowest average annual reductions (0.50 per cent, 0.76 per cent and 0.80 per cent respectively).
- Thurrock had the highest level of CO_2 emissions per head of the population in 2007 (11.9 tonnes per head) followed by Cambridgeshire (10.5 tonnes per head).
- Luton and Southend had the lowest levels of CO_2 emissions per head – at less than half that of Thurrock (5.3 tonnes per head and 5.8 tonnes per head respectively).

CO_2 Emissions		
	Average annual change 2005-2007	**CO_2 emissions (tonnes per head) 2007**
Bedford	-0.50	6.8
Central Bedfordshire	-1.75	7.4
Luton	-1.65	5.3
Cambridgeshire	-1.38	10.5
Peterborough	-0.76	8.2
Essex	-0.90	7.2
Southend	-1.75	5.8
Thurrock	-3.71	11.9
Hertfordshire	-0.80	7.5
Norfolk	-1.23	7.8
Suffolk	-1.93	7.7

Sources: REEIO Model, Resource Use and CO_2 Emissions Modelling (Cambridge Econometics, 2008), Department for Energy and Climate Change

Household Water Use

What is the target?

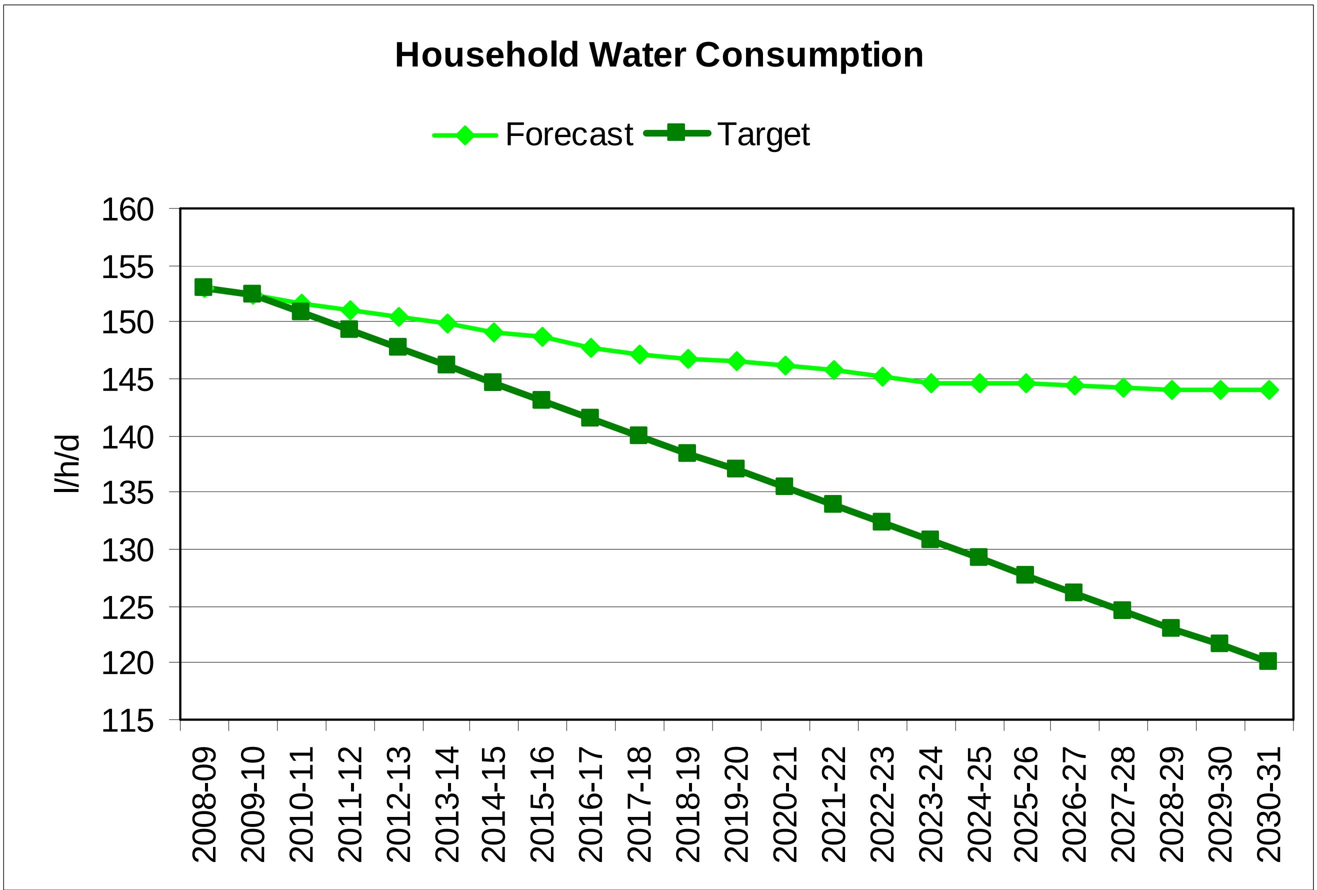
The RES target is to reduce water consumption in **all housing** to **120 litres per head per day** (l/h/d) by 2030/31. The RSS target is to reduce water consumption in **new housing** to **105 l/h/d**[4].

