

Greater Cambridge Employment Update June 2026

Some sign of recovery – still?

Highlights:

Overview

- The current business environment makes it important to have timely data on employment changes. This is the fourteenth in a series of updates that bring up-to-date information about what is happening to corporate employment in the Greater Cambridge area.
- The June 2026 Update covers accounting year ends between May and December 2025 (the median year end is mid-October 2025). This median period was characterised by weak domestic growth, sticky inflation, a sharp employer cost shock and a global economy that had to grapple with the largest tariff disruption in ninety years. We compare this period with the same period the previous year, which saw recovery and disinflation in the UK set against stable but limited global growth.
- 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 findings point to a continuation of low employment growth in the Greater Cambridge area during the year to mid-October 2025. Employment in the area dropped by 0.4% in 2024-25 after increasing by 0.4% in 2023-24, suggesting that the uncertain operating environment both nationally and globally has had a significant impact on Greater Cambridge businesses (**Figure 2.1, p9**).
- In our previous update (November 2025 Update), we found that even KI sectors in Greater Cambridge have not been immune to the unfavourable macroeconomic environment. Our June 2026 Update casts further light on this by showing that the disappointing employment growth performance of KI sectors continued into 2024-25, although KI employment declined somewhat less than one year earlier. Employment in the Greater Cambridge knowledge economy fell by 2.1% in the year to mid-October 2025 and by 2.8% one year earlier (**Figure 2.1, p9**).
- The picture for non-KI sectors is partly more encouraging, but there are signs that the challenging macroeconomic backdrop has also had some impact on non-KI businesses. Employment growth in non-KI sectors slowed down from 4.8% in 2023-24 to 1.8% in 2024-25 (**Figure 2.1, p9**).

- Both Cambridge and South Cambridgeshire saw a weak employment growth performance during 2024-25. Employment growth slowed down in Cambridge, where employment increased by 0.2% in the latest year compared to 2.4% in the previous year. In South Cambridgeshire, employment decreased by 0.7% after a 0.8% reduction in 2023-24 (**Figure 2.1, p9**).
- The KI sectors showed a reduction in employment in both districts. In Cambridge, non-KI performance managed to hold up overall employment growth in the district. South Cambridgeshire exhibited a similar growth in non-KI employment (**Figure 2.1, p9**).
- However, there is variation in these growth rates across both industry sectors and firm sizes.

Sectors

- 'High-tech manufacturing' was the only KI sector with positive (albeit modest) employment growth in 2024-25 (0.2%, up from -10.4% one year earlier). There was significant variation in performance across locally based high-tech manufacturers (**Figure 2.2a, p10 & Figure 2.4, p14**).
- 'Knowledge intensive services' suffered the most pronounced reduction in employment. Employment growth in the sector dropped from 0.6% in 2023-24 to -7.9% in 2024-25. This reduction reflects a mix of company-specific and market-wide factors, with the difficult operating environment also continuing to play a role (**Figure 2.2a, p10 & Figure 2.4, p14**).
- The weakness in 'Life science and healthcare', the largest KI sector in Greater Cambridge, noted in our previous update has continued. Employment in the sector declined by 1.5% in 2024-25, following a drop of 2.5% in 2023-24 (**Figure 2.2a, p10 & Figure 2.4, p14**).
- 'Information technology and telecoms', the second-largest KI sector in the area, saw an employment growth of -1.3% in the most recent year (-1.4% in the previous year). Several large employers operating in the 'Information technology and telecoms' sector exhibited robust growth during 2024-25, whilst various other ICT employers saw a decline in employment – partly reflecting efforts to cut operating costs following disappointing financial performance (**Figure 2.2a, p10 & Figure 2.4, p14**).
- All non-KI sectors except the 'Primary' sector achieved positive employment growth in the year to mid-October 2025 (**Figure 2.2a, p10 & Figure 2.4, p14**).
- The low- and med-low-tech 'Manufacturing' sector showed an improvement in performance in the year to 2025, with employment growing by 4.1% in 2024-25 compared with a rate of -5.9% in 2023-24 (**Figure 2.2a, p10 & Figure 2.4, p14**).

- The 'Transport and travel' sector reported a robust growth in employment of 3.7%, down slightly from the 4.0% rate achieved one year earlier (**Figure 2.2a, p10 & Figure 2.4, p14**).
- By contrast, employment growth slowed down in the following sectors: 'Other business services', 'Wholesale and retail distribution', 'Education, arts, charities, social care', 'Other services', 'Construction and utilities' and 'Property and finance' (**Figure 2.2a, p10 & Figure 2.4, p14**).
- Whilst the 'Other business services' and 'Manufacturing' sectors combined added over 300 employees in 2024-25, this increase was lower than the employment loss in the 'Knowledge intensive services' sector alone (400 employees) (**Figure 2.2b, p12**).

