Greater Cambridge Employment Update June 2025

The national economy is stalling and it's tough for life sciences

Highlights:

Overview

- The current business environment makes it important to have timely data on employment changes. This is the twelfth of a series of updates that bring up-to-date information about what is happening to corporate employment in the Greater Cambridge area.

- The June 2025 Update covers accounting year ends between May and December 2024 (the median year end is mid-October 2024). This median period captures the worst impacts of recession in the second half of 2023. We compare this period with the same period the previous year, which covers the effects of the unfolding cost of living crisis.

- This update is obtained by sampling the CBR annual corporate database of all businesses based in the wider Cambridge region. It covers a large sample of companies representing about 69% of corporate employment in Greater Cambridge.

Areas

- Our analysis unveils a slowdown in overall employment growth in the Greater Cambridge area during the year to mid-October 2024. Growth in the area slowed down from 5.5% in 2022-23 to 0.0% in 2023-24, suggesting that the worst impacts of the UK recession in the second half of 2023 were felt by Greater Cambridge businesses **(Figure 2.1, p8)**.

- In our previous update (October 2024 Update), we reported some early evidence indicating that even KI sectors in Greater Cambridge have not been immune to the adverse macroeconomic backdrop. Our June 2025 Update confirms this by showing that KI employment in the area fell by 2.4% in 2023-24 (down from an increase of 4.9% in 2022-23). It is the first time since we started our update work that we are reporting a fall in KI employment **(Figure 2.1, p8)**.

- There are signs that the 2023 recession also had some impact on non-KI businesses. Employment growth in non-KI sectors slowed down from 6.3% in 2022-23 to 3.3% in 2023-24 **(Figure 2.1, p8)**.

- The slowdown in employment growth during the most recent year was particularly marked in South Cambridgeshire (-0.6% compared with 5.6% during the previous

year). In Cambridge, employment grew by 0.8% in the year to mid-October 2024, a much more modest growth than the 5.2% growth one year earlier **(Figure 2.1, p8)**.

- The KI sectors suffered a drop in employment in both districts, while the slowdown in non-KI employment growth was more pronounced in South Cambridgeshire **(Figure 2.1, p8)**.

- However, there is variation in these growth rates across both industry sectors and firm sizes.

Sectors

- All sectors but 'High-tech manufacturing' saw employment growth either slow down or remain unchanged in the latest year **(Figure 2.2a, p9 & Figure 2.4, p13)**.

- 'High-tech manufacturing', one of the four sectors making up the Greater Cambridge KI economy, emerges as the fastest-growing sector during 2023-24 (6.2%) **(Figure 2.2a, p9 & Figure 2.4, p13)**.

- The picture for 'Life science and healthcare' and 'Information technology and telecoms', the largest KI sectors in Greater Cambridge, looks less positive. Employment in 'Life science and healthcare' fell by 5.8% during 2023-24 (down from 3.7% in 2022-23). In turn, 'Information technology and telecoms' experienced a 3.7% drop in employment in the latest year **(Figure 2.2a, p9 & Figure 2.4, p13)**.

- The dominant impact of 'Life science and healthcare' and 'Information technology and telecoms' to overall employment growth becomes apparent when examined in terms of the number of people employed **(Figure 2.7, p17)**.

- Seven out of nine non-KI sectors exhibited positive employment growth in the year to mid-October 2024. Amongst these, 'Other business services' was the fastest-growing sector **(Figure 2.2a, p9 & Figure 2.4, p13)**.

- However, except for the 'Primary' and 'Property and finance' sectors, all non-KI sectors had a slowdown in employment in the most recent year **(Figure 2.2a, p9 & Figure 2.4, p13).**

Size groups

- One-person businesses grew by 2.8% in the latest year, a rate that is substantially higher than total employment growth across all size classes. However, their small size means that they have played a minor role in employment growth – only 64 extra employees.

- Whilst 1-9 employee businesses have been the fastest growing companies in 'Knowledge intensive services', 'Life science and healthcare' and 'Information technology and telecoms', 10+ employee businesses exhibited particularly fast growth in 'Other business services', 'High-tech manufacturing' and 'Other services' **(Figure 2.3, p12)**.

- The group of 10+ employee businesses tends to dominate employment growth given its large aggregate size. These businesses are significant contributors to the growth achieved by sectors such as 'Other business services', 'High-tech manufacturing' and 'Other services'. At the same time, these businesses are behind the fall in employment observed in 'Life science and healthcare' and 'Information technology and telecoms' **(Figure 2.3, p12)**.

- Employment growth of 1-9 employee businesses increased from 0.1% in 2022-23 to 1.2% in 2023-24. Both KI and non-KI sectors achieved higher employment growth in the most recent year **(Figure 2.8, p18)**.

- The picture looks different for 10+ employee businesses. Employment in the year to mid-October 2024 fell by 2.7% in KI sectors, against a growth of 5.2% in the year to mid-October 2023. In turn, employment growth in non-KI sectors halved from 8.7% in 2022-23 to 4.1% in 2023-24. As a result, employment growth of 10+ employee businesses was -0.3% last year, down from 6.4% one year earlier **(Figure 2.8, p18)**.

- Overall, these results confirm that it is the group of 10+ employee businesses operating in KI sectors which have been dominating growth in the Greater Cambridge area **(Figure 2.8, p18)**.

Stop press

- We provide a snapshot of the impact of events in the Greater Cambridge corporate economy by considering a small sample of companies with interim results for the six-month periods ending between September 2024 and June 2025. The gain from focusing on interim results for these six-month periods is that the activity reported in the accounts took place in the last few months.

- Within this group of companies (all knowledge intensive), total turnover hardly changed in these recent months of the 2024-25 financial year compared with the same period last year – in fact, the median sales growth across this group was -2%.

- These findings reinforce those from the employment update sample, while demonstrating that the consequences of the flatlining economy in 2023-24 have been felt even by these successful Greater Cambridge businesses. The perusal of their interim reports also appears to show mixed results and that factors other than general business conditions are more important for these businesses.

Analysis of latest ONS employment data

- We further explore our June 2025 Update and Snapshot findings by considering the CBR figures alongside the latest employment data from ONS. The gain from looking at ONS data is that it also covers non-corporates (e.g. public services).

- This comparison confirms the overall picture on recent employment growth performance. Payrolled employee data from ONS shows a very modest 0.6% growth during the Update period and a drop of 0.2% during the Snapshot period. Both Greater Cambridge and the UK as a whole have been showing a downward trend in recent months, suggesting that this may be a national rather than local phenomenon **(Table 4.1, p24, Table 4.2, p25 & Figure 4.1, p25)**.

- Nevertheless, and more encouragingly, the analysis of ONS data reveals that Greater Cambridge has continued to outperform the nation **(Table 4.1, p24, Table 4.2, p25 & Figure 4.1, p25).**

Concluding remarks

- Our previous update (October 2024 Update) pointed to a slowdown in employment growth in the Greater Cambridge area against a challenging macroeconomic backdrop. The analysis provided some early evidence that the UK recession in the third and fourth quarters of 2023 was felt by some businesses, particularly amongst non-KI sectors. The June 2025 Update allows us to cast further light on the worst impacts of recession and explore whether there are already any signs of recovery.

- Overall, the results of our June 2025 Update show that employment growth in Greater Cambridge has stalled over recent months, largely reflecting a national trend. It will be interesting to see how quickly the local economy will return to growth. We will address this question in our next update, which will cover the year to mid-February 2025.

1. Tracking Greater Cambridge corporate employment – the June 2025 Update

The Centre for Business Research (CBR) at Cambridge University has developed three methods for tracking the employment and turnover of companies based in the wider Cambridge region (for further details see Appendix A4).

The first is the **annual draw** of all companies within the region.[1] It is comprehensive and also examines company births and deaths along with company location changes. This gold standard work does suffer from being less timely. The results of the 2023-24 annual draw were published at the end of February 2025 and examined employment in the accounting years ending from 6th April 2023 to 5th April 2024. Since December and, to a lesser extent, March dominate companies' choice of year ends, the modal year end for the annual draw is early December 2023. For comparison, the ONS Business Register and Employment Survey (BRES) provisional annual employment data published in November 2024 has September 2023 as its latest information (and we will have to wait another year before these are confirmed as final).

The second method involves an **update** of companies in the Greater Cambridge area achieved by sampling the annual corporate database in June and December. On each occasion a large sample is drawn (over 40% of the company population on average) of companies that have reported in recent months. This brings more timely information about what is happening to employment, but does not take account of births and deaths or location changes. For example, this June 2025 Update includes companies with a financial year end between May and December 2024 and has a modal year end of mid-October 2024. This median period captures the worst impacts of recession in the latter part of 2023.

We use the update sample to provide estimates of employment for those companies with a year end between May and December 2024 that have not yet reported. We then use this larger sample to compare the performance of this sample of companies in 2023-24 with their performance in 2022-23. The final analysis sample for the June 2025 Update is 5,718 companies representing about 69% of corporate employment in the Greater Cambridge area. A sample of this size, with good coverage of all sectors and company sizes, should give a very accurate picture of what is happening to continuing businesses in the region.

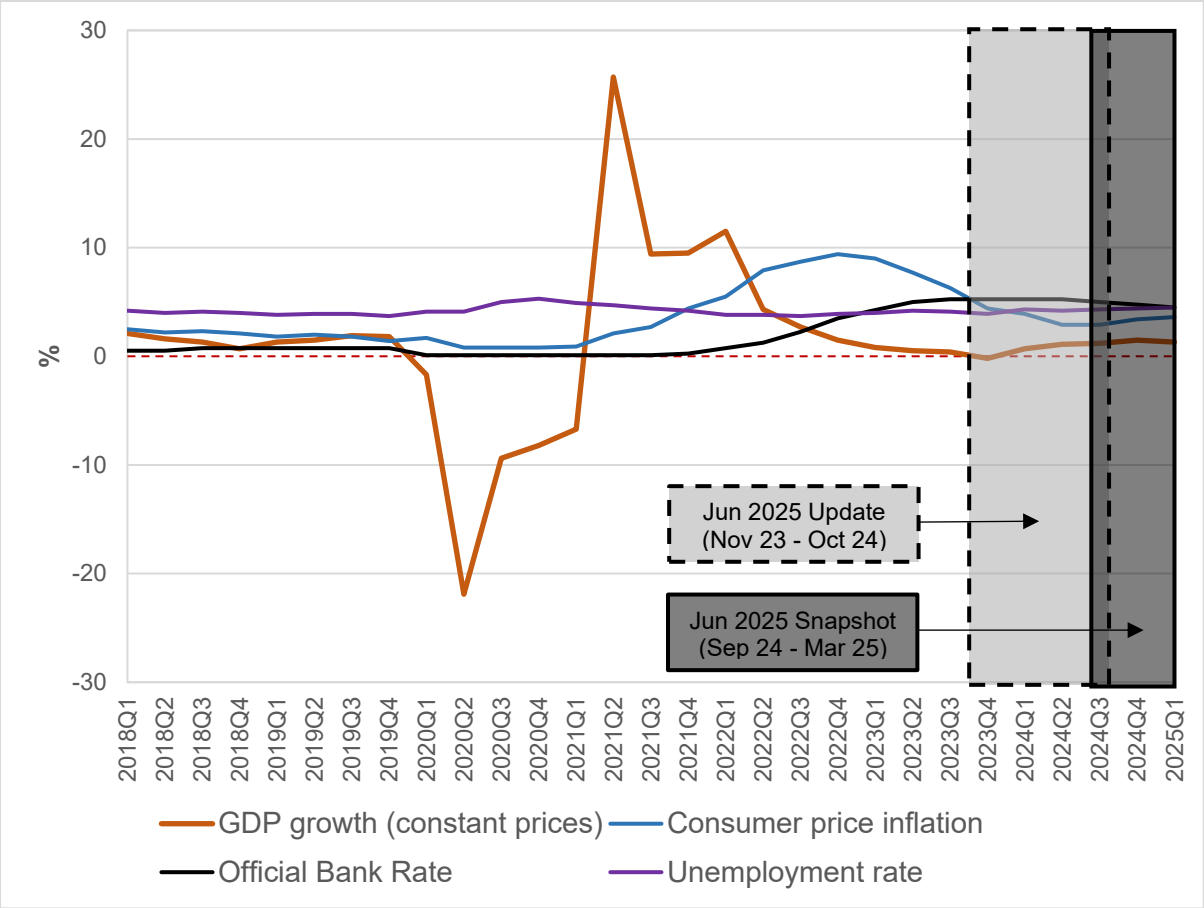
The third method is a **snapshot** of very recent growth that draws on a small sample and should be regarded as merely indicative. It considers only the largest businesses (top 100 by employment or turnover) and examines those that have filed interim reports for six-month periods ending between September 2024 and June 2025. The six companies in the snapshot sample do not provide employment figures in their interim reports, but together they represent a combined current annual turnover of about £256m. The gain from focusing on interim results is that the activity reported in the accounts took place in the last few months. We compare turnover in this period with the same six-month period last year.