How does this compare to the region's recent performance?

Water consumption in all housing averaged **153.1 l/h/d** in 2008/09. The water efficiency of constructed new builds is not monitored by water companies. Water companies can provide an estimate of water consumption in new homes completed each year but, after being built, water consumption in new build housing is tracked alongside all metered properties: it is almost impossible to disaggregate water consumption of new homes built in previous years from all other types of metered properties.

Where are we likely to get to on current trajectories?

Water companies forecast that water consumption per head will fall over time due to plans for improved water efficiency and enhanced water metering, but will not fall fast enough to meet the RES target. By 2030/31, the water companies forecast that water consumption is will fall to an average of **144.0 l/h/d**[5].



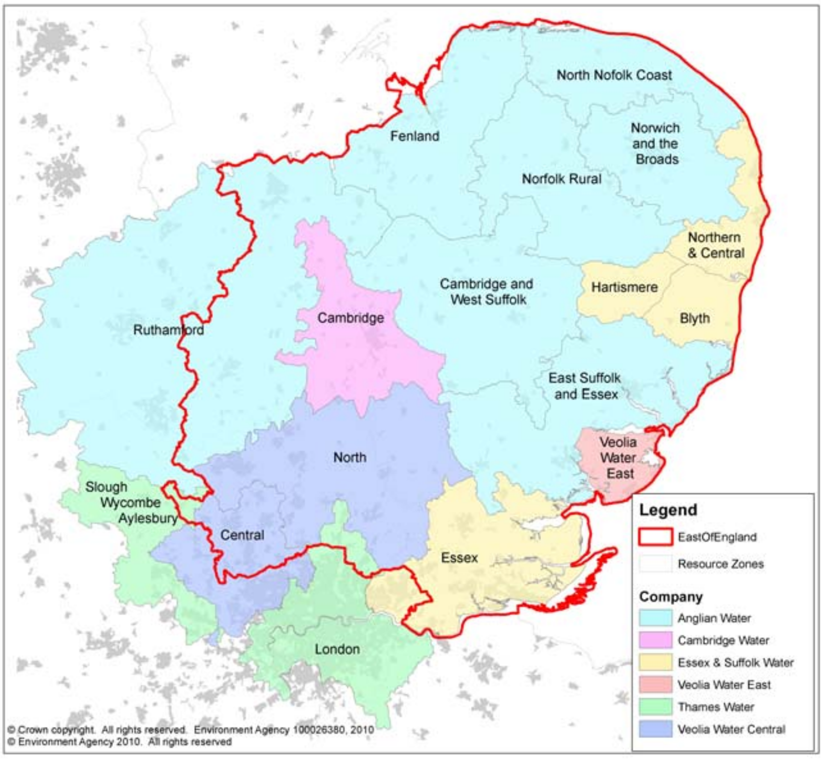
[4] This excludes external use. Taking into account external water use, the target equates to 115 l/h/d.
[5] The data are derived from the latest draft versions of the water companies' water resource management plans published in 2009 and are based on their forecasts for average household water consumption in a normal year.