Size groups

- One-person businesses grew by 4.1% in the latest year, a rate that is 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 93 extra employees.
- Whilst 1-9 employee businesses have been the fastest growing companies in sectors such as 'High-tech manufacturing', 'Knowledge intensive services' and 'Life science and healthcare', 10+ employee businesses exhibited particularly fast growth in 'Other business services', low- and med-low-tech 'Manufacturing' and 'Transport and travel' (**Figure 2.3, p13**).
- The group of 10+ employee businesses tends to dominate employment growth given its large aggregate size. These businesses are also behind the fall in employment observed in 'Knowledge intensive services', 'Life science and healthcare' and 'Information technology and telecoms' (**Figure 2.3, p13**).
- Employment growth of 1-9 employee businesses increased from 0.3% in 2023-24 to 0.9% in 2024-25. This growth was driven primarily by KI sectors (**Figure 2.8, p20**).
- The picture looks different for 10+ employee businesses. Employment in the year to 2025 fell by 2.4% in KI sectors (-3.0% in the year to 2024). Employment growth in non-KI sectors slowed down from 6.4% in 2023-24 to 2.2% in 2024-25. As a result, employment growth of 10+ employee businesses was -0.6% last year, down from 0.5% one year earlier (**Figure 2.8, p20**).
- 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 in recent years (**Figure 2.8, p20**).

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 2025 and June 2026. The gain from focusing on interim results for these six-month periods is that most of the activity reported in the accounts took place in 2025 and 2026.
- Within this group of companies, total turnover rose by 7% in the most recent six months compared with a rise of 2% in the same period the year before – the median growth rate was 12% compared with -1% last year.
- These figures, which are similar to the growth rates achieved in the past (albeit for a small sample), demonstrate some recovery from the consequences of the flatlining economy. The perusal of their interim reports also appears to show that these businesses can counteract the consequences of a depressed UK economy.

Analysis of latest ONS employment data

- We wonder whether we can obtain more up-to-date figures from ONS to see if the Snapshot results find any support in the ONS data. The gain from looking at ONS data is that it also covers non-corporates (e.g. public services).
- This comparison confirms the continuation of low employment growth in the Greater Cambridge economy obtained from CBR data – CBR and PAYE RTI exhibit very similar growth rates over the Update period (-0.4% and -0.3%, respectively) (**Table 4.3, p28 & Figure 4.1, p29**).
- However, PAYE RTI shows an optimistic outturn in payrolled employee growth in very recent months (April and May 2026), which is consistent with the encouraging picture portrayed by our June 2026 Snapshot (**Figure 4.1, p29**).

Concluding remarks

- The results of our previous update (November 2025 Update) unveiled some sign of recovery by Greater Cambridge businesses from the worst impacts of the UK recession in the second half of 2023, although employment growth remained below the rates seen over recent years. The analysis showed little growth in KI sectors, with the challenging macroeconomic backdrop also having some impact on non-KI businesses. The June 2026 Update allows us to explore how Greater Cambridge businesses performed through a year of positive but subdued UK growth, inflation at roughly double target, a step change in employment taxes and minimum wages, and a global environment of tariff uncertainty.
- Overall, our update results show that employment growth remains below the rates seen over recent years (particularly in KI sectors).

- However, recent announcements such as Aveva's plans for a new global headquarters and R&D centre at Cambridge Science Park, AstraZeneca's investment in the UK life sciences sector and GSK's relocation of its R&D centre from Stevenage to the Cambridge Biomedical Campus suggest an encouraging recovery in business confidence.
- The opening of Cambridge South station and the announcement of plans that would see Cambridge Science Park trebling its economic output over the next 30 years provide reasons to be optimistic about the prospects for growth in Greater Cambridge. We will return to this in our next update.

1. Tracking Greater Cambridge corporate employment – the June 2026 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 2024-25 annual draw were published in May 2026 and examined employment in the accounting years ending from 6th April 2024 to 5th April 2025. 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 2024. For comparison, the ONS Business Register and Employment Survey (BRES) provisional annual employment data published at the end of October 2025 has September 2024 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 November. 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 2026 Update includes companies with a financial year end between May and December 2025 and has a modal year end of mid-October 2025. This median period was characterised by subdued domestic growth, inflation at roughly double target, a sharp employer cost shock and a global environment of tariff uncertainty.

We use the update sample to provide estimates of employment for those companies with a year end between May and December 2025 that have not yet reported. We then use this larger sample to compare the performance of this sample of companies in 2024-25 with their performance in 2023-24. The final analysis sample for the June 2026 Update is 5,668 companies representing 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.

