Greater Cambridge Employment Update October 2024*

Even Cambridge KI can suffer

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* Commissioned and sponsored by the Greater Cambridge Partnership and Cambridge Ahead.

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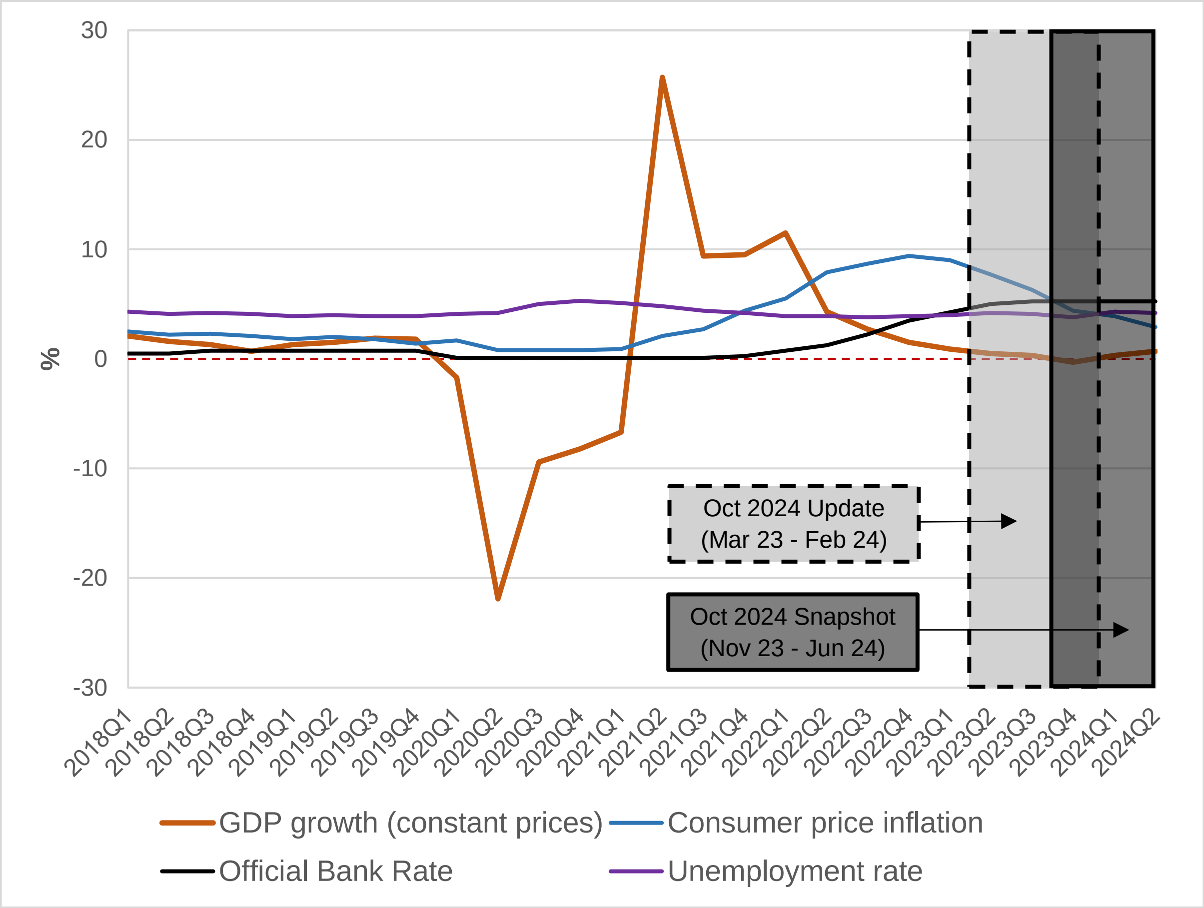
Figure 1.1 UK macroeconomic indicators and the October 2024 Update period



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.