What are the challenges at sub-regional level?

- While there are no sub-regional water consumption targets, the following compares the projected water use of water company water resource zones to regional target levels to highlight the challenges in meeting the regional target.
- No water company water resource zones are expected to achieve levels of household water consumption that meet the RES target. Veolia Water East has forecast that average household consumption in a normal year will be 123.7 l/h/d by 2030/31 – close to the RES target, but slightly higher than current levels of per capita water consumption (122.9 l/h/d in 2008/09).
- All other water company water resource zones have significantly higher levels of per capita water consumption, with Veolia Water Central having the highest level in 2008/09. Veolia Water Central's supply area is also forecast to have the highest levels of per capita water consumption in 2030/31.
- Thames Water's water resource zones are forecast to experience the biggest fall in per capita water consumption over the target period, although at 134.9 l/h/d this is still much higher than the regional target. Thames Water's zones also only cover a relatively small part of the East of England.
- Anglian Water's supply area covers a significant part of the region and is forecast to experience little change in per capita water consumption over the forecast period: from 147.0 l/h/d in 2008/09 to 145.5 l/h/d in 2030/31.

Per Capita Household Water Consumption by Water Company Zone (l/h/d)		
	Current	**Forecast**
Water Company Zone	**2008/09**	**2030/31**
Anglian Water	147.0	145.5
Cambridge Water	145.0	130.8
Essex & Suffolk Water	154.9	142.9
Veolia Water East	122.9	123.7
Thames Water	154.9	134.9
Veolia Water Central	164.6	149.7

Source: Environment Agency: derived from Water Companies' Water Resource Management Plans, 2009 (weightings have been applied where water company zones span areas outside the region).



Jobs

What is the target?

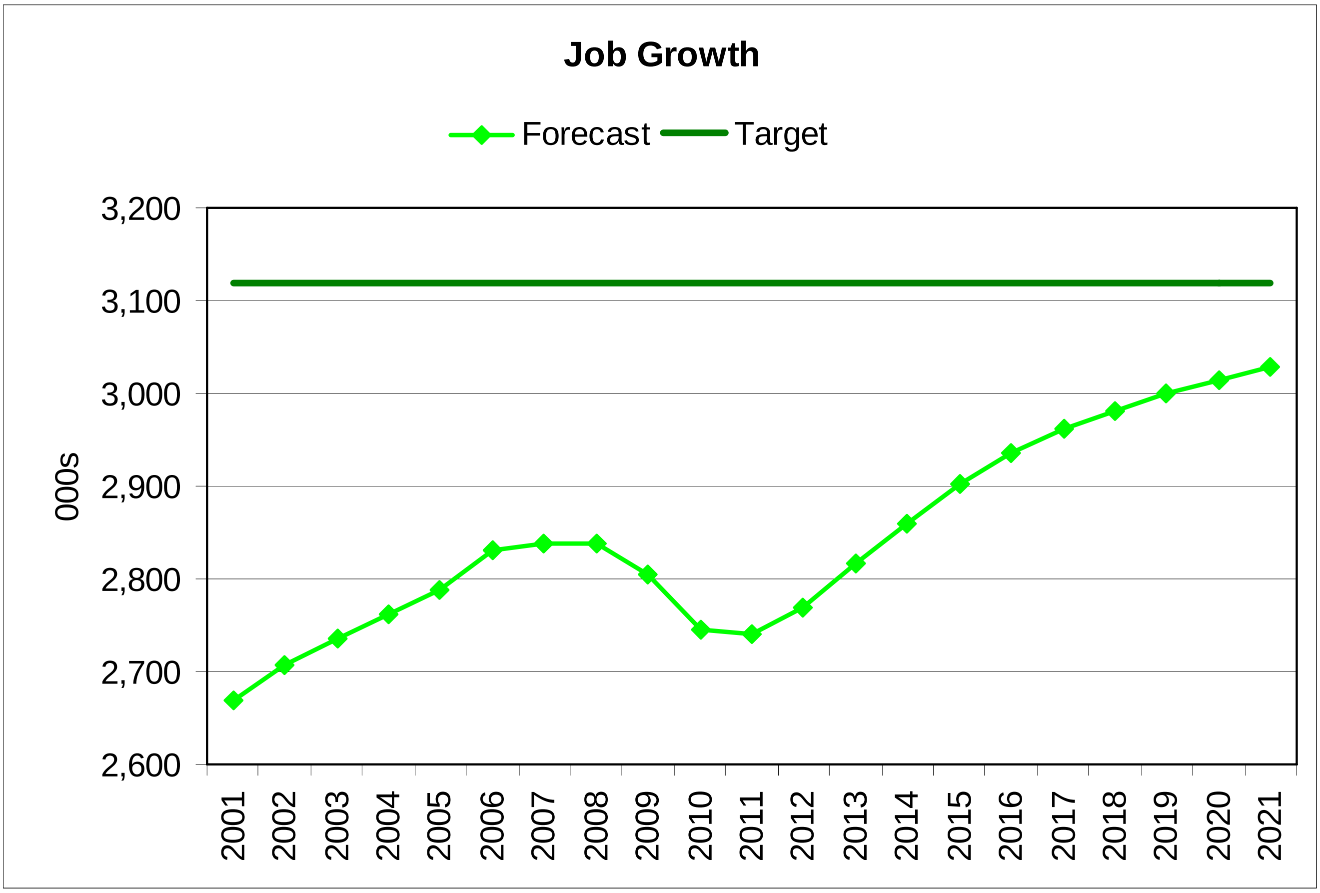
The RSS Policy E1 indicative target is for a net increase of **452,000 jobs** in the East of England between 2001 and 2021.