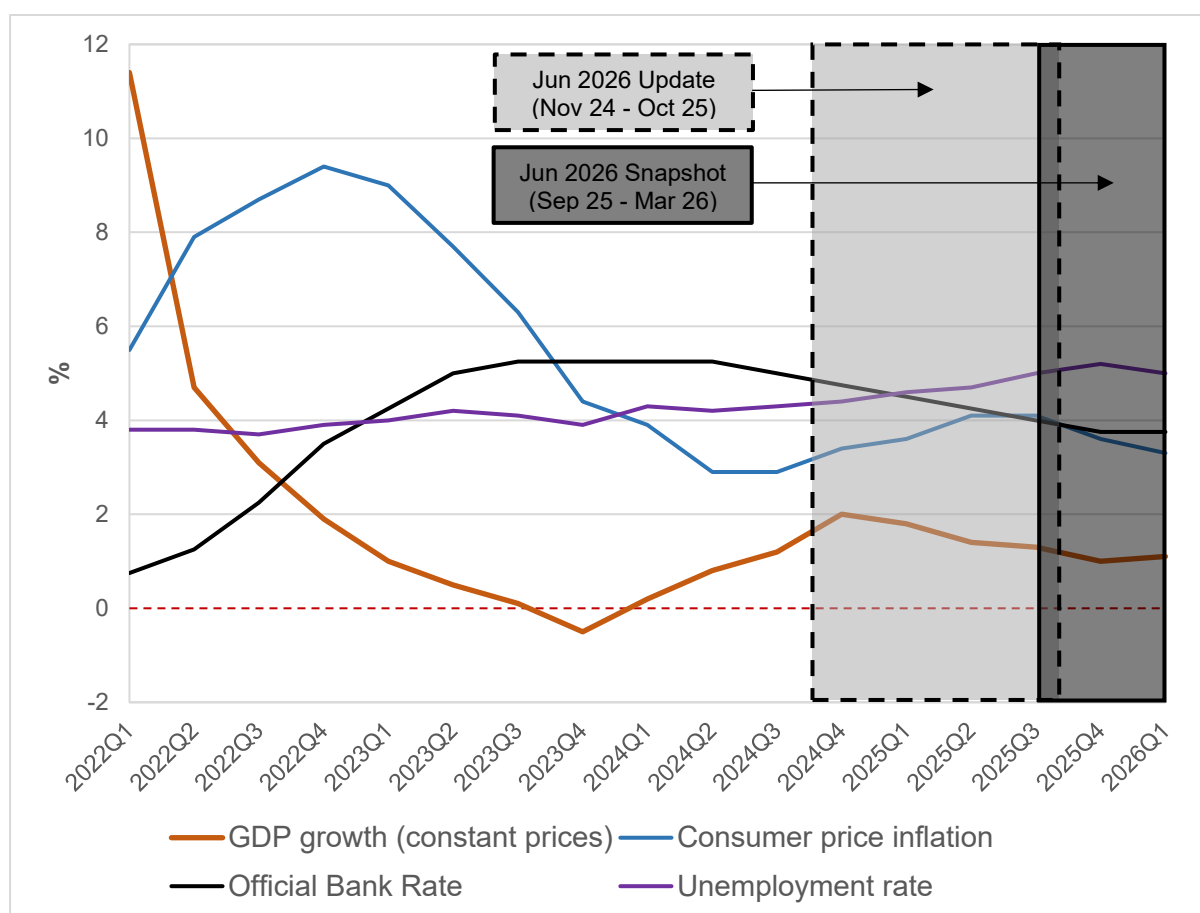
The third method is a **snapshot** of very recent growth that draws on a small sample and should be regarded as merely indicative. It considers only the largest businesses (top 100 by employment or turnover) and examines those that have filed interim reports for six-month periods ending between September 2025 and June 2026. The nine 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 £464m. The gain from focusing on interim results is that the activity reported in the accounts took place in 2025 and 2026. We compare turnover in this period with the same six-month period last year.

Figure 1.1 shows where the June 2026 update and snapshot sit in relation to the national economy. The chart graphically displays how turbulent the last few years have been. 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 light

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

shaded area reflects the June 2026 Update period, which was characterised by very limited GDP growth, stubbornly high interest rates, and increasing inflation and unemployment rates.

Figure 1.1 UK macroeconomic indicators and the June 2026 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 2026 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. Section 4 explores whether the Snapshot results find any support in 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 2026 employment update results

In this section, we present the results of the June 2026 employment update, the fourteenth in a series of updates aimed at providing a timely picture of the performance of the Greater Cambridge corporate economy. This update covers the year to mid-October 2025, a period characterised by weak domestic growth, sticky inflation, a sharp employer cost shock and a global economy that had to weather the largest tariff disruption in ninety years. We compare this year against the previous year, which captures a period of recovery and disinflation in the UK (with the first interest rate cut in four years) set against stable but limited global growth.