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- October 2024 employment update results
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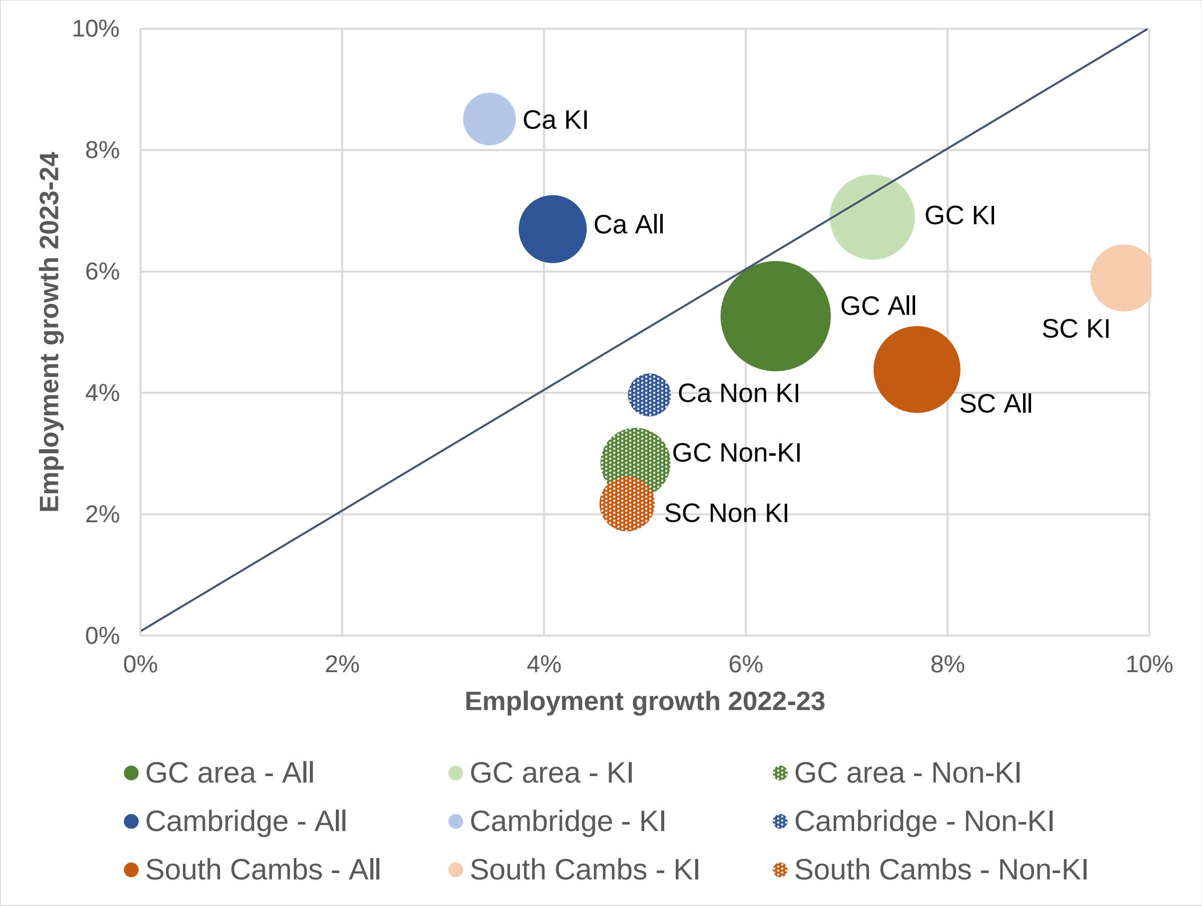
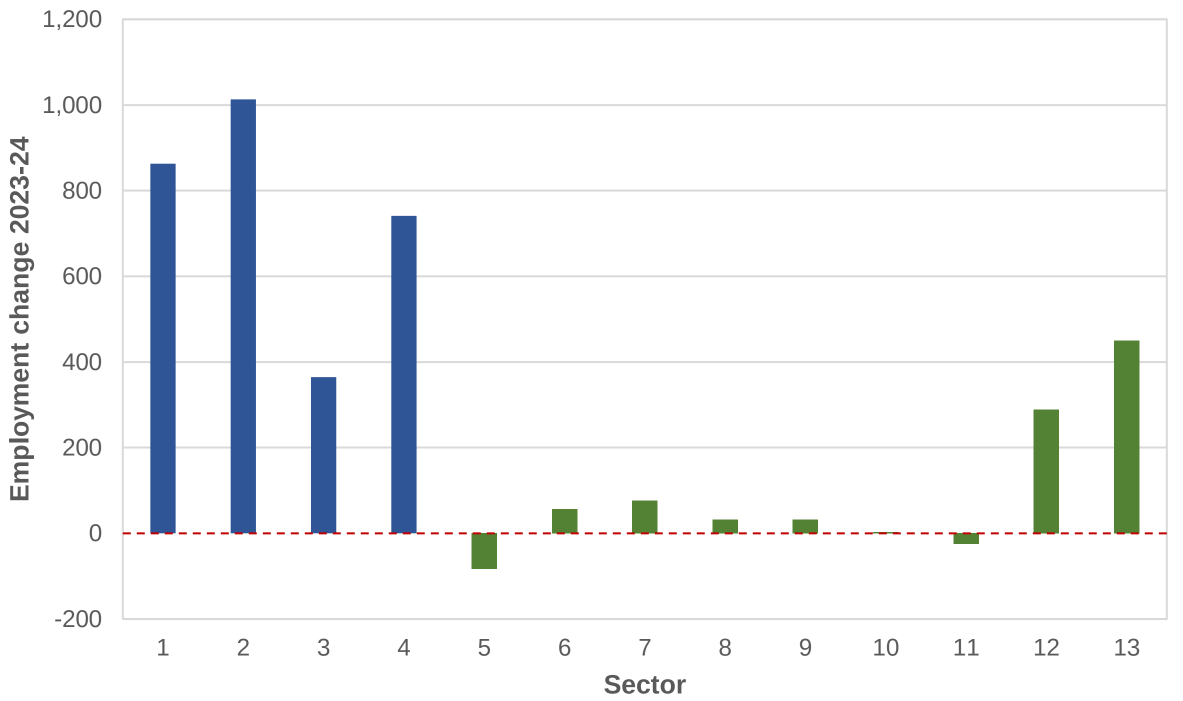
Figure 2.1 Employment growth by area – 2023-24 vs 2022-23



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

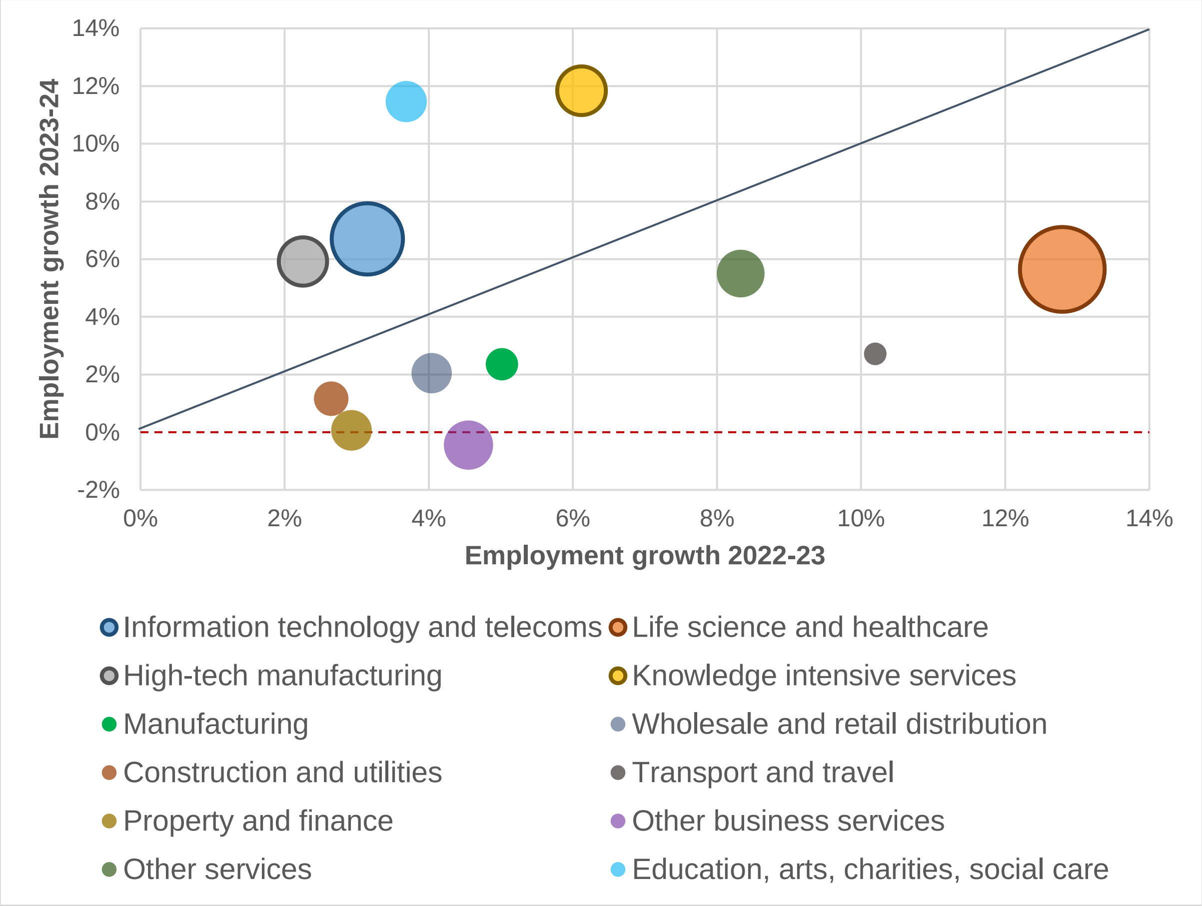
Figure 2.2b Employment change 2023-24 by sector in the Greater Cambridge area