How does this compare to the region's recent performance?

The East of England experienced a net increase of 171,000 jobs between 2001 and 2008[6]. The recession has resulted in a fall in jobs in the region, with a projected fall of 99,000 between 2008 and 2011. Jobs are not expected to recover to 2008 levels until 2014. Evidence from previous recessions has shown that it can take some time for the labour market to recover once a recession has ended. Many employers have spare capacity during a recession and many retain their workers and reduce overtime or working hours. Therefore, when demand picks up, they can use existing capacity to meet demand rather than recruit new workers. Employers are also reluctant to start hiring new workers until they are confident that the economy has stabilised and begins to grow again.

Where are we likely to get to on current trajectories?

The latest forecast suggests that there will be net jobs growth of **360,500** in the East of England between 2001 and 2021 – **91,500 lower** than the target.



[6] Monitoring jobs change and progress against the jobs target is not straight forward. The East of England Forecasting Model has been developed to provide a consistent forecasting tool for the region. However, other measures can be used to monitor jobs at the regional and sub-regional level. A background paper to the East of England Plan Annual Monitoring Report 2009/10 explores this issue in more detail.

What are the challenges at sub-regional level?

- Indicative targets have been set at sub-regional level in the East of England Plan.
- Forecasts suggest that only Cambridgeshire is set to meet/exceed its target, with Norfolk forecast to come close to meeting its target.
- Hertfordshire is forecast to fall well short of meeting its target: with forecast net job growth of 34,000, this is half the target set out for the county in the East of England Plan.
- In terms of percentage change in the numbers of jobs, Cambridgeshire is set to experience the strongest growth – at 29.3 per cent. Hertfordshire is forecast to experience the weakest growth – at 5.9 per cent – reflecting weak growth during 2001 to 2008.

Net Job Growth			
	Forecast 2001-2021 (000s)	**Forecast 2001-2021 (%)**	**Target 2001-2021 (000s)**
Bedfordshire & Luton	34	12.7	50
Cambridgeshire	86	29.3	75
Peterborough	16	16.3	20
Essex, Southend & Thurrock	100	14.1	131
Hertfordshire	34	5.9	68
Norfolk	53	14.1	55
Suffolk	38	11.0	53

Source: East of England Forecasting Model, Autumn 2009

Housing

What is the target?