Figure 1.1 shows where the June 2025 update and snapshot sit in relation to the national economy. The chart graphically displays how turbulent the last three years have been in comparison with the previous decade. The UK slipped into a technical recession (i.e. two consecutive quarters of negative GDP growth) in the final six months of 2023, followed by a flatlining economy in recent months. The shaded area reflects the June 2025 Update period,

[1] The underlying core corporate database has been established and maintained with the ongoing support of Cambridge Ahead, and is currently sponsored by Arm, Cambridgeshire and Peterborough Combined Authority, Greater Cambridge Partnership, Marshall of Cambridge and Mills & Reeve.

which was characterised by falling (2023Q4) or very limited (other quarters) GDP growth, decreasing but still high inflation, and stubbornly high interest rates.

Figure 1.1 UK macroeconomic indicators and the June 2025 Update period



Note: GDP growth is the percentage change of GDP in constant prices on the same quarter a year earlier. Consumer price inflation is the annual change in the Consumer Price Index. Unemployment rate is the share of people aged 16 and over who are unemployed.
Source: ONS.

The remainder of this report is structured as follows. Section 2 presents the results of the June 2025 employment update, drawing on a set of charts that we developed specifically for this study. The section examines growth of Greater Cambridge-based companies by area, industry sector and firm size. Section 3 shows the findings of the snapshot sample, while Section 4 puts our results into context by examining the latest employment data from ONS. Section 5 offers some concluding remarks. Appendices A1-A3 provide a summary of employment growth rates by sector for Greater Cambridge as a whole, as well as for Cambridge and South Cambridgeshire separately. Appendix A4 explains the methodology underpinning the Greater Cambridge Employment Update.

2. June 2025 employment update results

In this section, we present the results of the June 2025 employment update, the twelfth of a series of updates aimed at providing a timely picture of the performance of the Greater Cambridge corporate economy. This update covers the worst impacts of recession in the latter part of 2023. We compare this year against the previous year, which captures the effects of the unfolding cost of living crisis.

2.1. Analysis by area

Our previous update (October 2024 Update) pointed to a slowdown in employment growth in the Greater Cambridge area against a challenging macroeconomic backdrop. The analysis provided some early evidence that the UK recession in the third and fourth quarters of 2023 was felt by some businesses, particularly amongst non-KI sectors. The June 2025 Update allows us to cast further light on the worst impacts of recession and explore whether there are already any signs of recovery.

Figure 2.1 depicts employment growth in KI and non-KI sectors during 2022-23 (horizontal axis) and 2023-24 (vertical axis) by area. This chart allows us to compare the performance of each area over time. It is drawn from a large sample of 5,718 companies with accounts for the years ending between May and December 2024. The position of the area marker relative to the 45˚ line indicates whether a given area grew more or less fast than last year. Areas with positive growth in 2023-24 are found above the horizontal axis and those with positive growth in 2022-23 appear to the right of the vertical axis. It shows growth for KI, non-KI and all sectors for Cambridge, South Cambridgeshire and for Greater Cambridge overall. A summary of employment growth rates by sector for each area is reported in Appendices A1-A3.

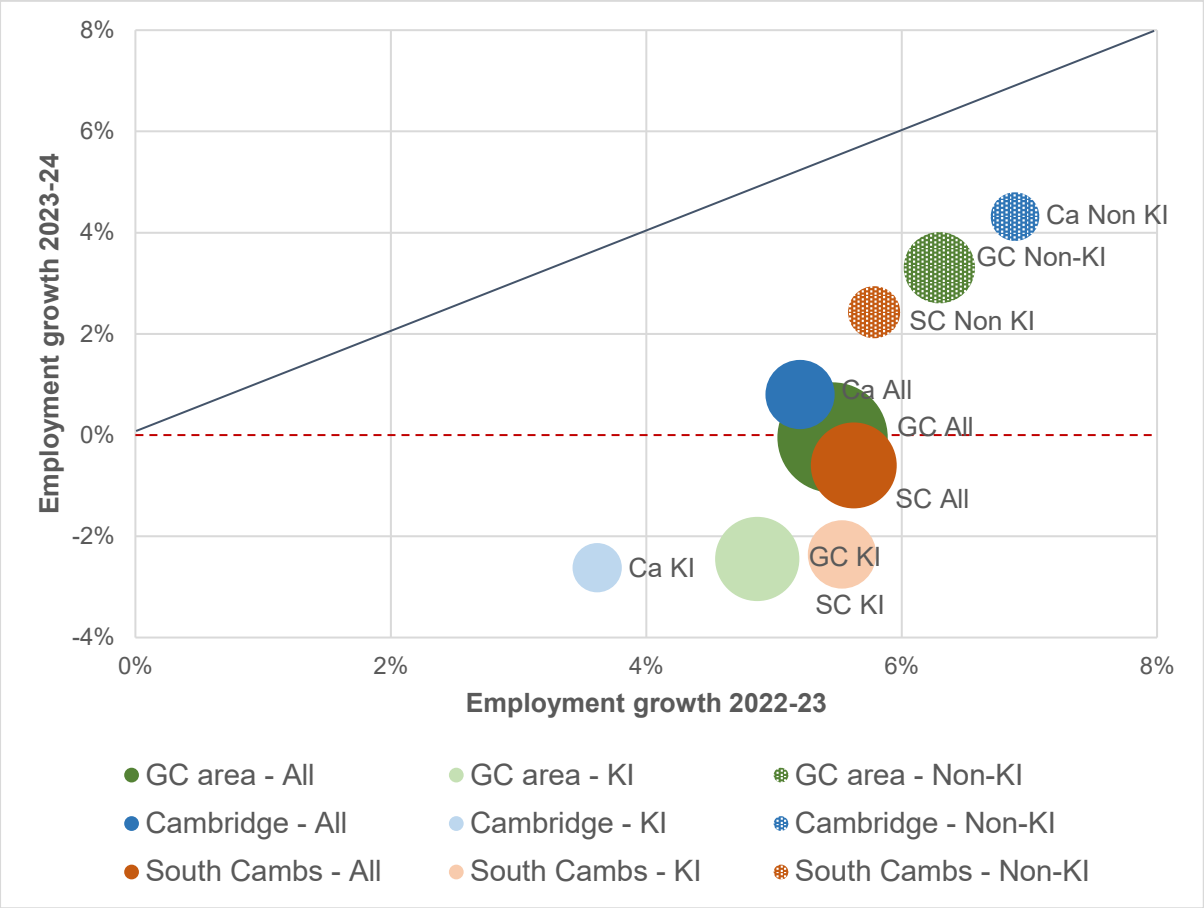
Figure 2.1 unveils a slowdown in overall employment growth in the Greater Cambridge area during the year to mid-October 2024. Growth in the area slowed down from 5.5% in 2022-23 to 0.0% in 2023-24, suggesting that the worst impacts of the UK recession in the second half of 2023 were felt by Greater Cambridge businesses. However, there are some important differences across both sectors and areas.

In our previous update (October 2024 Update), we reported some early evidence indicating that even KI sectors in Greater Cambridge have not been immune to the adverse macroeconomic backdrop. Our June 2025 Update casts further light on this by showing that KI employment in the area fell by 2.4% in 2023-24 (down from an increase of 4.9% in 2022-23). It is the first time since we started our update work that we are reporting a fall in KI employment.

The findings for non-KI sectors are somewhat more encouraging. In each of the charts, the size of the bubble is proportional to total employment in that area or sector. The bubble that identifies non-KI sectors in Greater Cambridge is to the right of the bubble for KI sectors – showing that overall non-KI sectors grew faster than KI sectors. Nevertheless, there are signs that the 2023 recession also had some impact on non-KI businesses. Employment growth in non-KI sectors slowed down from 6.3% in 2022-23 to 3.3% in 2023-24.

Turning to the individual districts, the slowdown in employment growth during the most recent year was particularly marked in South Cambridgeshire (-0.6% compared with 5.6% during the previous year). In Cambridge, employment grew by 0.8% in the year to mid-October 2024, a much more modest growth than the 5.2% growth one year earlier.

Figure 2.1 Employment growth by area – 2023-24 vs 2022-23



Note: The size of each bubble is proportionate to the number of employees in 2022-23 on a continuous scale.
Source: Cosh & Caselli, CBR.

The KI sectors suffered a drop in employment in both districts. KI employment in Cambridge declined by 2.6% in 2023-24, after increasing by 3.6% in 2022-23. South Cambridgeshire had a similar decline (-2.4% against a growth of 5.5% in 2022-23).

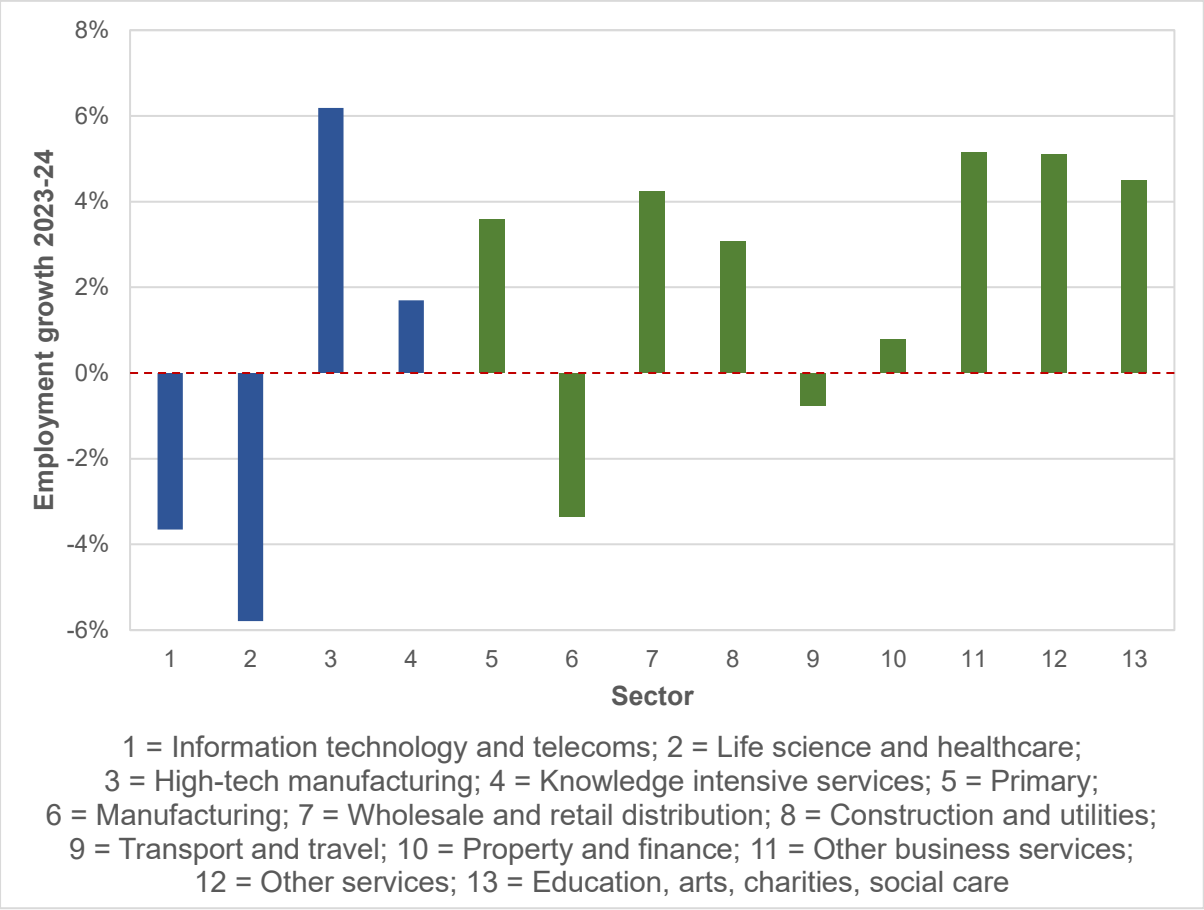
Non-KI sectors in Cambridge showed a 4.3% employment growth in the year to mid-October 2024 (down from 6.9% in the year to mid-October 2023). The slowdown in non-KI employment growth was more pronounced in South Cambridgeshire (2.4% in 2023-24 compared with 5.8% in 2022-23).

2.2. Analysis by sector

Employment growth in Greater Cambridge

Figure 2.2a looks more closely at differences in performance across industry sectors by distinguishing between 4 KI sectors and 9 non-KI sectors. It compares these 13 sectors by examining their employment growth during 2023-24 (on average the year to mid-October 2024), the latest year covered by this work.

Figure 2.2a Employment growth 2023-24 by sector in the Greater Cambridge area



Note: Blue bars identify KI sectors, whereas green bars are for non-KI sectors.
Source: Cosh & Caselli, CBR.