1 = Information technology and telecoms; 2 = Life science and healthcare;
3 = High-tech manufacturing; 4 = Knowledge intensive services; 5 = Primary;
6 = Manufacturing; 7 = Wholesale and retail distribution; 8 = Construction and utilities;
9 = Transport and travel; 10 = Property and finance; 11 = Other business services;
12 = Other services; 13 = Education, arts, charities, social care

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

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. Employment growth for the 'Primary' sector has an extreme value in 2023-24 (-16.9%, or -83 employees) and therefore is not shown in the chart to bring greater clarity.

Source: Cosh & Caselli, CBR.

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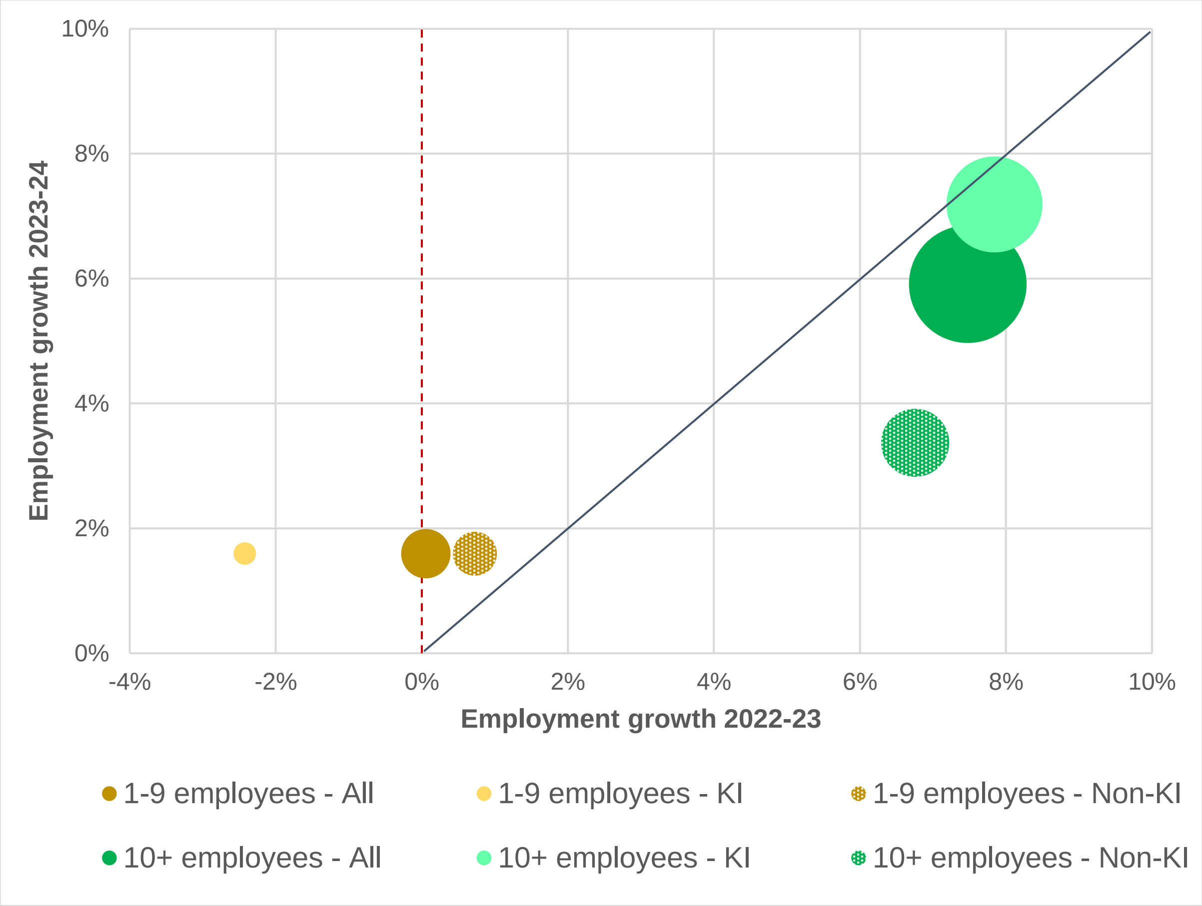
Figure 2.8 Employment growth by firm size in the Greater Cambridge area – 2023-24 vs 2022-23