The East of England Plan Policy H1 target is for **508,000 net additions to the total housing stock** in the East of England between 2001/02 and 2020/2021. This is equivalent to an annual rate of net dwelling completions of **25,400**.

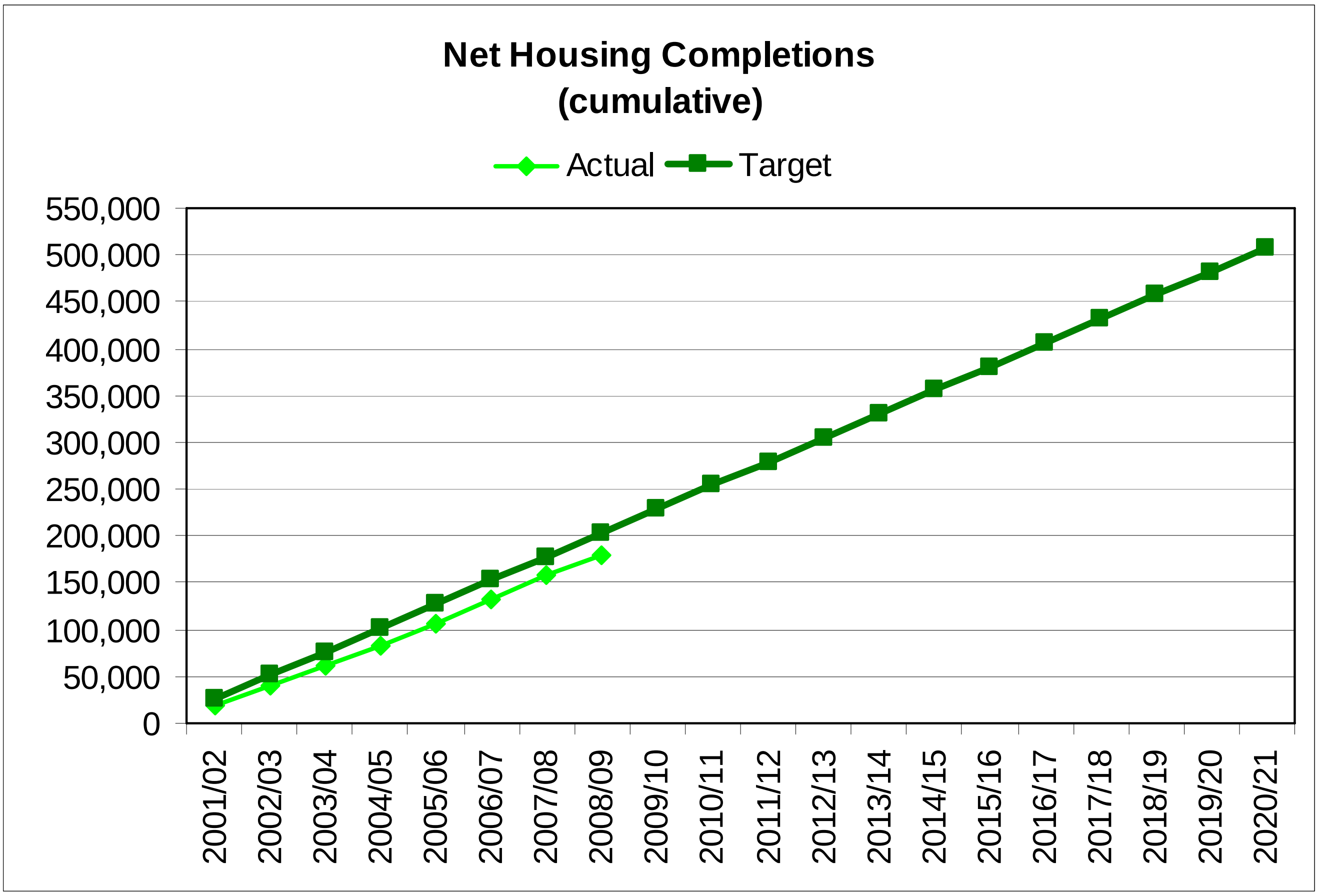
How does this compare to the region's recent performance?