The results paint a multifaceted picture for KI sectors.

'High-tech manufacturing', one of the four sectors making up the Greater Cambridge KI economy, emerges as the fastest-growing sector during 2023-24 (6.2%). This result is particularly encouraging if one considers that our June 2025 Update sample covers more than three quarters of corporate employment in the 'High-tech manufacturing' sector in Greater Cambridge (see the fourth data column in Appendices A1-A3). Growth in the sector benefited from a continued increase in employee numbers by CRFS (22.0%), Carl Zeiss Microscopy (14.0%) and Sepura (7.0%).

'Knowledge intensive services' saw a more modest employment growth of 1.7% in the year to mid-October 2024. Whilst some large 'Knowledge intensive services' employers such as RAND Europe achieved robust growth in the most recent period (12.2%), others such as DisplayLink reported a decrease in employment (-7.6%).

The picture for 'Life science and healthcare' and 'Information technology and telecoms', the largest KI sectors in Greater Cambridge, looks less positive.

Employment in 'Life science and healthcare' fell by 5.8% during 2023-24. Two of the largest Life Science employers in the area, AstraZeneca and CMR Surgical, suffered a fall in staff numbers (-8.0% and -22.9%, respectively). Several smaller and medium-sized Life Science businesses based locally such as Congenica (-51.7%), Mission Therapeutics (-41.2%) and Mogrify (-38.3%) also had a reduction in employment.

The other KI sector, ‘Information technology and telecoms’, experienced a 3.7% drop in employment in the latest year. Examples of ICT businesses with lower employee numbers in 2023-24 are Aferian (-57.8%), Sitec Infrastructure Services (-15.9%) and Huawei Technologies Research & Development (-6.3%).

Seven out of nine non-KI sectors exhibited positive employment growth in the year to mid-October 2024. Amongst these, ‘Other business services’ was the fastest-growing sector. Employment in the sector grew by 5.2%, benefiting from an increase in staff numbers at several innovation and management consultancies (e.g. Cambridge Enterprise), employment agencies (e.g. The Care Staff Consulting) and cleaning services companies (e.g. Trinity Harper Cleaning).

The ‘Other services’ sector, which includes healthcare consultants, hospitality businesses and other in-person services companies, also had robust employment growth in 2023-24 (5.1%). Other non-KI sectors such as ‘Construction and utilities’ (3.1%) and ‘Property and finance’ (0.8%) showed positive but less fast growth.

Employment in the year to mid-October 2024 dropped in the low- and med-low-tech ‘Manufacturing’ sector (-3.3%) and in the ‘Transport and travel’ sector (-0.8%). However, the drop in employment in these sectors was small in terms of absolute change in staff numbers (-94 and -11 employees, respectively).

Figure 2.2b shows the consequences of employment growth differences by looking at the actual change in the number of people employed. Therefore, it takes into account the absolute size of each sector in Greater Cambridge.

As we can see in Figure 2.2b, the overall performance of the Greater Cambridge corporate economy is dominated by the ‘Life science and healthcare’ and ‘Information technology and telecoms’ sectors. Whilst the ‘High-tech manufacturing’ sector added over 400 employees in 2023-24, this increase was much lower than the employment loss in the ‘Life science and healthcare’ and ‘Information technology and telecoms’ sectors combined (1,500 employees). ‘Education, arts, charities, social care’ and ‘Other services’ added the largest number of employees amongst non-KI sectors (325 and 304, respectively).

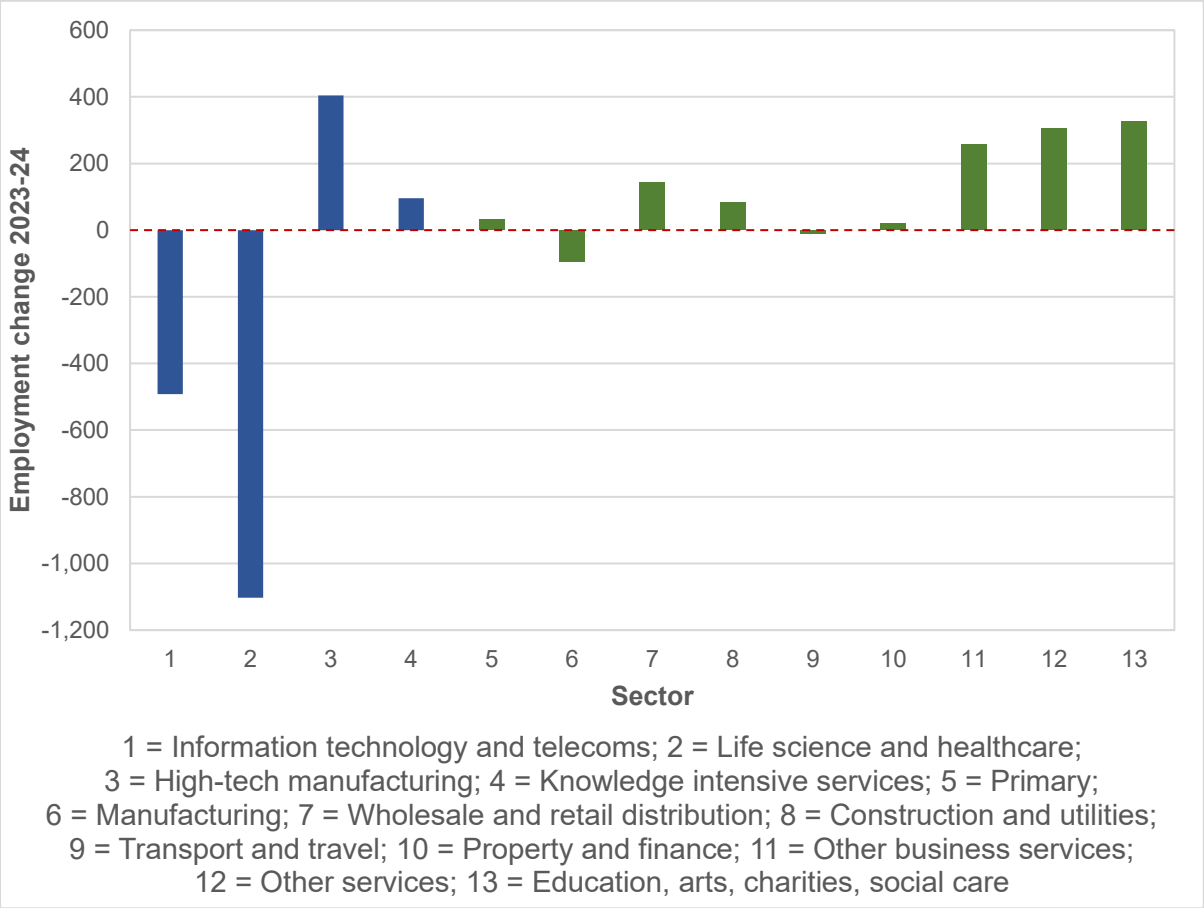
Figure 2.3 expands on the results from Figures 2.2a and 2.2b presented above by providing a breakdown of employment growth to 2024 by both industry sector and firm size. Companies were assigned to two size classes: 1-9 employees and 10+ employees. Further analysis by firm size with individual sectors grouped into KI and non-KI sectors is presented in Section 2.3 below.

The results from Figures 2.2a and 2.2b pointed to robust employment growth across most non-KI sectors, whereas there was a mixed picture for KI sectors. Figure 2.3 augments these results by suggesting that there is variation in employment growth rates across both industry sectors and firm sizes.

Looking at percentage growth rates for small businesses can be problematic. Most small businesses do not grow and the median growth is uninformative at 0%. However, a few small businesses can grow very fast in percentage terms (e.g. from 2 to 8 employees). It is these rare businesses that create the overall growth of smaller businesses.

Businesses with 1-9 employees have been the fastest growing companies in four out of thirteen sectors, including ‘Knowledge intensive services’, ‘Life science and healthcare’ and ‘Information technology and telecoms’. However, the relatively small size of their bubbles shows that their impact on total employment growth was somewhat limited.

Figure 2.2b Employment change 2023-24 by sector in the Greater Cambridge area



Note: Blue bars identify KI sectors, whereas green bars are for non-KI sectors.
Source: Cosh & Caselli, CBR.

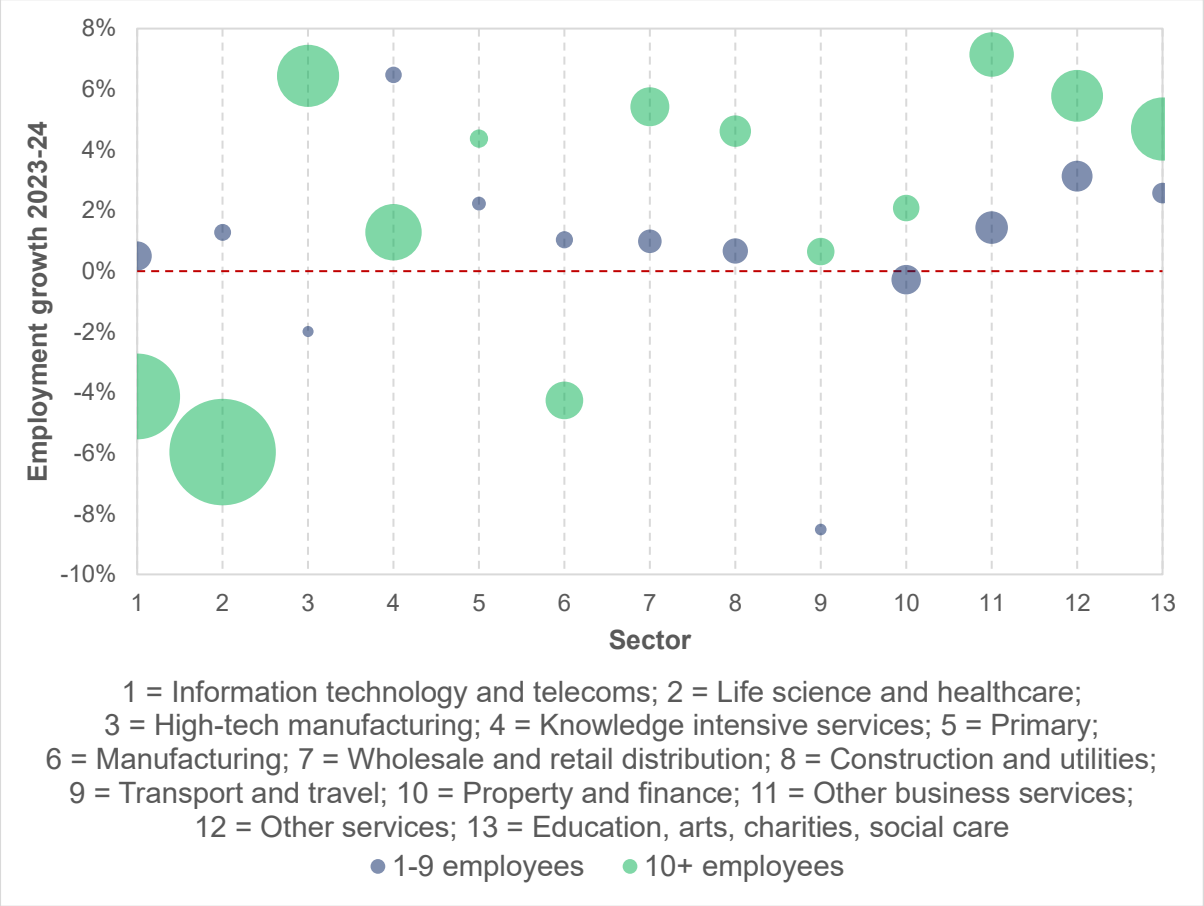
Examples of fast growth in the 1-9 employee businesses are Anitbodies.com, a supplier of biological reagents to life science researchers, and Pivotal Future, a data infrastructure analytics start-up using tech and machine learning to monitor biodiversity.

In turn, 10+ employee businesses exhibited particularly fast growth in 'Other business services', 'High-tech manufacturing' and 'Other services'.

The group of 10+ employee businesses tends to dominate employment growth given its large aggregate size. These businesses are significant contributors to the growth achieved by sectors such as 'Other business services' (e.g. The Care Staff Consulting), 'High-tech manufacturing' (e.g. Sepura) and 'Other services' (e.g. Cambridge United Football Club). At the same time, these businesses are behind the fall in employment observed in 'Life science and healthcare' (e.g. AstraZeneca) and 'Information technology and telecoms' (e.g. Huawei Technologies Research & Development).

Figure 2.4 compares the 13 industry sectors according to their employment growth during 2022-23 (horizontal axis) and their employment growth during 2023-24 (vertical axis). This chart allows us to compare the performance of sectors over time. The position of the sector marker relative to the 45˚ line shows whether the sector grew more or less fast than last year. Sectors with positive growth in 2023-24 are found above the horizontal axis and those with positive growth in 2022-23 appear to the right of the vertical axis.