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

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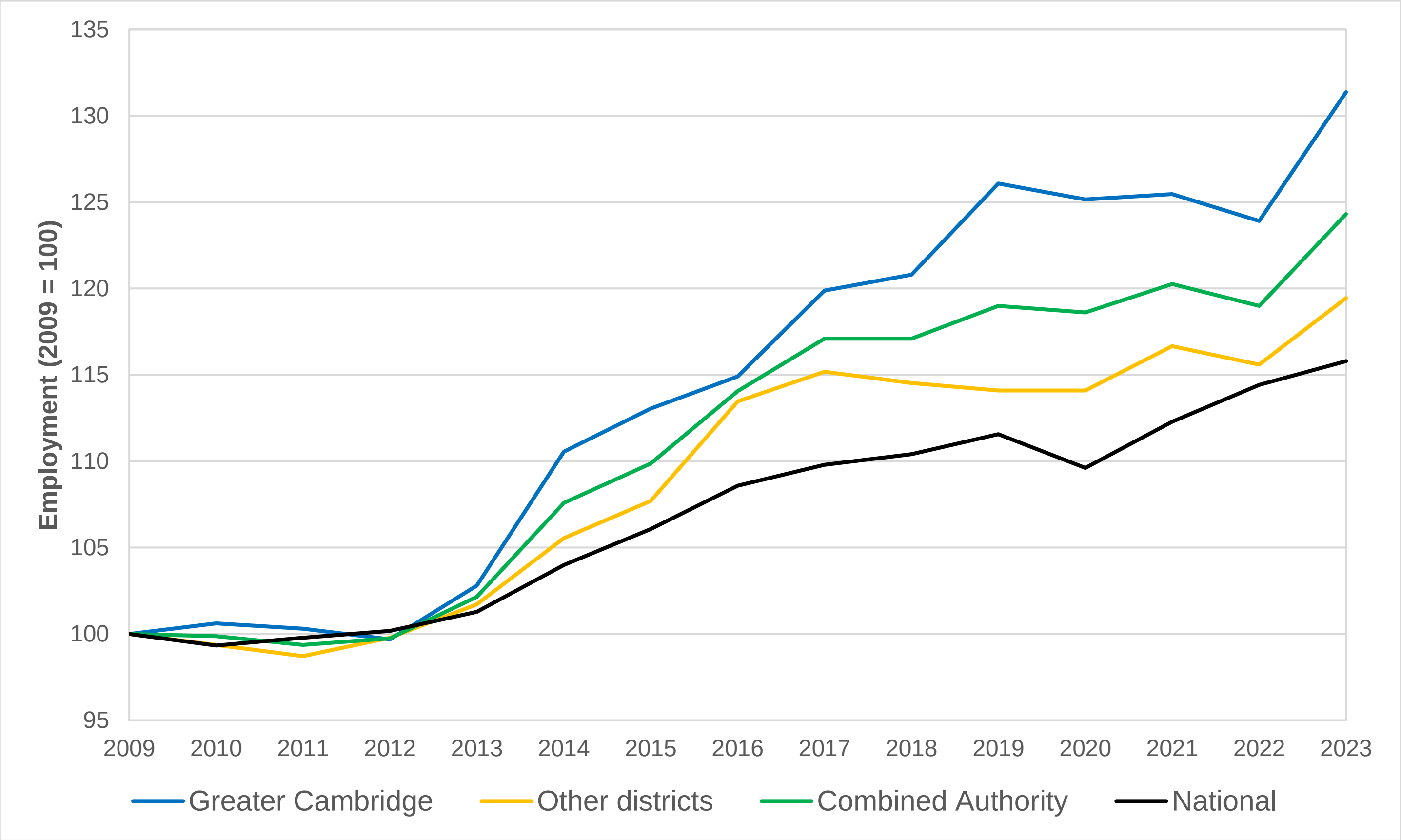
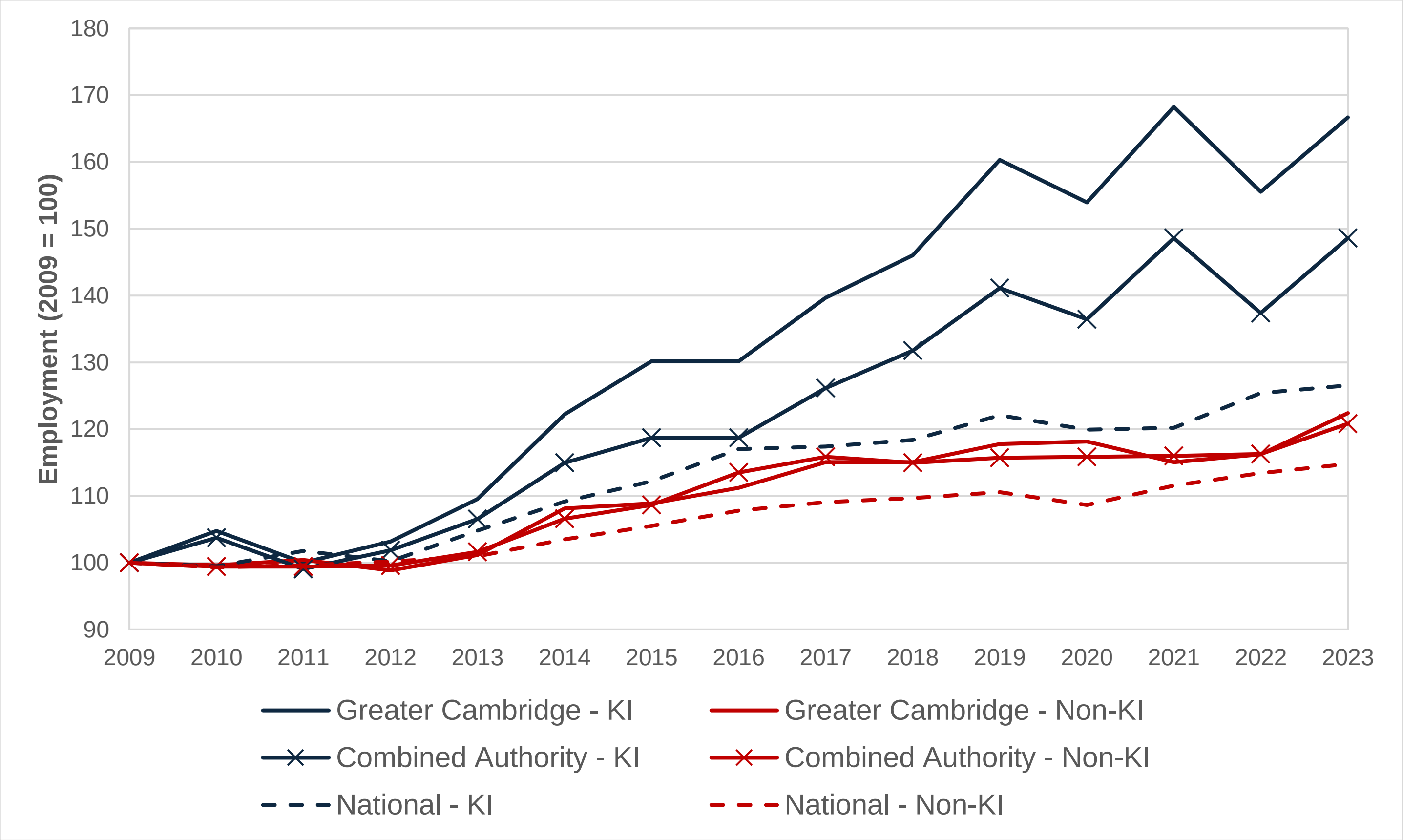
Figure 3.1 BRES employment growth in Greater Cambridge and in the Combined Authority vs national: all sectors



Note: The line for 'Other districts' shows employment growth in East Cambridgeshire, Huntingdonshire, Peterborough and Fenland combined.