Between 2001/02 and 2008/09, there were 179,500 annual net housing completions in the East of England, averaging **22,400** per year – well below target.

Where are we likely to get to on current trajectories?

Rates of house building throughout 2001/02 and 2008/09 will be insufficient to meet the East of England Plan Policy H1 target. A significant uplift would be required: an average of **27,400** net housing completions each year between 2008/09 and 2020/21.

It is unlikely that an increased rate of house building will occur with no additional interventions over the short-term given the steep decline in construction activity as a result of the recession. Between 2008 Q3 and 2009 Q1, housing starts in the East of England fell to the lowest level on record. They have since picked up but remain well below the long-run average.



What are the challenges at sub-regional level?

- Targets for net dwelling completions have been set at sub-regional level in the East of England Plan[7].
- Average annual rates of house building in most sub-regions were below target throughout 2001/02 to 2008/09.
- The average annual rates of house building in Bedford and Central Bedfordshire were the lowest in relation to target rates, with house building at 65 per cent and 63 per cent of target rates. Both areas would need to almost double the rate of house building throughout 2008/09 to 2020/21 to meet targets for 2020/21.
- Rates of house building in Luton, Southend and Suffolk were above target throughout 2001/02 to 2008/09.

Net Housing Completions				
	Target 2001/02-2020/21		Recent Performance 2001/02-2008/09	Annual Average to meet target 2008/09-2020/21
	Total	Annual Average	Annual Average	
Bedford	17,570	879	569	1,085
Central Bedfordshire	38,030	1,902	1,203	2,367
Luton	3,500	175	382	37
Cambridgeshire	73,300	3,665	3,266	3,931
Peterborough	25,000	1,250	862	1,509
Essex	102,000	5,100	4,525	5,483
Southend	6,500	325	391	281
Thurrock	18,500	925	619	1,129
Hertfordshire	83,200	4,160	3,720	4,454
Norfolk	78,700	3,935	3,722	4,077
Suffolk	61,700	3,085	3,180	3,022

Source: East of England Annual Monitoring Report 2009/10

[7] Trajectories showing local authority expected completions up to 2021 will be published in the East of England Plan Annual Monitoring Report 2009/10 in March 2010.

Affordable Housing

What is the target?

The East of England Plan Policy H2 target is for **35 per cent** of housing coming forward through planning permissions granted after the publication of the East of England Plan (May 2008) to be affordable.