Figure 2.3 Employment growth 2023-24 by sector and firm size in the Greater Cambridge area



Note: The size of each bubble is proportionate to the number of employees in 2022-23 on a continuous scale.
Source: Cosh & Caselli, CBR.

All sectors but 'High-tech manufacturing' saw employment growth either slow down or remain unchanged in the latest year.

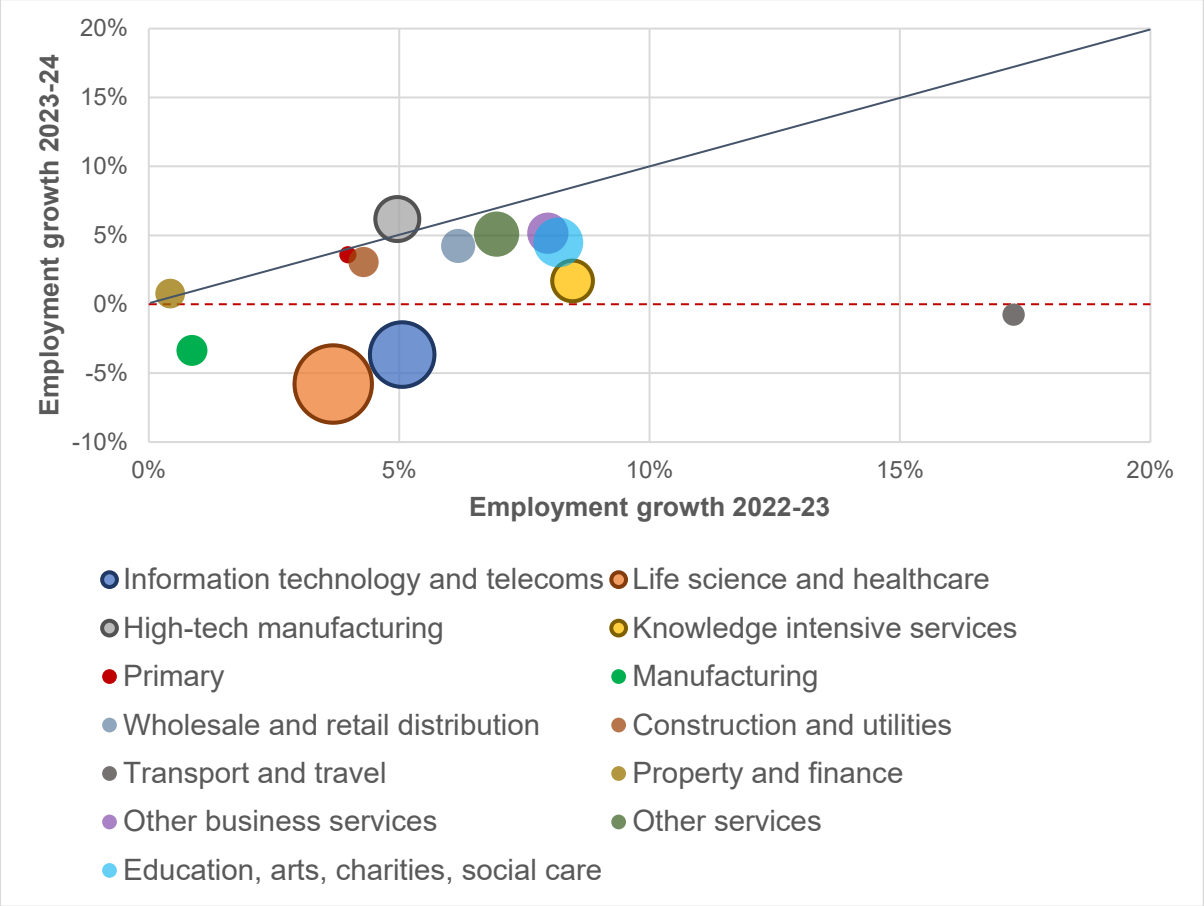
Employment in 'High-tech manufacturing' grew by 6.2% in 2023-24, up from 5.0% in 2022-23. This result was driven by fast growth at some of the largest high-tech manufacturers in the area, including Carl Zeiss Microscopy (14.0% in 2023-24) and Sepura (7.0%).

By contrast, employment growth in 'Life science and healthcare' declined from 3.7% in 2022-23 to -5.8% in 2023-24. Major Life Science employers in Greater Cambridge such as AstraZeneca (-8.0%) and CMR Surgical (-22.9%) showed a marked reduction in employee numbers.

Employment growth in 'Information technology and telecoms', the second-largest sector in the area after 'Life science and healthcare', was -3.7% (down from 5.1% in the previous year). Microsoft Research (-8.6%), Quartix (-7.5%) and Huawei Technologies Research & Development (-6.3%) are some of the companies with lower staff numbers last year compared with the previous year.

Except for the 'Primary' and 'Property and finance' sectors, which saw steady growth in 2022-23 and 2023-24, all non-KI sectors had a slowdown in employment in the most recent year.

Figure 2.4 Employment growth by sector in the Greater Cambridge area – 2023-24 vs 2022-23



Note: The size of each bubble is proportionate to the number of employees in 2022-23 on a continuous scale. Bubbles with an outline identify KI sectors.
Source: Cosh & Caselli, CBR.

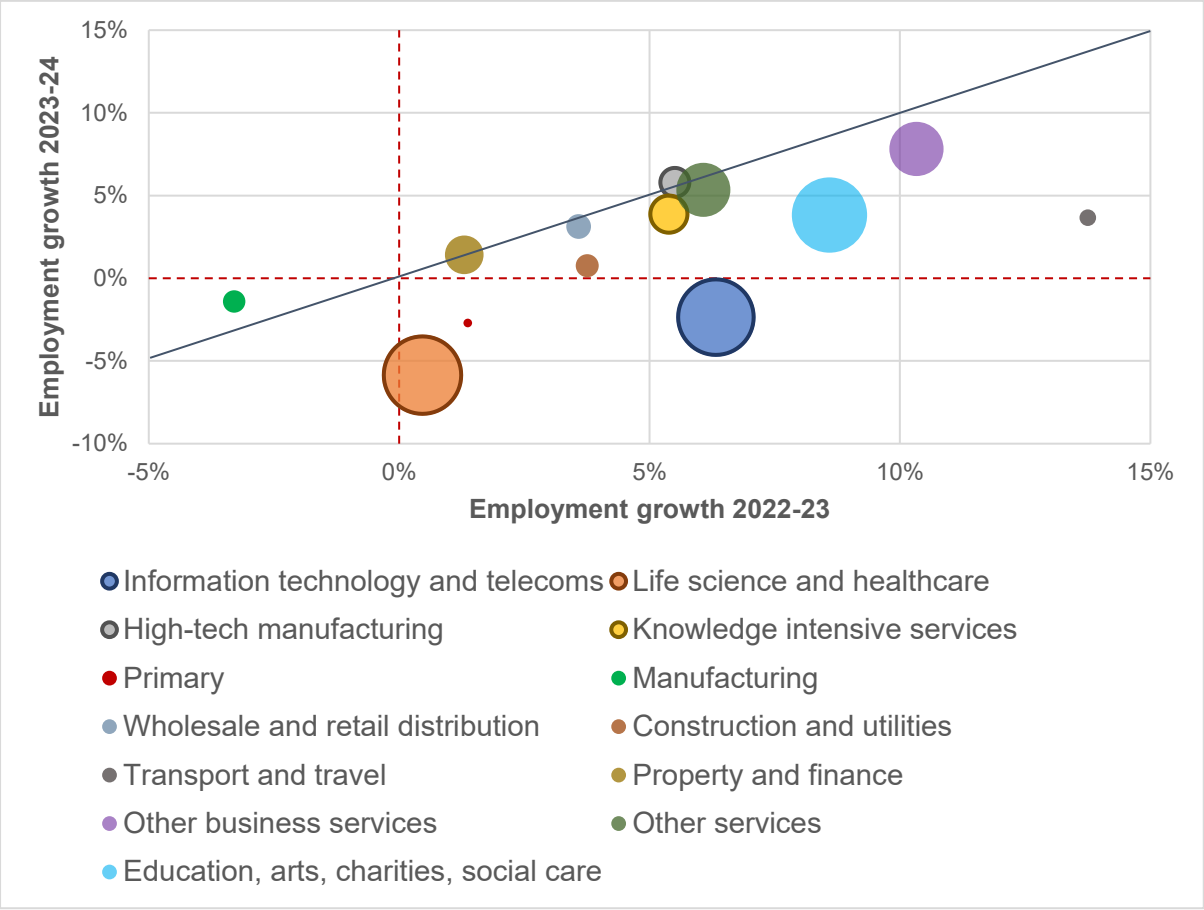
A case in point is the low- and med-low-tech 'Manufacturing' sector, where employment fell by 3.3% in 2023-24 compared with an increase of 0.9% in 2022-23. Nine out of ten manufacturing companies showed either no growth or a reduction in employment in the year to mid-October 2024. The 'Transport and travel' sector also experienced a slight drop in employment (-0.8%) after some strong growth in the previous year (-17.3%).

Employment growth last year was positive but lower than one year earlier in 'Other business services' (5.2% and 8.0%, respectively), 'Other services' (5.1% and 6.9%), 'Education, arts, charities, social care' (4.5% and 8.2%), 'Wholesale and retail distribution' (4.2% and 6.2%) and 'Construction and utilities' (3.1% and 4.3%). Nevertheless, the continued growth in employment within these sectors is remarkable if one considers that it happened at a time of recession and global geopolitical instability.

Employment growth in Cambridge

Figure 2.5 compares sectors based on their employment growth during 2022-23 (horizontal axis) and their employment growth during 2023-24 (vertical axis), this time focusing on Cambridge.

Figure 2.5 Employment growth by sector in Cambridge – 2023-24 vs 2022-23



Note: The size of each bubble is proportionate to the number of employees in 2022-23 on a continuous scale. Bubbles with an outline identify KI sectors.
Source: Cosh & Caselli, CBR.

None of the sectors in Cambridge saw its growth accelerate in the year to mid-October 2024.

'High-tech manufacturing' is the only KI sector in the district with a growth rate of employment in 2023-24 close to the 2022-23 levels (5.8% and 5.5%, respectively). Employment growth in the most recent year was positive, albeit less fast than in the previous year, also in 'Knowledge intensive services' (3.9% and 5.4%).

Conversely, last year's employment growth in 'Life science and healthcare' was -5.9%, down from 0.5% one year earlier. The 8.0% fall in employment at AstraZeneca, the largest Life Science employer in Cambridge, during 2023-24 had a dominant impact on overall growth in the sector.

Similarly, employment in the 'Information technology and telecoms' sector fell by 2.4% in 2023-24, after achieving a robust 6.3% growth in 2022-23. Several major ICT employers in the district, including Microsoft Research (-8.6%) and Quartix (-7.5%), experienced a reduction in staff numbers in the most recent year.

Turning to non-KI sectors, employment continued to grow at pace in 'Other business services' (7.8% in 2023-24 and 10.3% in 2022-23), 'Education, arts, charities, social care' (3.8% and 8.6%) and 'Transport and travel' (3.7% and 13.8%). However, last year's growth in these three sectors was markedly lower than the previous year – some of the businesses in these sectors appear to have been adversely impacted by the UK recession.