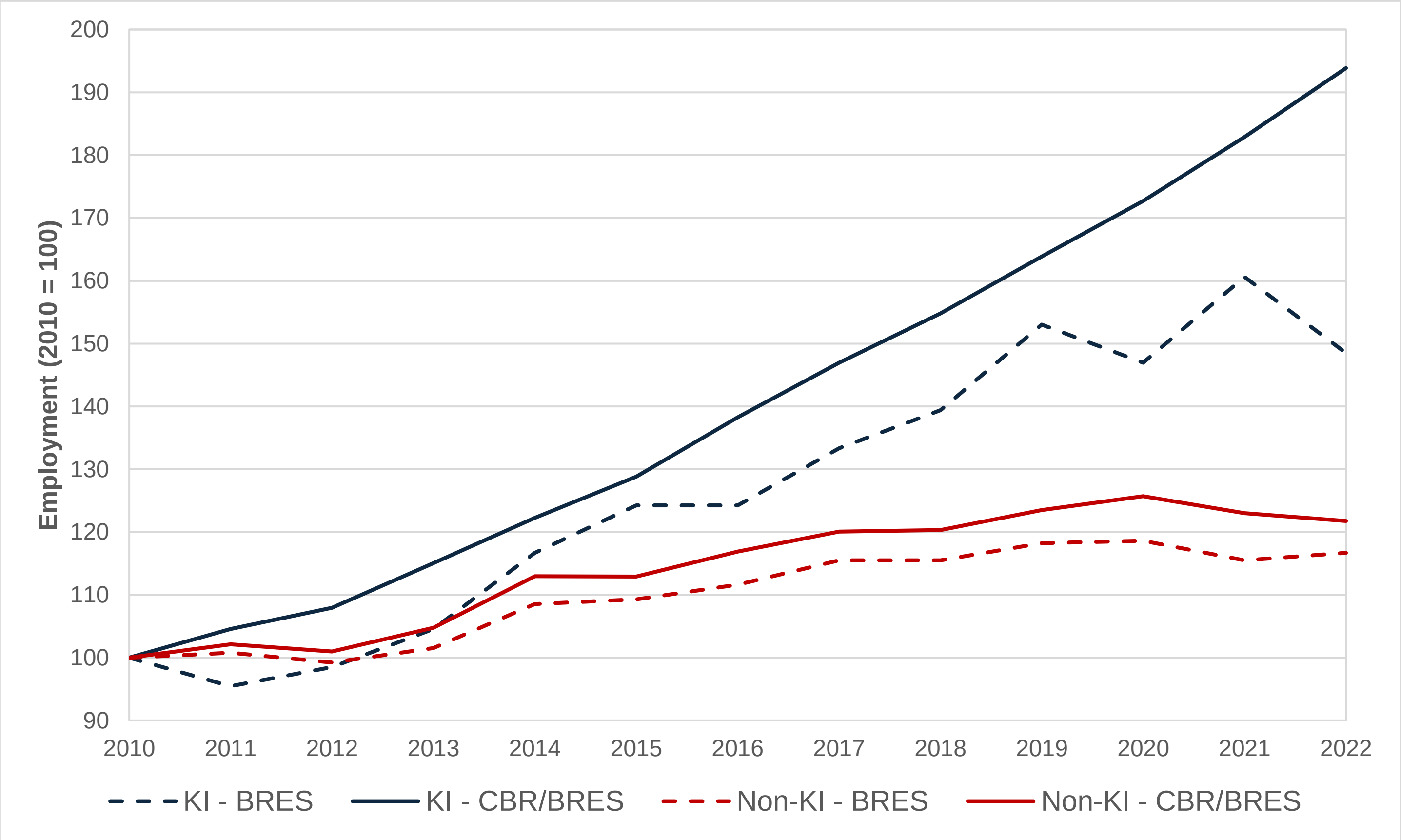
Source: CBR's calculations based on data from BRES (Nomis).

Figure 3.4 BRES employment growth in Greater Cambridge and in the Combined Authority vs national: KI and non-KI sectors



Source: CBR's calculations based on data from BRES (Nomis).

Figure 3.7 BRES vs CBR/BRES employment growth in Greater Cambridge: KI and non-KI sectors



Note: CBR data does not cover non-corporate non-KI organisations, nor does it cover companies that are active but not based in the area. CBR/BRES combined uses CBR data for the first ten sectors (where CBR has a better coverage) and BRES data for the last ten sectors (where BRES has a better coverage).
Source: CBR's calculations based on data from BRES (Nomis).

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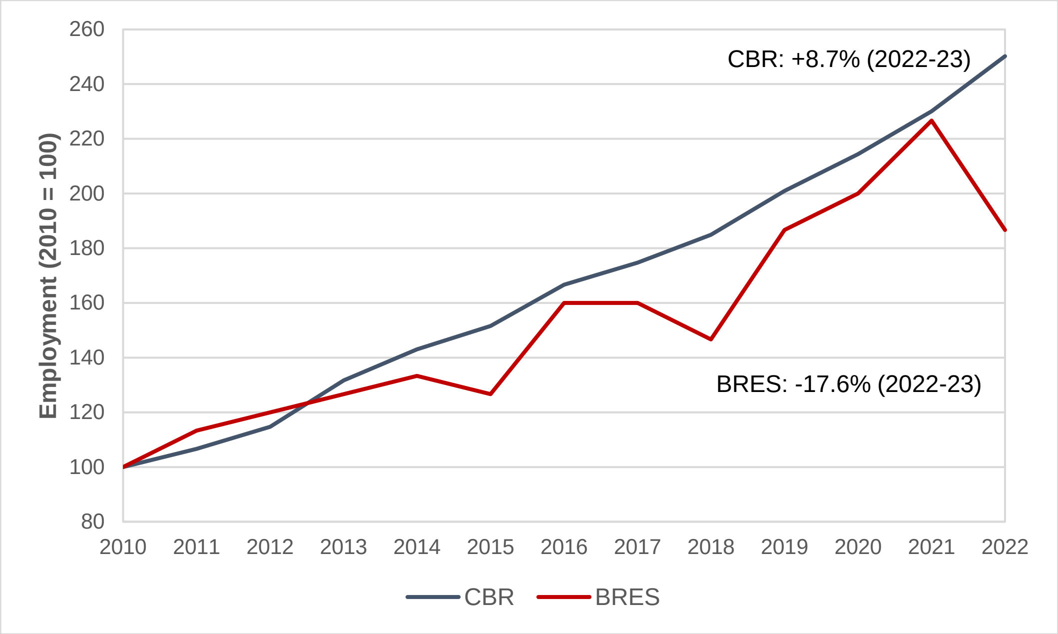
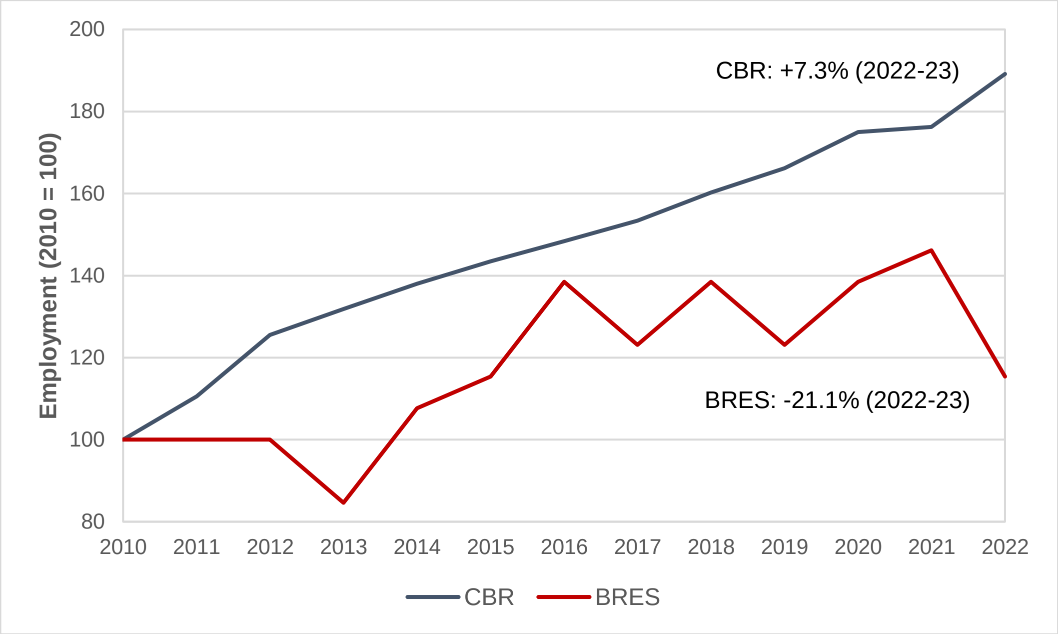
CBR vs BRES: examples of sector-level differences South Cambridgeshire