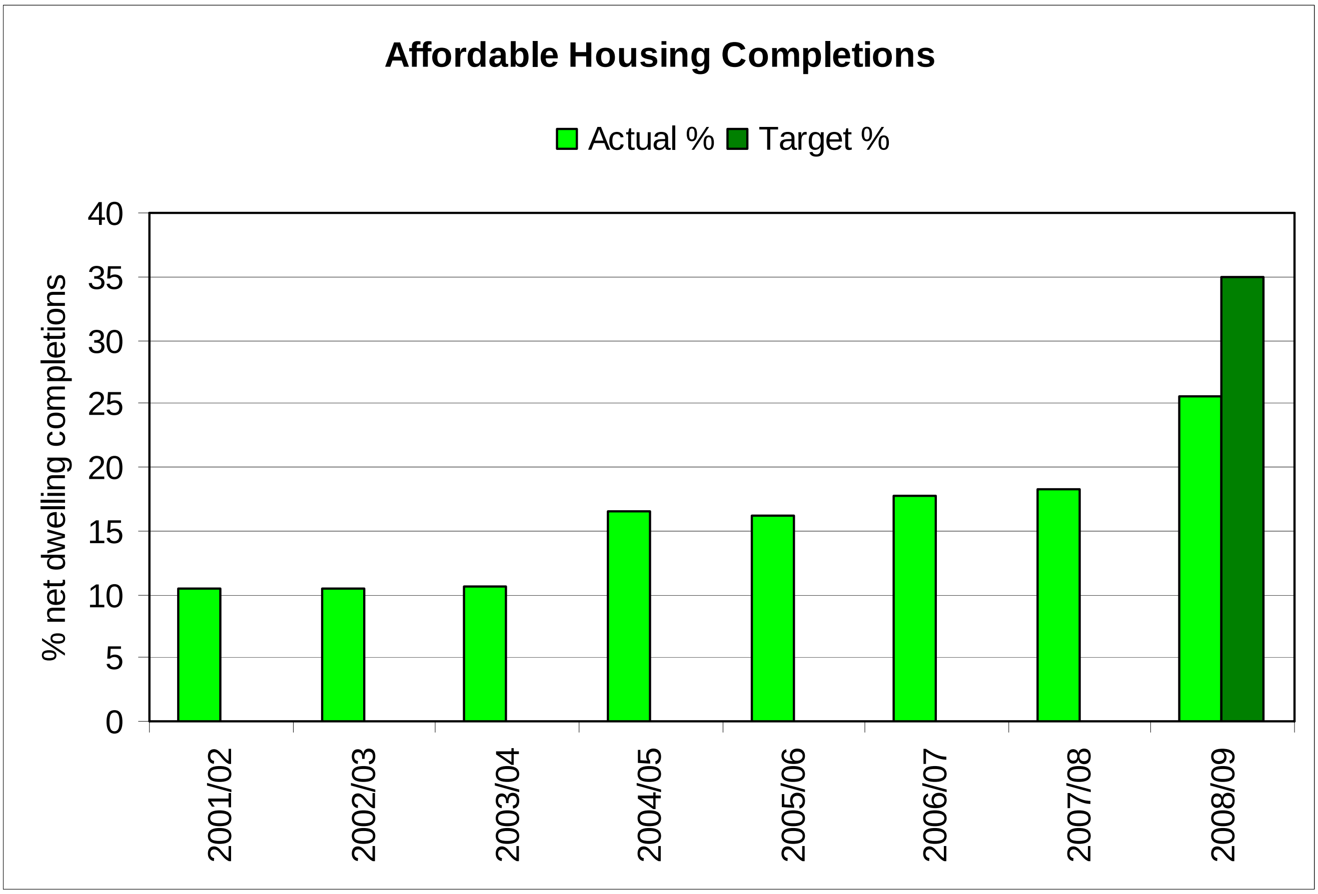
How does this compare to the region's recent performance?

From 2001/02 to 2007/08, affordable housing completions as a percentage of total housing completions increased from 10.4 per cent to 18.3 per cent.

In 2008/09 – the first year of the target – affordable housing completions increased significantly – to 25.6 per cent – due to the impact of recession and reduction in private completions. However, affordable completions were well below target.

Where are we likely to get to on current trajectories?

The gradual progress of Local Development Frameworks (LDFs), which apply local affordable targets, should increase the number of affordable homes delivered but affordable completions would need to rise significantly to meet the target.



What are the challenges at sub-regional level?

- In 2008/09, only one sub-region (Peterborough) met/exceeded the region's affordable housing target.
- In Thurrock, there were no affordable housing completions as a percentage of total completions.
- For most sub-regions, the percentage of affordable homes delivered in 2008/09 represented a significant improvement on the average for the past eight years.

Affordable Housing Completions (as a percentage of total net completions)		
	2008/09	Average 2001/02 – 2008/09
Bedford	29.5	19.1
Central Bedfordshire	14.1	10.3
Luton	16.1	16.6
Peterborough	38.7	17.0
Southend on Sea	31.2	9.3
Thurrock	0.0	5.7
Cambridgeshire	27.6	19.5
Essex	19.6	12.9
Hertfordshire	25.3	22.3
Norfolk	30.2	13.8
Suffolk	28.4	16.2

Source: East of England Plan Annual Monitoring Report 2009/10