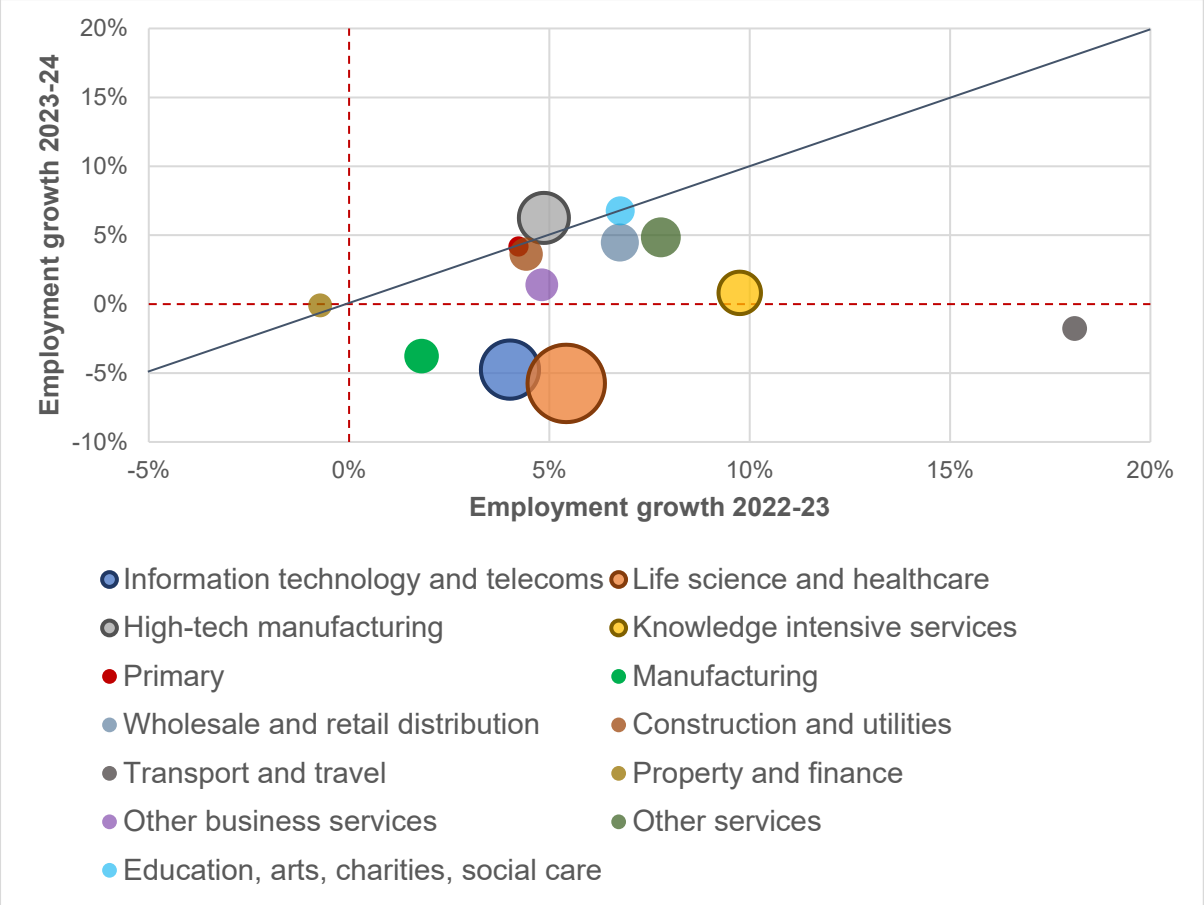
Employment in a few other non-KI sectors during the year to mid-October 2024 grew at virtually the same rate as one year earlier. These sectors include 'Other services' (5.3% and 6.1%, respectively), 'Wholesale and retail distribution (3.1% and 3.6%) and 'Property and finance' (1.4% and 1.3%).

The low- and med-low-tech 'Manufacturing' sector suffered a slight drop in employment for the second consecutive year, with many manufacturing businesses in the district showing either a reduction or no change in their employee numbers in 2023-24. This finding is at odds with the strong performance reported by the 'High-tech manufacturing' sector, possibly suggesting that high-tech manufacturers have been better shielded from the impacts of recession than low- and med-low-tech manufacturers.

Employment growth in South Cambridgeshire

Figure 2.6 focuses on South Cambridgeshire and compares sectors based on their employment growth during 2022-23 (horizontal axis) and their employment growth during 2023-24 (vertical axis).

Figure 2.6 Employment growth by sector in South Cambridgeshire – 2023-24 vs 2022-23



Note: The size of each bubble is proportionate to the number of employees in 2022-23 on a continuous scale. Bubbles with an outline identify KI sectors.
Source: Cosh & Caselli, CBR.

Similar to Cambridge, South Cambridgeshire-based companies in 'High-tech manufacturing' achieved fast employment growth in the most recent year. Employment growth in the sector

accelerated from 4.9% in 2022-23 to 6.3% in 2023-24, helped by the strong performance of CRFS (22.0%), Carl Zeiss Microscopy (14.0%) and Sepura (7.0%).

The 'Knowledge intensive services' sector exhibited more modest growth (0.8% in the latest year, down from 9.8% in the previous year). Some of the largest 'Knowledge intensive services' businesses in the district such as Science Group (0.5%) had only a marginal increase in their staff numbers, while others such as DisplayLink (-7.6%) reported a drop in employment.

The two largest KI sectors in South Cambridgeshire, 'Life science and healthcare' and 'Information technology and telecoms', saw their employment growth turn negative in the most recent year. Amongst the Life Science companies with a fall in employee numbers are CMR Surgical (-22.9%), Congenica (-51.7%) and Mogrify (-38.3%). ICT companies with a reduction in employment are Huawei Technologies Research & Development (-6.3%), Sitec Infrastructure Services (-15.9%) and Aferian (-57.8%).

The results are also mixed for non-KI sectors but generally show a slowdown in employment growth in the year to mid-October 2024 – six out of nine non-KI sectors had lower employment growth in 2023-24 compared with 2022-23.

Amongst the non-KI sectors with a considerable slowdown in employment growth are low- and med-low-tech 'Manufacturing' (-3.8% in 2023-24 and 1.8% in 2022-23), 'Transport and travel' (-1.8% and 18.1%) and 'Other business services' (1.4% and 4.8%).

Employment growth was higher, albeit well below the 2022-23-levels, in 'Other services' (4.8% and 7.8%, respectively) and 'Wholesale and retail distribution' (4.5% and 6.8%).

Other non-KI sectors such as 'Education, arts, charities, social care' (6.8% in both years) and 'Construction and utilities' (3.6% in 2023-24 and 4.4% in 2022-23) reported steady growth over the past two years.

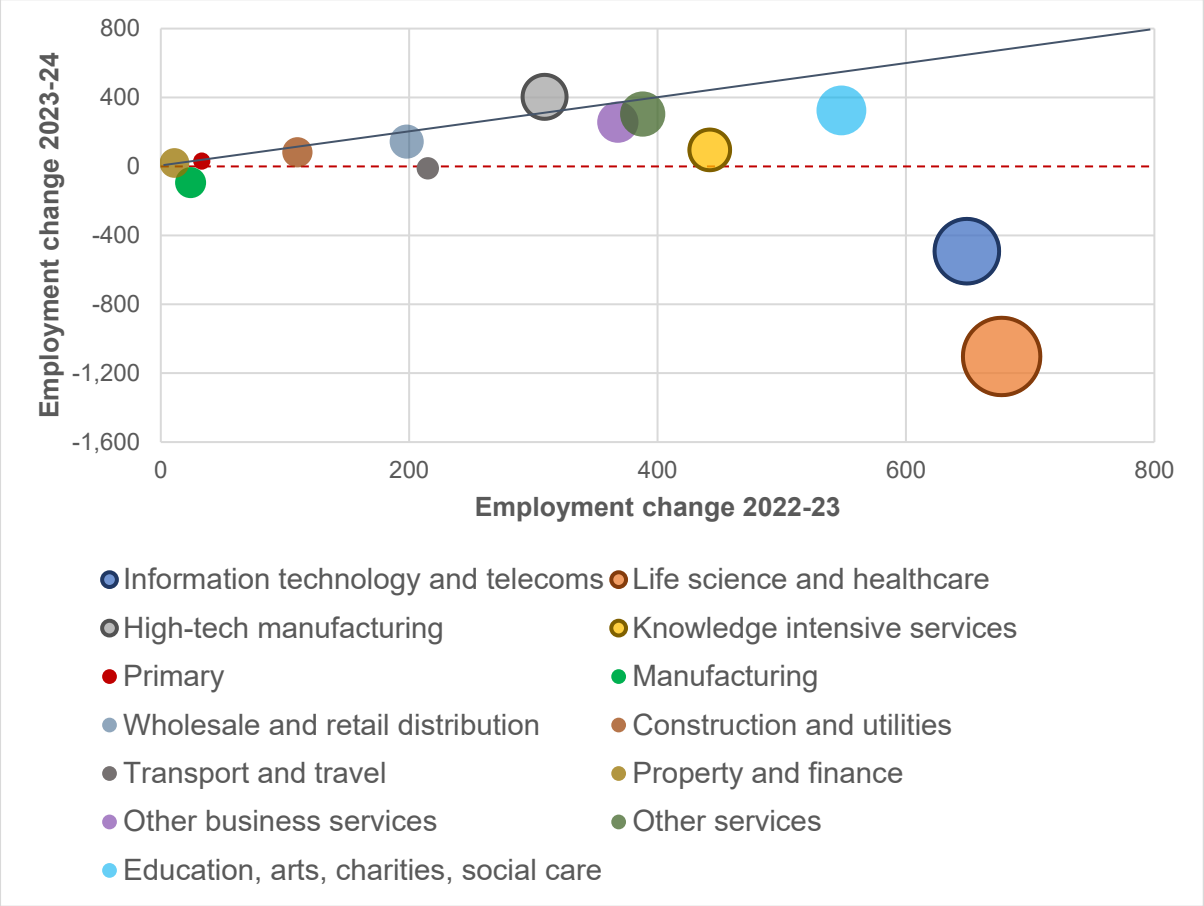
We now turn to look at the absolute change in employment rather than its percentage change.

Absolute change in employment numbers in Greater Cambridge

Figure 2.7 offers another comparison across sectors, this time looking at their employment change (rather than their employment growth) during 2022-23 (horizontal axis) and 2023-24 (vertical axis). Similar to Figures 2.4-2.6, this chart allows us to compare the performance of sectors over time. The position of the sector marker relative to the 45˚ line indicates whether employment change in the sector was higher or lower than last year. Sectors with a positive change in employment during 2023-24 are found above the horizontal axis and those with a positive change during 2022-23 appear to the right of the vertical axis.

Actual employment changes cannot be read simply from growth rates since they depend on sector size. Therefore, Figure 2.7 examines changes in employment in terms of the number of people employed. In this case, the findings from Figure 2.7 largely confirm those from Figure 2.4 and highlight the dominant impact of KI businesses to overall employment growth.

Figure 2.7 Employment change by sector in the Greater Cambridge area – 2023-24 vs 2022-23



Note: The size of each bubble is proportionate to the number of employees in 2022-23 on a continuous scale. Bubbles with an outline identify KI sectors.
Source: Cosh & Caselli, CBR.

'Life science and healthcare' had a loss of about 1,100 employees in 2023-24. Two of the major Life Science employers in Greater Cambridge, AstraZeneca and CMR Surgical, reported a decline in staff numbers (-348 and -188 employees, respectively). The reduction in employment was however not only driven by the largest employers. Several smaller and medium-sized Life Science businesses based locally such as Congenica (-46 employees), Mogrify (-23) and Mission Therapeutics (-21) also suffered a reduction in employment.

The second-largest sector in the area, 'Information technology and telecoms', had 500 less employees in 2023-24 than in 2022-23. Amongst the ICT businesses with a fall in staff numbers are Aferian (-126 employees), Huawei Technologies Research & Development (-24 employees) and Sitec Infrastructure Services (-21 employees).

The results for the 'High-tech manufacturing' sector are more encouraging. High-tech manufacturing businesses added 404 employees in 2023-24 (309 in 2022-23). 'Knowledge intensive services', the other KI sector with positive employment growth in the year to mid-October 2024, made a smaller addition of 96 employees.

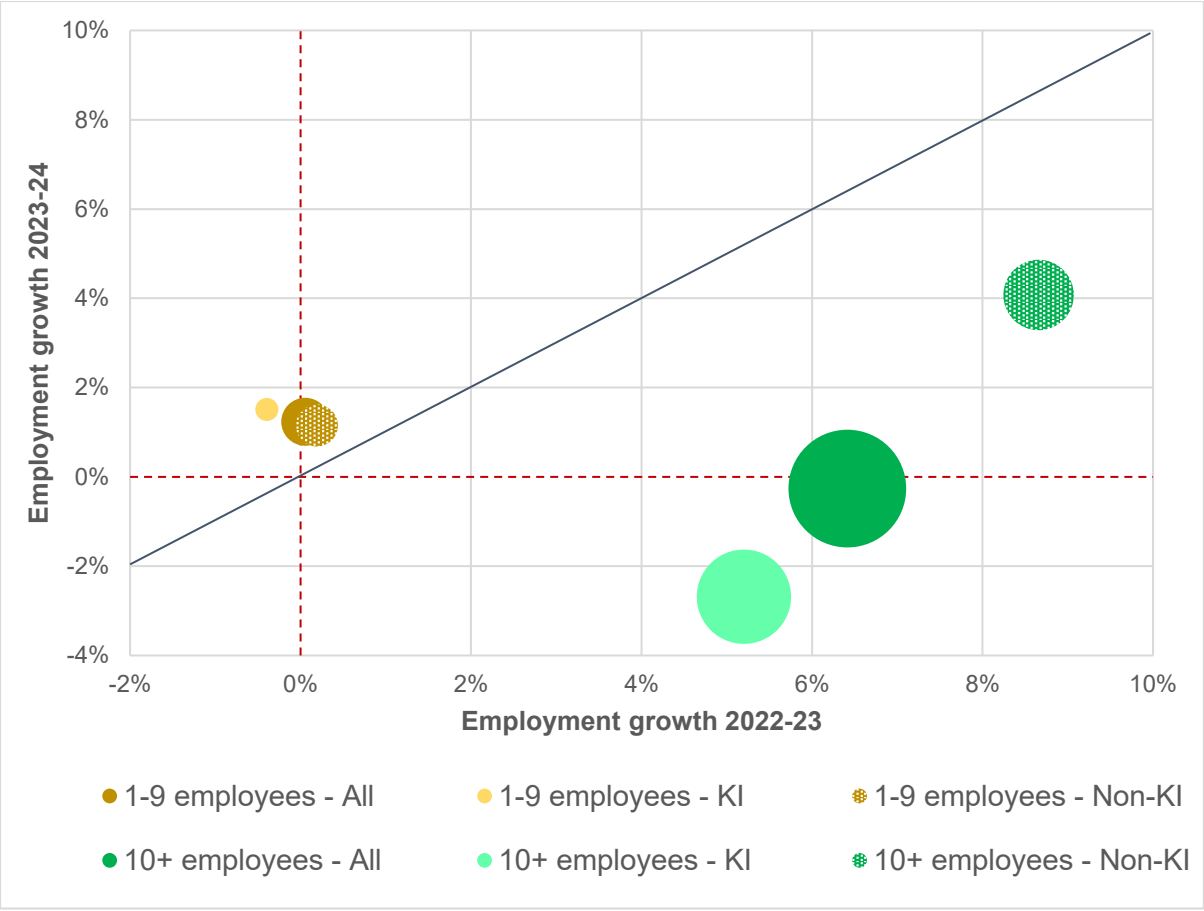
Collectively, KI sectors had a combined loss of 1,095 employees during 2023-24. This was offset by an increase of 1,058 employees in non-KI sectors.