ICT



Knowledge intensive services



Note: CBR data does not cover non-corporate non-KI organisations, nor does it cover companies that are active but not based in the area.
Source: CBR's calculations based on data from BRES (Nomis).

Organisation name	CBR empl change 2022-23
Frontier Developments PLC	+132
Darktrace Holdings (Cambridge estimate) Limited	+101
Bango PLC	+99

Organisation name	CBR empl change 2022-23
The Welding Institute	+72
Cambridge Design Partnership Limited	+68
Science Group PLC	+21

Table 3.1a BRES vs CBR/BRES employment growth across the Combined Authority: 2010-21

District	All 11 years 2010-21		KI 11 years 2010-21		Non-KI 11 years 2010-21	
	BRES	CBR/BRES	BRES	CBR/BRES	BRES	CBR/BRES
Cambridge	2.1%	2.6%	4.9%	6.5%	1.5%	1.7%
South Cambridgeshire	1.9%	3.3%	4.1%	5.0%	1.0%	2.4%
Greater Cambridge	***2.0%***	***2.9%***	***4.4%***	***5.6%***	***1.3%***	***1.9%***
East Cambridgeshire	2.5%	3.3%	4.0%	5.6%	2.4%	3.1%
Huntingdonshire	0.8%	1.2%	0.5%	3.4%	0.9%	1.0%
Peterborough	1.5%	1.8%	1.3%	1.3%	1.6%	1.8%
Fenland	1.7%	2.7%	1.4%	5.1%	1.6%	2.6%
Combined Authority	**1.7%**	**2.4%**	**3.3%**	**4.7%**	**1.4%**	**1.9%**

Note: CBR data does not cover non-corporate non-KI organisations, nor does it cover companies that are active but not based in the area. CBR/BRES combined uses CBR data for the first ten sectors (where CBR has a better coverage) and BRES data for the last ten sectors (where BRES has a better coverage).
Source: CBR's calculations based on data from BRES (Nomis).

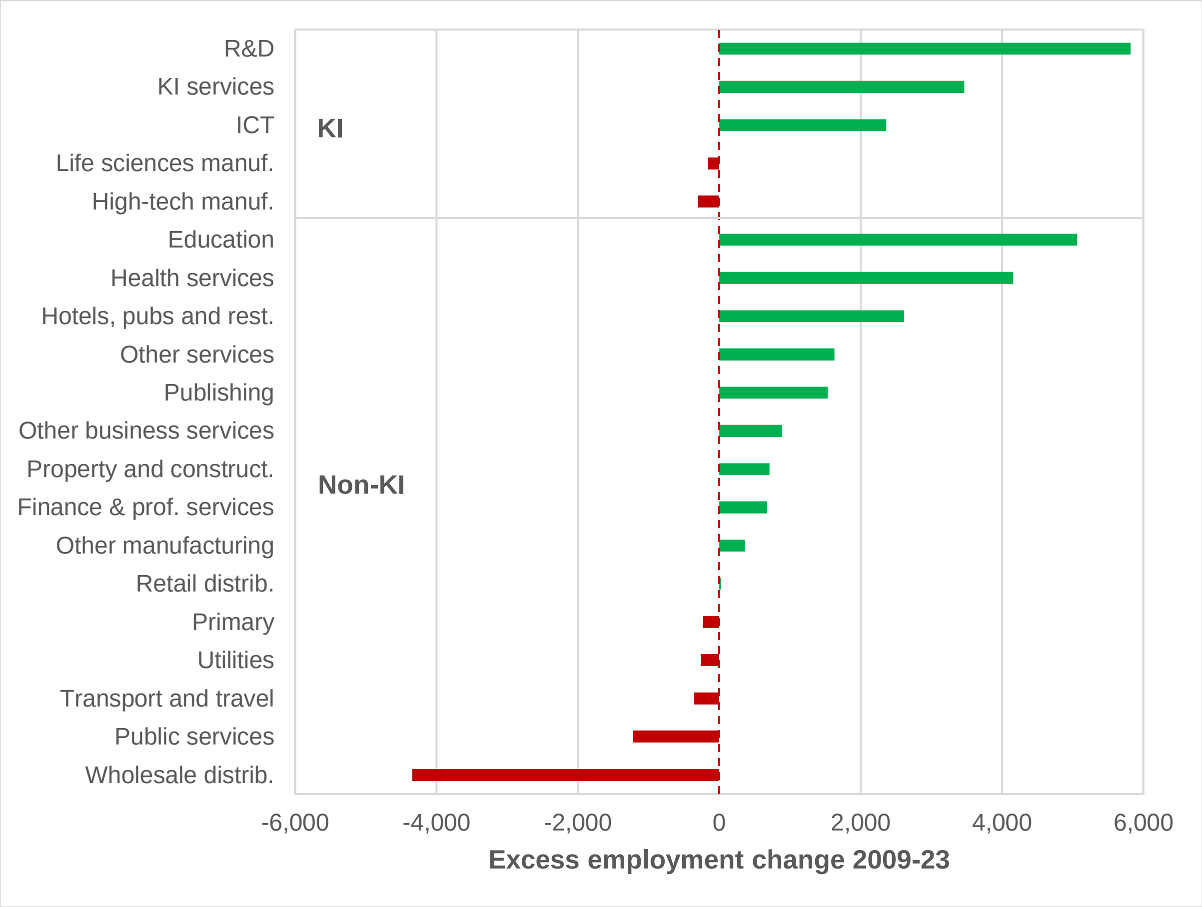
Table 3.1a BRES vs CBR/BRES employment growth across the Combined Authority: 2021-23