'Education, arts, charities, social care' (325 employees in 2023-24 and 548 employees in 2022-23), 'Other services' (304 and 388 employees) and 'Other business services' (257 and 368 employees) made the largest contribution to employment change to 2024.

2.3. Analysis by firm size

Figure 2.8 shows employment growth in KI and non-KI sectors during 2022-23 (horizontal axis) and 2023-24 (vertical axis) by firm size. This chart allows us to compare the performance of size classes over time. The position of the size marker relative to the 45˚ line indicates whether the size class grew more or less fast than last year. Size classes with positive growth in 2023-24 are found above the horizontal axis and those with positive growth in 2022-23 appear to the right of the vertical axis.

Figure 2.8 Employment growth by firm size in the Greater Cambridge area – 2023-24 vs 2022-23



Note: The size of each bubble is proportionate to the number of employees in 2022-23 on a continuous scale.
Source: Cosh & Caselli, CBR.

Figure 2.8 points to some important differences between size classes.

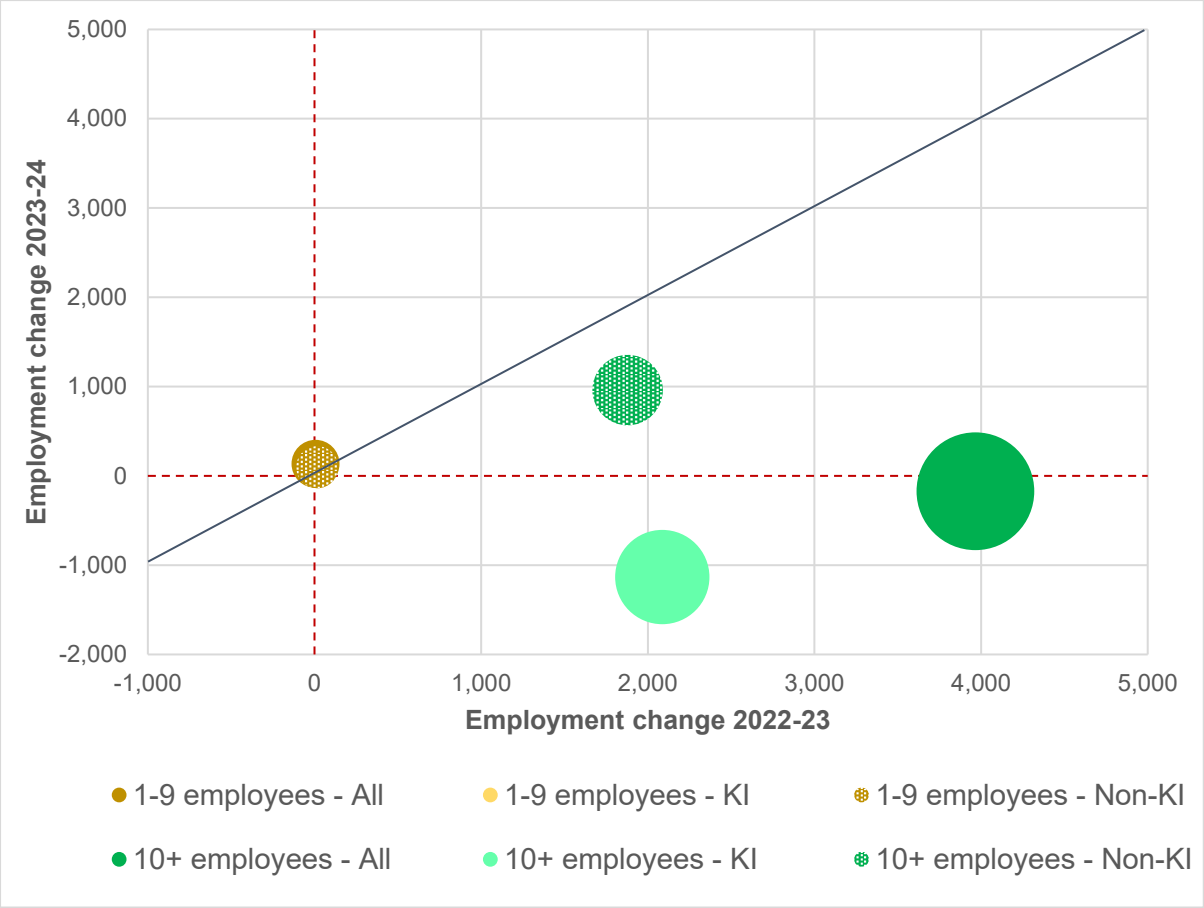
Employment growth of 1-9 employee businesses increased from 0.1% in 2022-23 to 1.2% in 2023-24. Both KI and non-KI sectors achieved higher employment growth in the most recent year (1.5% for KI sectors and 1.2% for non-KI sectors). Whilst employment of KI sectors in this size class fell by 0.4% in the previous year, employment of non-KI sectors had a marginal increase of 0.2%.

The picture looks starkly different for 10+ employee businesses. Employment in the year to mid-October 2024 fell by 2.7% in KI sectors, against a growth of 5.2% in the year to mid-October 2023. In turn, employment growth in non-KI sectors halved from 8.7% in 2022-23 to 4.1% in 2023-24. As a result, employment growth of 10+ employee businesses was -0.3% last year, down from 6.4% one year earlier.

Given the large aggregate size of businesses employing 10 people or more, corporate employment in Greater Cambridge slowed down from 5.5% in 2022-23 to 0.0% in 2023-24.

Figure 2.9 compares size classes based on their employment change during 2022-23 (horizontal axis) and 2023-24 (vertical axis). Similar to Figure 2.8, this chart allows us to compare the performance of size classes over time. The position of the size marker relative to the 45˚ line indicates whether employment change in the size class was higher or lower than last year. Size classes with a positive change in employment during 2023-24 are found above the horizontal axis and those with a positive change during 2022-23 appear to the right of the vertical axis.

Figure 2.9 Employment change by firm size in the Greater Cambridge area – 2023-24 vs 2022-23



Note: The size of each bubble is proportionate to the number of employees in 2022-23 on a continuous scale.
Source: Cosh & Caselli, CBR.

The picture obtained from employment change data largely supports the conclusions drawn from employment growth data.

Employment change at 1-9 employee businesses was positive in 2023-24 and larger than in 2022-23 (135 and 6 employees, respectively). The employment change in the most recent year originated primarily in non-KI sectors (97 employees compared with 38 employees for KI sectors).

The opposite finding holds for businesses with 10+ employees, which saw a negative employment change in 2023-24 (-172 employees, which comes after an increase of 3,966 one year earlier). This reduction was caused by KI sectors, where employment dropped by 1,133 people in the latest year (down from 2,087 in the previous year). In turn, employment change in non-KI sectors was positive (961 employees) but much smaller than it was in 2022-23 (1,879).

Overall, these results confirm that it is the group of 10+ employee businesses operating in KI sectors which have been dominating growth in the Greater Cambridge area. Corporate employment change across all size classes was -37 in the year to mid-October 2024 compared with 3,972 in the year to mid-October 2023.

The next section presents the results of the June 2025 snapshot analysis.

3. June 2025 snapshot results

This section summarises the results of the June 2025 snapshot. Having seen in Section 4 the results for employment and turnover data, this section uses just the six companies that have presented interim results for the six-month periods ending between September 2024 and June 2025. Only turnover data is available and together they represent a combined current annual turnover of about £256m and had 1,939 employees at the end of the previous financial year.

The gain from focusing on interim results for these six-month periods is the activity reported in the accounts took place in the last few months.

3.1. Turnover growth

Total turnover for this group of companies hardly changed in these recent months of the 2024-25 financial year compared with the same period last year. In fact, the median sales growth across this group was -2%. The consequences of the flatlining economy in 2023 have been felt even by these successful Greater Cambridge businesses.

3.2. Companies' comments on coping with the recession

We report below some comments from the companies' latest reports. They offer some further insights into the impact of the recession on their business. These reports, published in recent months, appear to show mixed results and that factors other than general business conditions are more important for these businesses.

I am pleased to see the operational efforts have continued to deliver results, with a gross margin improvement to 65% due to productivity gains, despite higher raw material costs. The continued operational improvements and workforce rationalization also helped us reduce our overheads by 17%, allowing adjusted EBITDA to improve to £0.2m, while maintaining stable cash balances at £4.5m. Q1 sales were softer than expected as some customers are working on one off reductions in their stock holdings to manage external forces, and in addition now that they trust the product and our improved delivery service, revenue has normalized following an abnormal backlog of orders in the previous year, which decreased to £4.1m but is well ahead of H1 2023's £3.4m.

The MyHealthTracker App is fully rolled out in the UK and the team are now analysing feedback from users and working with our partner to determine the next generation of improvements and functionality. This includes the ability to release the app in foreign languages for overseas markets. The USA continues to be a focus market for the sales team and the recent addition of a full-time sales member based in the US is expected to help accelerate our progress in this market. They will be responsible for working with our existing partners to help grow their business and in identifying new opportunities in this exciting market.

Whilst revenues in H1 were lower than expected, we remain confident in meeting EBITDA expectations for the year. We expect that the de-stocking we experienced in H1 will be alleviated in H2 as customers return to a more regular order pattern. In addition, the impact of the expanded sales team should be felt in the later stages of H2 and deliver a strong end to the financial year. The business has been able to react accordingly and maintains a strong margin which demonstrates the underlying strength of the business.

Cambridge Nutritional Sciences PLC: Diagnostics testing business

The Indian smart metering market continues to gain momentum, with sanctioned tenders exceeding 200 million smart meters. Of this total, contracts for approximately 132 million smart meters have already been awarded to prime bidders, underscoring the Government of India's commitment to install 250 million smart prepayment meters under the Revamped Distribution Sector Scheme (RDSS). CyanConnode's order book has demonstrated strong growth, more than doubling during this period from 6.3 million units at the start of the year to 13.1 million units. Our current backlog stands at 9.7 million units yet to be deployed, having increased substantially from 3.5 million units at the end of March 2024, with a significant portion of this expected for delivery in the second half of FY 2025. Historically, our revenue recognition is heavily weighted toward the final quarter of our financial year, as order completions and deployments often peak near year-end. We expect this seasonal trend to continue, with a substantial proportion of this year's revenue materialising in Q4.

Our business outside of India is also progressing well. Since the end of September 2024, we have secured a followon order for the Middle East and North Africa (MENA) region, valued at over $1 million. This order is expected to be fulfilled within the current financial year, further supporting our revenue forecasts and expanding our international footprint.

CyanConnode Hldgs: Delivers Wi-Fi solutions for utility metering and lighting control

After the end of the Period, strong sales across the portfolio in the Steam winter sale and other price promotion events delivered Frontier's third-highest festive sales performance, surpassed only by the stay-at-home boosted years of 2020 and 2021.

It was great to see Planet Coaster 2 release in November, the first of three CMS games we scheduled through our strategic reset last year. We are working hard to support and nurture the game as its player community grows. Our established portfolio of CMS games continues to deliver and, as we begin 2025, I look ahead with excitement to our third Jurassic World game, coming in FY26.The Board remains confident of delivering FY25 revenue and profitability in line with expectations following the strong performance achieved in the first seven months.