	All			KI			Non-KI		
	1 year 2022-23	1 year 2021-22		1 year 2022-23	1 year 2021-22		1 year 2022-23	1 year 2021-22	
District	**BRES**	**BRES**	**CBR/BRES**	**BRES**	**BRES**	**CBR/BRES**	**BRES**	**BRES**	**CBR/BRES**
Cambridge	5.4%	-0.4%	0.4%	2.4%	-6.8%	3.8%	6.0%	1.1%	-0.7%
South Cambridgeshire	6.9%	-2.2%	2.4%	10.5%	-8.1%	7.8%	5.1%	0.9%	-1.0%
Greater Cambridge	***6.0%***	***-1.2%***	***1.1%***	***7.1%***	***-7.5%***	***6.0%***	***5.3%***	***1.0%***	***-1.0%***
East Cambridgeshire	2.9%	-4.2%	-3.4%	14.3%	-17.6%	3.7%	3.3%	-1.6%	-4.3%
Huntingdonshire	3.7%	0.6%	1.4%	6.3%	-11.1%	3.7%	2.7%	1.4%	1.2%
Peterborough	3.4%	-0.4%	-1.0%	9.1%	-4.3%	4.3%	2.8%	-0.5%	-1.6%
Fenland	3.9%	-1.3%	-1.6%	6.7%	7.1%	-8.3%	2.7%	0.0%	-1.3%
Combined Authority	**4.5%**	**-1.1%**	**0.5%**	**8.2%**	**-7.5%**	**5.3%**	**3.9%**	**0.3%**	**-0.6%**

Note: CBR data does not cover non-corporate non-KI organisations, nor does it cover companies that are active but not based in the area. CBR/BRES combined uses CBR data for the first ten sectors (where CBR has a better coverage) and BRES data for the last ten sectors (where BRES has a better coverage).

Source: CBR's calculations based on data from BRES (Nomis).

Figure 3.8 BRES 'excess' employment change in Greater Cambridge



Note: The bars measure 'excess' employment change in Greater Cambridge relative to the national average. The employment in each sector in 2023 is estimated on the basis that each sector grows in line with the national employment growth rate for that sector. This is then subtracted from actual employment in that sector in 2023 to give 'excess' employment. Green bars identify Greater Cambridge's sectors with positive excess employment change, whereas red bars refer to sectors with negative excess employment change.
Source: CBR's calculations based on data from BRES (Nomis).

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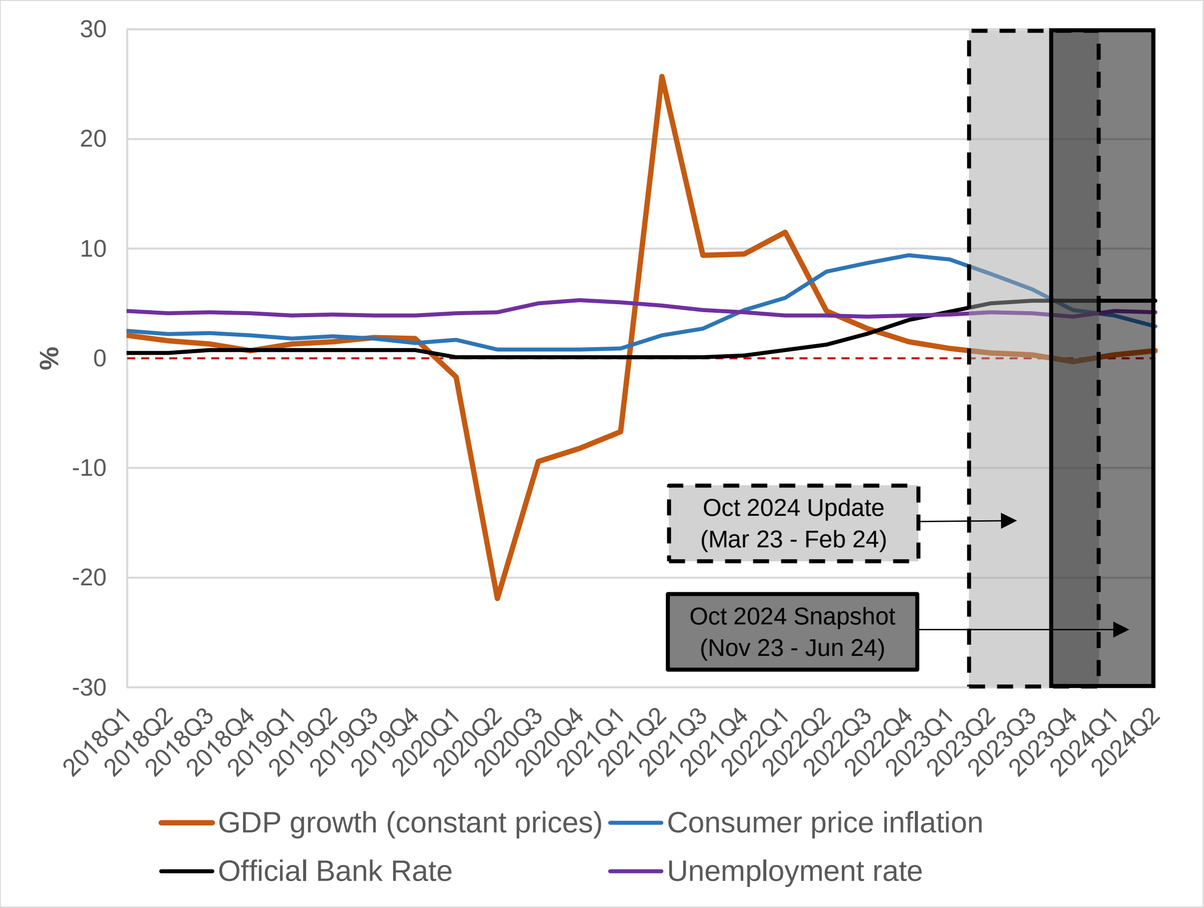
Figure 1.1 UK macroeconomic indicators and the October 2024 Update period



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.