Frontier Developments PLC: Developer and publisher of videogames

Whilst conditions in the life sciences and biomedical markets were challenging in early H1, we have seen improvements from September onwards. Our diverse portfolio has delivered stronger performances in some other sectors. The technological prowess and capabilities of the businesses within our portfolio cannot be understated, and there remains a huge market opportunity to further expand our community of entrepreneurial businesses.

To that end, we were pleased to complete the acquisition of InspecVision Limited during the period and we continue to drive our active M&A pipeline to expand our portfolio across key

markets. We continue to target established businesses in growth sector niches, whilst also delivering our strategy to drive organic growth across our portfolio businesses.

SDI Group PLC: Digital imaging and sensing and control applications

Over the past 12 months our annualised subscription revenues have risen by a record GBP4.1 million. We finished the first half with a substantial order backlog for installation in July and August.

By geography, France saw the largest ARR contribution after the UK, followed by the US and Italy. The company noted a strong performance in Italy and Spain, each delivering ARR growth of over 35%.

Quartix said it remains confident in meeting market expectations for the full year and expects to be slightly ahead on free cashflow. It also highlighted recent operational changes that reduced its overhead cost run-rate by GBP500,000 annually starting from July.

Quartix Technologies PLC: Vehicle GPS tracking

During the half, we reported revenues of £22.6m (2023: £20.9m), an increase of 8%. £1.3m of the £1.7m sales growth in the period was derived from additional volume of product sold and £0.4m from price increases. Whilst sales growth was slower in this first half than in recent years, we have identified the key challenges and implemented corrective measures. Two primary factors impacted performance: • A higher than normal turnover of sales staff in France and Australia. This has now stabilised, enabling our focus in these key markets to be re-established. • A dilution of our commercial efforts in the Tristel Medical device portfolio, due to a focus by our sales teams onto the newer and less well-known Cache Surface range. We are refining our approach to ensure a more balanced sales strategy between the two product ranges. Tristel Medical Device product sales increased by 8% to £19.6m (2023: £18.3m) and Cache Surface products by 4% to £1.7m (2023: £1.6m).

We are pleased with a solid first six months and the Board remains confident in the outlook for the year, with international expansion continuing to be a key driver of growth. Our strategic focus remains on scaling our presence in high-potential markets, strengthening our commercial execution, and optimising our product portfolio. Through continued investment in innovation, market expansion, and execution, I believe that Tristel continues to be well-positioned to drive long-term shareholder value. We look forward to further progress in the second half of the year and beyond.

Tristel PLC: Infection prevention products

We now turn to the analysis of the latest employment data from ONS.

4. Analysis of latest ONS employment data

The findings from the June 2025 Update and Snapshot point to a slowdown in corporate performance in Greater Cambridge during recent months. We further explore these findings by considering the CBR figures alongside the latest employment data from ONS. The gain from looking at ONS data is that it also covers non-corporates (e.g. public services).

A first comparison can be made with employment data from the Business Register and Employment Survey (BRES), the official source of employment statistics at a detailed geographical and sectoral level. The latest BRES figures were published in November 2024 and have September 2023 as the reference period.[2] Therefore, they are broadly comparable with the CBR figures, which cover accounting year ends between 6th April 2023 and 5th April 2024 (on average the year to early December 2023).

Table 4.1 shows employment growth from CBR and BRES over the past six years in Greater Cambridge. It also includes growth figures on payrolled employees published by ONS. These statistics, which are sourced from HMRC's Pay As You Earn (PAYE) Real Time Information (RTI) system, measure the number of people paid through a PAYE scheme. PAYE RTI provides a different view from BRES, as the former assigns employees to the local authority where they live whilst the latter assigns employees to their place of work.

Table 4.1 Employment growth in Greater Cambridge (GC) from CBR and ONS: last six years

	6yrs 2018-24		1yr 2022-23			1yr 2023-24		
	CBR	**BRES**	**CBR**	**BRES**	**PAYE RTI**	**CBR**	**BRES**	**PAYE RTI**
GC - KI	5.5%	3.0%	6.2%	-7.5%	n.a.	4.3%	7.1%	n.a.
GC - Non-KI	3.0%	1.0%	4.7%	1.0%	n.a.	4.9%	5.3%	n.a.
GC - All	**4.0%**	**1.5%**	**5.3%**	**-1.2%**	**3.3%**	**4.6%**	**6.0%**	**2.4%**
National	**n.a.**	**0.9%**	**n.a.**	**1.9%**	**2.5%**	**n.a.**	**1.2%**	**1.6%**

Note: CBR data includes non-corporate research institutions.
Sources: Cosh & Caselli, CBR [CBR]; CBR's calculations based on data from BRES (Nomis) [BRES]; CBR's calculations based on data from PAYE RTI (HMRC/ONS) [PAYE RTI].

We can see that the ONS data tends to record a slower rate of employment growth than the CBR data – 1.5% pa according to BRES and 4.0% pa according to CBR during the six-year growth period to 2024. BRES figures also show high volatility from one year to the next, particularly in KI sectors (-7.5% in 2022-23, followed by a 7.1% increase in 2023-24). However, both BRES and PAYE RTI data show Greater Cambridge growth to be above the national average.

An advantage of PAYE RTI data is that it provides more timely estimates of employment than BRES, allowing for a comparison with the growth figures from our June 2025 Update and Snapshot samples. The findings are shown in Table 4.2.

This comparison confirms the overall picture on recent employment growth performance obtained from CBR data (Sections 2 and 3). CBR and PAYE RTI exhibit very similar growth rates over the Update period, on average the year to mid-October 2024 (0.0% and 0.6%, respectively). The PAYE RTI figures for the Snapshot period, which also covers the first part of 2025, support the findings of a negative performance of Greater Cambridge businesses

[2] We reported on this analysis in March 2025 (note titled 'Growth in the Cambridge Economy 2018-24: Findings from the Annual Draw').

during very recent months. Overall, the findings for Greater Cambridge mirror those for the UK as a whole.

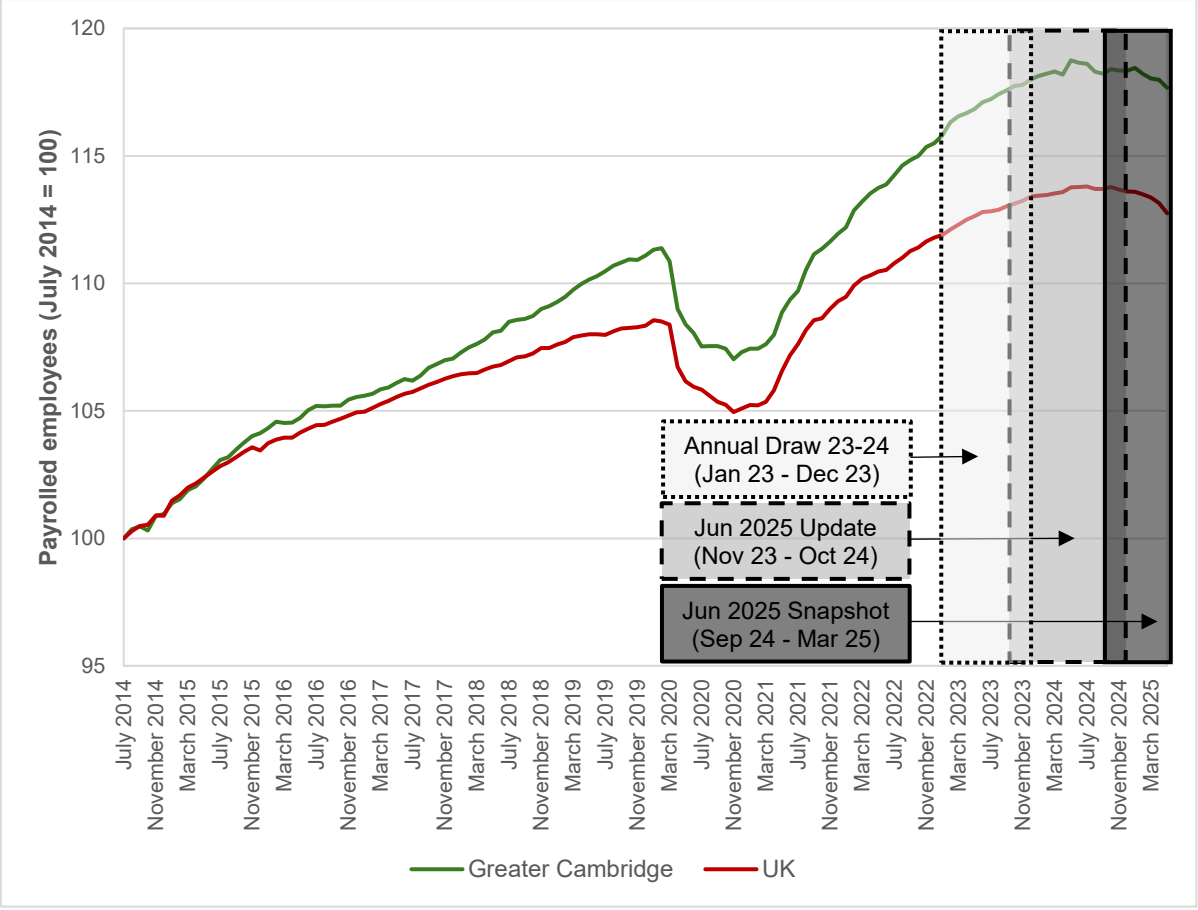
Table 4.2 Employment growth in Greater Cambridge from CBR and ONS: June 2025 Update and Snapshot periods

	June 2025 Update		June 2025 Snapshot
	CBR	PAYE RTI	PAYE RTI
KI	-2.4%	n.a.	n.a.
Non-KI	3.3%	n.a.	n.a.
All	**0.0%**	**0.6%**	**-0.2%**
National	**n.a.**	**0.6%**	**-0.1%**

Note: CBR data is for corporate employment only.
Sources: Cosh & Caselli, CBR [CBR]; CBR's calculations based on data from PAYE RTI (HMRC/ONS).

The BRES data analysed above showed Greater Cambridge growth to be higher than the national average (Table 4.1). It is worth delving deeper into the performance of Greater Cambridge compared with the UK by looking at the entire period covered by PAYE RTI data (July 2014 to May 2025). Figure 4.1 illustrates the growth in payrolled employees in Greater Cambridge (green line) against the nation (red line). The periods covered by our latest Annual Draw, Update and Snapshot are also shaded in the chart.

Figure 4.1 PAYE RTI employee growth: Greater Cambridge vs nation



Source: CBR's calculations based on data from PAYE RTI (HMRC/ONS).

Payrolled employee growth was strong during the Annual Draw 2023-24 period but slowed down through the periods covered by the June 2025 Update and Snapshot. Both Greater Cambridge and the UK as a whole have been showing a downward trend in recent months, suggesting that this may be a national rather than local phenomenon.

Nevertheless, the chart vividly highlights the superior performance of Greater Cambridge compared with the UK – employee growth has been 1.5% pa in Greater Cambridge against a national average of 1.1% pa. The gap in performance between Greater Cambridge and the nation as a whole also appears to have widened over time, particularly since Covid. These findings are even more encouraging if one considers that the superior performance of the local economy compared with the UK happened against a backdrop of growing macroeconomic and geopolitical instability.

5. Concluding remarks

The June 2025 Update is the twelfth of a series of updates that provide timely data on corporate employment changes in the Greater Cambridge area. The findings in this report are drawn from a large sample of 5,718 companies with accounting year ends between May and December 2024. Therefore, it captures the worst impacts of recession in the second half of 2023. We compare this period with the same period the previous year, which covers the effects of the unfolding cost of living crisis.

Our analysis unveils a slowdown in corporate employment growth in the Greater Cambridge area during the year to mid-October 2024. Growth in the area slowed down from 5.5% in 2022-23 to 0.0% in 2023-24, suggesting that the worst impacts of the UK recession in the second half of 2023 were felt by Greater Cambridge businesses. In our previous update (October 2024 Update), we reported some early evidence indicating that even KI sectors in Greater Cambridge have not been immune to the adverse macroeconomic backdrop. Our June 2025 Update casts further light on this by showing that KI employment in the area fell by 2.4% in 2023-24 (down from 4.9% in 2022-23). It is the first time since we started our update work that we are reporting a fall in KI employment. The findings for non-KI sectors are somewhat more encouraging. Non-KI employment grew by 3.3% in 2023-24, a rate which was however lower than the 6.3% recorded in 2022-23.

We complement these findings by providing a snapshot for companies with interim accounts ending between September 2024 and June 2025. This sample is much smaller than the update sample (£256m turnover and 1,939 employees) but allows for an even more up-to-date picture of corporate growth in Greater Cambridge. Total turnover for this group of companies (all knowledge intensive) hardly changed in these recent months of the 2024-25 financial year compared with the same period last year – in fact, the median sales growth across this group was -2%. The consequences of the flatlining economy in 2023 have been felt even by these successful Greater Cambridge businesses. The perusal of their interim reports also appears to show mixed results and that factors other than general business conditions are more important for these businesses.