October 2024 snapshot results

- We have lost two of our snapshot sample companies through acquisition. Abcam was acquired late last year by Danaher for $5.7bn and IQGeo was acquired in September this year by KKR for £333m.

- Total turnover for this reduced group of companies (all knowledge intensive) fell by 11% in the first six months of the 2024 financial year compared with a fall of 1% in the same period last year for the same companies.

- These figures demonstrate the consequences of the flatlining economy in 2023-24 even for these successful businesses.

- The companies' latest reports appear to show that business conditions have remained challenging in the first half of 2024.

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Summary of key findings

- The results of our October 2024 Update portray a resilient corporate economy in Greater Cambridge against a challenging macroeconomic backdrop.
- The picture is one of continued but lower employment growth in the year to mid-February 2024, suggesting that the UK recession in the second half of 2023 had some impact on business.
- The findings from the Snapshot also reveal that total turnover for this smaller sample of companies fell in the first six months of 2024.
- Nevertheless, the employment performance of the Greater Cambridge corporate economy was far superior to the performance of the national economy over the same period.
- Our analysis of the latest BRES data shows that BRES appears to be under-recording the growth of KI sectors in the local economy, possibly because of the limitations associated with the SIC classification. Four main features differentiate the CBR data from BRES:
    - We move away from SICs and use sector definitions that reflect the local economy;
    - We provide a more consistent view for KI sectors;
    - We can talk about individual companies;
    - We can map the location of companies.
- It remains to be seen how swiftly the local corporate economy will recover from the worst impacts of recession. Our next update will explore this and any further developments.

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

October 2024 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	727	13,739	12,876	71.4%	6.7%	3.1%
Life science and healthcare	235	18,956	17,943	87.9%	5.6%	12.8%
High-tech manufacturing	157	6,532	6,167	77.0%	5.9%	2.3%
Knowledge intensive services	232	7,000	6,259	83.9%	11.8%	6.1%
TOTAL KI SECTORS	**1,351**	**46,227**	**43,245**	**80.2%**	**6.9%**	**7.3%**
OTHER SECTORS						
Primary	106	407	490	40.4%	-16.9%	6.1%
Manufacturing	222	2,475	2,418	60.0%	2.4%	5.0%
Wholesale and retail distribution	450	3,836	3,759	67.8%	2.0%	4.0%
Construction and utilities	548	2,785	2,753	59.5%	1.2%	2.6%
Transport and travel	92	1,210	1,178	66.2%	2.7%	10.2%
Property and finance	804	3,816	3,814	66.5%	0.1%	2.9%
Other business services	995	5,579	5,604	56.8%	-0.4%	4.6%
Other services	628	5,543	5,254	54.3%	5.5%	8.3%
Education, arts, charities, social care	305	4,371	3,922	32.2%	11.5%	3.7%
TOTAL NON-KI SECTORS	**4,150**	**30,022**	**29,191**	**53.4%**	**2.8%**	**4.9%**
TOTAL ALL SECTORS	**5,501**	**76,249**	**72,436**	**66.7%**	**5.3%**	**6.3%**

Source: Cosh & Caselli, CBR.

Appendix A2. Employment growth by sector in Cambridge

October 2024 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	293	8,283	7,636	83.2%	8.5%	-1.5%
Life science and healthcare	95	7,451	6,912	96.2%	7.8%	8.8%
High-tech manufacturing	38	354	344	26.2%	2.9%	6.2%
Knowledge intensive services	91	1,859	1,647	70.1%	12.9%	6.0%
TOTAL KI SECTORS	**517**	**17,947**	**16,539**	**82.6%**	**8.5%**	**3.5%**
OTHER SECTORS						
Primary	12	28	29	18.1%	-3.4%	38.1%
Manufacturing	62	362	361	50.4%	0.3%	5.9%
Wholesale and retail distribution	156	940	946	64.0%	-0.6%	0.0%
Construction and utilities	129	503	496	60.9%	1.4%	1.2%
Transport and travel	30	359	339	64.9%	5.9%	40.7%
Property and finance	358	2,028	2,030	65.1%	-0.1%	2.2%
Other business services	401	2,052	2,061	47.1%	-0.4%	3.2%
Other services	261	2,183	2,076	48.2%	5.2%	10.3%
Education, arts, charities, social care	144	2,963	2,645	36.6%	12.0%	3.7%
TOTAL NON-KI SECTORS	**1,553**	**11,418**	**10,983**	**48.3%**	**4.0%**	**5.0%**
TOTAL ALL SECTORS	**2,070**	**29,365**	**27,522**	**64.4%**	**6.7%**	**4.1%**

Source: Cosh & Caselli, CBR.

Appendix A3. Employment growth by sector in South Cambridgeshire

October 2024 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	434	5,456	5,240	59.1%	4.1%	10.8%
Life science and healthcare	140	11,505	11,031	83.4%	4.3%	15.5%
High-tech manufacturing	119	6,178	5,823	86.9%	6.1%	2.0%
Knowledge intensive services	141	5,141	4,612	90.2%	11.5%	6.2%
TOTAL KI SECTORS	**834**	**28,280**	**26,706**	**78.8%**	**5.9%**	**9.7%**
OTHER SECTORS						
Primary	94	379	461	43.8%	-17.8%	4.5%
Manufacturing	160	2,113	2,057	62.1%	2.7%	4.9%
Wholesale and retail distribution	294	2,896	2,813	69.2%	3.0%	5.5%
Construction and utilities	419	2,282	2,257	59.1%	1.1%	3.0%
Transport and travel	62	851	839	66.7%	1.4%	1.3%
Property and finance	446	1,788	1,784	68.2%	0.2%	3.7%
Other business services	594	3,527	3,543	64.5%	-0.5%	5.4%
Other services	367	3,360	3,178	59.2%	5.7%	7.1%
Education, arts, charities, social care	161	1,408	1,277	25.8%	10.3%	3.7%
TOTAL NON-KI SECTORS	**2,597**	**18,604**	**18,209**	**57.0%**	**2.2%**	**4.8%**
TOTAL ALL SECTORS	**3,431**	**46,884**	**44,915**	**68.2%**	**4.4%**	**7.7%**

Source: Cosh & Caselli, CBR.