We further explore our Update and Snapshot findings by considering the CBR figures alongside the latest employment data from ONS. The gain from looking at ONS data is that it also covers non-corporates (e.g. public services). This comparison confirms the overall picture on recent employment growth performance obtained from our Update. Payrolled employee data from ONS shows a very modest 0.6% growth during the Update period and a drop of 0.2% during the Snapshot period. Both Greater Cambridge and the UK as a whole have been showing a downward trend in recent months, suggesting that this may be a national rather than local phenomenon. Nevertheless, and more encouragingly, the analysis of ONS data reveals that Greater Cambridge has continued to outperform the nation.

Overall, the results of our June 2025 Update show that employment growth in Greater Cambridge has stalled over recent months, largely reflecting a national trend. It will be interesting to see how quickly the local economy will return to growth. We will address this question in our next update, which will cover the year to mid-February 2025.

Andy Cosh & Giorgio Caselli
Centre for Business Research, University of Cambridge
July 2025

Appendix A1. Employment growth by sector in the Greater Cambridge area

June 2025 Update	Number of companies	Total empl 2023-24	Total empl 2022-23	% of GC total 2022-23	Empl growth 2023-24	Empl growth 2022-23
KNOWLEDGE INTENSIVE SECTORS						
Information technology and telecoms	800	12,983	13,475	72.2%	-3.7%	5.1%
Life science and healthcare	275	17,955	19,058	91.0%	-5.8%	3.7%
High-tech manufacturing	160	6,939	6,535	78.0%	6.2%	5.0%
Knowledge intensive services	260	5,761	5,665	71.8%	1.7%	8.5%
TOTAL KI SECTORS	**1,495**	**43,638**	**44,733**	**80.0%**	**-2.4%**	**4.9%**
OTHER SECTORS						
Primary	128	894	863	73.4%	3.6%	4.0%
Manufacturing	232	2,712	2,806	71.4%	-3.3%	0.9%
Wholesale and retail distribution	424	3,547	3,403	63.2%	4.2%	6.2%
Construction and utilities	504	2,757	2,675	54.5%	3.1%	4.3%
Transport and travel	113	1,449	1,460	76.4%	-0.8%	17.3%
Property and finance	726	2,601	2,581	49.0%	0.8%	0.4%
Other business services	974	5,243	4,986	50.7%	5.2%	8.0%
Other services	725	6,278	5,974	57.6%	5.1%	6.9%
Education, arts, charities, social care	397	7,574	7,249	54.9%	4.5%	8.2%
TOTAL NON-KI SECTORS	**4,223**	**33,055**	**31,997**	**57.2%**	**3.3%**	**6.3%**
TOTAL ALL SECTORS	**5,718**	**76,693**	**76,730**	**68.6%**	**0.0%**	**5.5%**

Source: Cosh & Caselli, CBR.

Appendix A2. Employment growth by sector in Cambridge

June 2025 Update	Number of companies	Total empl 2023-24	Total empl 2022-23	% of Camb total 2022-23	Empl growth 2023-24	Empl growth 2022-23
KNOWLEDGE INTENSIVE SECTORS						
Information technology and telecoms	361	6,025	6,170	63.5%	-2.4%	6.3%
Life science and healthcare	98	6,094	6,473	89.1%	-5.9%	0.5%
High-tech manufacturing	29	1,095	1,035	75.2%	5.8%	5.5%
Knowledge intensive services	118	1,687	1,624	72.8%	3.9%	5.4%
TOTAL KI SECTORS	**606**	**14,901**	**15,302**	**74.3%**	**-2.6%**	**3.6%**
OTHER SECTORS						
Primary	22	72	74	75.5%	-2.7%	1.4%
Manufacturing	75	492	499	80.6%	-1.4%	-3.3%
Wholesale and retail distribution	140	626	607	45.1%	3.1%	3.6%
Construction and utilities	141	529	525	57.1%	0.8%	3.8%
Transport and travel	37	283	273	44.4%	3.7%	13.8%
Property and finance	329	1,502	1,481	52.2%	1.4%	1.3%
Other business services	401	3,144	2,916	66.7%	7.8%	10.3%
Other services	316	3,054	2,899	62.5%	5.3%	6.1%
Education, arts, charities, social care	209	5,839	5,624	71.1%	3.8%	8.6%
TOTAL NON-KI SECTORS	**1,670**	**15,541**	**14,898**	**63.8%**	**4.3%**	**6.9%**
TOTAL ALL SECTORS	**2,276**	**30,442**	**30,200**	**68.7%**	**0.8%**	**5.2%**

Source: Cosh & Caselli, CBR.

Appendix A3. Employment growth by sector in South Cambridgeshire

June 2025 Update	Number of companies	Total empl 2023-24	Total empl 2022-23	% of S Cambs total 2022-23	Empl growth 2023-24	Empl growth 2022-23
KNOWLEDGE INTENSIVE SECTORS						
Information technology and telecoms	439	6,958	7,305	81.6%	-4.8%	4.0%
Life science and healthcare	177	11,861	12,585	92.0%	-5.8%	5.4%
High-tech manufacturing	131	5,844	5,500	78.5%	6.3%	4.9%
Knowledge intensive services	142	4,074	4,041	71.4%	0.8%	9.8%
TOTAL KI SECTORS	**889**	**28,737**	**29,431**	**83.4%**	**-2.4%**	**5.5%**
OTHER SECTORS						
Primary	106	822	789	73.3%	4.2%	4.2%
Manufacturing	157	2,220	2,307	69.7%	-3.8%	1.8%
Wholesale and retail distribution	284	2,921	2,796	69.3%	4.5%	6.8%
Construction and utilities	363	2,228	2,150	54.0%	3.6%	4.4%
Transport and travel	76	1,166	1,187	91.6%	-1.8%	18.1%
Property and finance	397	1,099	1,100	45.2%	-0.1%	-0.7%
Other business services	573	2,099	2,070	37.9%	1.4%	4.8%
Other services	409	3,224	3,075	53.7%	4.8%	7.8%
Education, arts, charities, social care	188	1,735	1,625	30.6%	6.8%	6.8%
TOTAL NON-KI SECTORS	**2,553**	**17,514**	**17,099**	**52.4%**	**2.4%**	**5.8%**
TOTAL ALL SECTORS	**3,442**	**46,251**	**46,530**	**68.5%**	**-0.6%**	**5.6%**

Source: Cosh & Caselli, CBR.

Appendix A4. Greater Cambridge Employment Update methodology

This appendix describes the purpose and methodology of regular updates of the corporate database.

Annual draw

Dr Cosh and Dr Caselli at the CBR hold a corporate database of local companies with data going back fourteen years. The current database goes from 2010-11 to 2023-24 audited company data and covers the accounting periods of companies ending in the 2023-24 financial year. The results of the 2023-24 annual draw were made available in February 2025. The reasons for the delay in publication relative to the accounting periods are:

- The need to wait until most companies have filed their accounts at Companies House.
- The incorporation of all company births and deaths.
- The careful checking of any changes in ownership, or corporate structure.
- The investigation of changes of location by companies into and out of the area.

This yields a comprehensive picture each year of the total employment of all companies that are based in the Cambridgeshire and Peterborough Combined Authority, Greater Cambridge, or Cambridge Ahead (Cambridge City Region) areas. It enables us to analyse the composition of growth split into growth of continuing businesses, less the decline due to companies dying or moving out of the area, plus the contribution to growth of company births and businesses moving into the area.

A full description of the methodology used can be found at:

https://www.jbs.cam.ac.uk/wp-content/uploads/2025/03/cbr-10-cbr-database-methodology.pdf

Various analyses can be found at:

https://www.jbs.cam.ac.uk/centres/business-research-cbr/research/research-projects/project-the-cambridge-corporate-database-regional-growth/

Updates

Timings

The current circumstances for business make it important to attempt to have more timely data. This can be achieved by using a sampling approach drawing upon the most recently published accounts.

We carry out two updates each year and this can be seen in Table A1. If we look at 2025, we propose June and December updates which yield estimates of growth for the years to mid-October 2024 and mid-February 2025. These periods capture: the worst impacts of recession in the second half of 2023 (June update); and the recovery from recession (December update). However, it must be remembered that the update takes no account of births or deaths, or of changes in location.

Table A1 Summary of Greater Cambridge Employment Updates

Draw Name	Sample or All	Accounting year ends within:	Median growth period	Release date	Insight into:
Annual draw 2023-24*	All companies	6th April 2023 to 5th April 2024	Year to early December 2023	February 2025	Impact of the onset of recession
Update June 2025	Sample	May 2024 to December 2024	Year to mid-October 2024	July 2025	Worst impacts of recession
Update December 2025	Sample	December 2024 to April 2025	Year to mid-February 2025	January 2026	Recovery from recession
Annual draw 2024-25*	All companies	6th April 2024 to 5th April 2025	Year to early December 2024	March 2026	Assessment of robustness of Greater Cambridge economy

Notes: * commissioned and sponsored by Cambridge Ahead, Arm, Cambridgeshire and Peterborough Combined Authority, Greater Cambridge Partnership, Marshall of Cambridge and Mills & Reeve; ** commissioned and sponsored by the Greater Cambridge Partnership and Cambridge Ahead.

Update Sample (using June 2025 Update example)

We download data from FAME for any company in Cambridge, South Cambridgeshire, Huntingdonshire, or East Cambridgeshire that has available accounts for the periods ending between May and December 2024. We then check 2022-23 and 2023-24 employment data against the existing figures on the database. Differences can occur for a number of reasons and are corrected to ensure that consistency and accuracy are maintained across the years under review.

We eliminate companies from the update sample that do not have actual employment data for the last two years. Finally, we create a file with the following information for those remaining in the update sample (**4,068** companies this time representing total employment of **35,011**):

- Company name
- Company registration number
- LA District
- Sector
- KI or non-KI
- Size class in 2022-23 – 1 = 1 employee, 2 = 2-9 employees, 3 = 10 or more employees
- Latest employment 2023-24 (on average mid-October 2024)
- Employment 2022-23 (on average mid-October 2023)
- % change in employment over last year (i.e. on average to mid-October 2024)

Next, we produce a table showing the number of companies in each of the four KI sectors and nine non-KI sectors and their total employment in the latest and previous year. This table is then reproduced separately for our three size classes.

We then create three measures of growth over the latest year: the unweighted arithmetic mean, the median and the weighted mean. The first suffers from extreme values and also attaches the same importance to a large company as that for a small company. The second will often have the values of zero since a large proportion of companies do not change size. Therefore, it is the latter that we use for the next stage of the work.

Updating the corporate database for the Greater Cambridge area

We take from our corporate database all companies currently alive that are based in Cambridge or South Cambridgeshire. We select a sample of those companies that have accounting periods ending between May and December 2024 (whether, or not, they have yet reported). For companies that were included in the update sample we enter their employment data for the last three years. For the remaining companies that have not yet reported in 2023-24 we next download the latest FAME data and check employment data for the last three years against the existing figures on the database. Following this, we create a file with all the companies based in the Greater Cambridge area (**5,718** companies representing total employment of **76,693**) with the following information:

- Company name
- Company registration number
- Local Authority District
- Sector
- KI or non-KI

- Size class in 2022-23 (as above)
- Employment 2021-22
- Employment 2022-23
- Employment 2023-24
- % change in employment between 2022-23 and 2023-24

We now use the estimates of growth by size and sector from the update sample to create an estimate of the size of each company and sector in 2023-24. This allows us to examine the most recent growth of each sector and size class over the most recent year 2023-24 in comparison with the year 2022-23 for this sample of companies. The year 2023-24 covers the worst impacts of recession, whereas the year 2022-23 captures the effects of the unfolding cost of living crisis. Since the UK economy exited recession in the first quarter of 2024, companies with a May 2024 year end had a higher proportion of months during the recession period compared to companies with a later year end.

The resulting sample is shown in Appendices A1-A3 and these tables highlight how significant these companies are, representing about 69% of corporate employment in Greater Cambridge. The sample has a high coverage of total employment in this update because many large businesses have a December year end and so are captured in this update.

Analyses

Using the methodology described above we can compare the performance of our sectors over time and identify those sectors with the strongest growth in employment. A powerful tool for doing this is one that has as the horizontal axis the sector's employment growth rate in the year 2022-23 and as the vertical axis the annual growth shown in the update sample for 2023-24 – see Figure 2.4 above for an example. The position of the sector marker relative to the 45˚ line shows those growing more or less fast than last year. Sectors with positive growth in 2023-24 are found above the horizontal axis and those with positive growth in 2022-23 appear to the right of the vertical axis. This can be shown more informatively by having the size of the marker related to the total employment in that sector.

This type of chart can be used to examine different sectors, districts or company sizes. It is reinforced by an appendix that provides detailed tables (see Appendices A1-A3).