2.1. Analysis by area

The results of our previous update (November 2025 Update) unveiled some sign of recovery by Greater Cambridge businesses from the worst impacts of the UK recession in the second half of 2023, although employment growth remained below the rates seen over recent years. The analysis showed little growth in KI sectors, with the challenging macroeconomic backdrop also having some impact on non-KI businesses. The June 2026 Update allows us to explore how Greater Cambridge businesses performed through a year of positive but subdued UK growth, inflation at roughly double target, a step change in employment taxes and minimum wages, and a global environment of tariff uncertainty.

Figure 2.1 depicts employment growth in KI and non-KI sectors during 2023-24 (horizontal axis) and 2024-25 (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 5,668 companies with accounts for the years ending between May and December 2025. 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 2024-25 are found above the horizontal axis and those with positive growth in 2023-24 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 points to a continuation of low employment growth in the Greater Cambridge area during the year to mid-October 2025. Employment in the area dropped by 0.4% in 2024-25 after increasing by 0.4% in 2023-24, suggesting that the challenging macroeconomic backdrop has had a significant impact on Greater Cambridge businesses. However, there are some important differences across both sectors and areas.

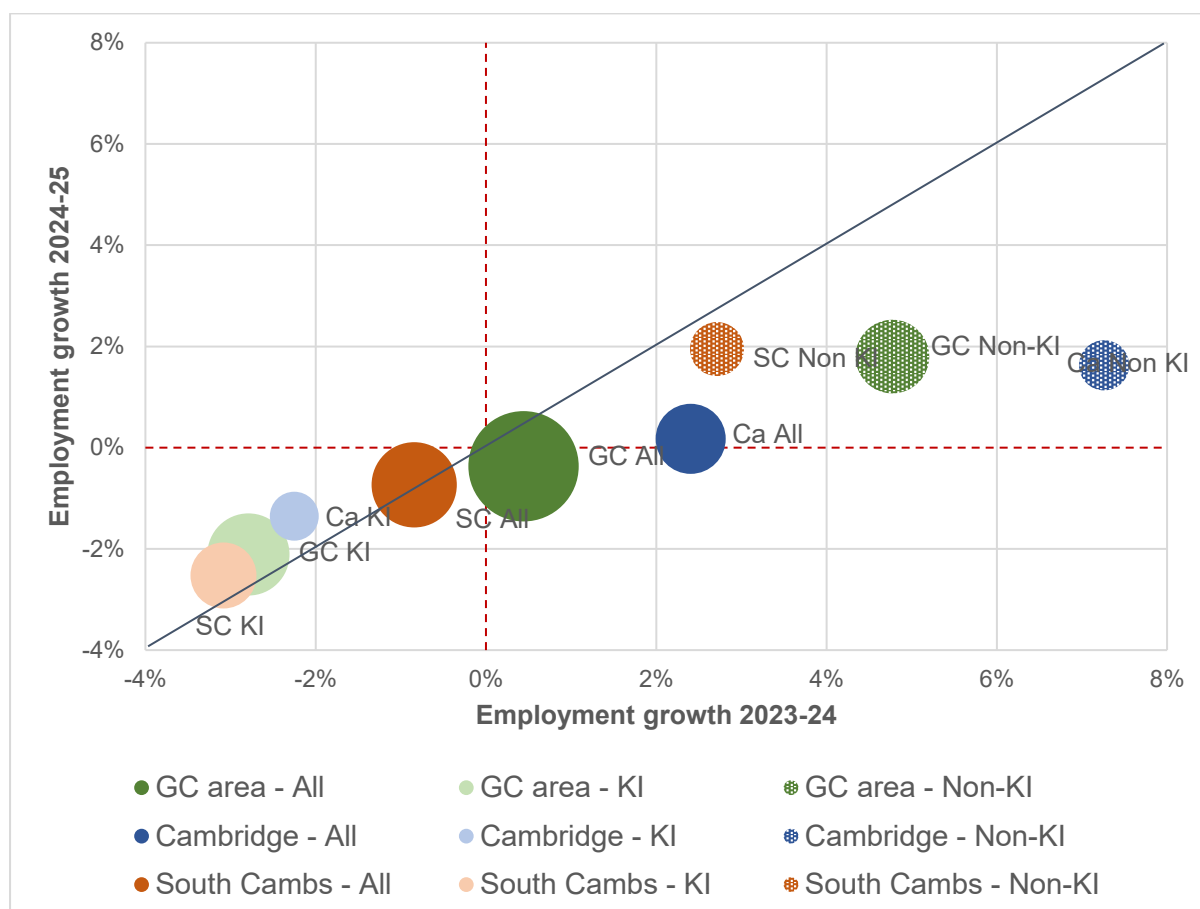
In our previous update (November 2025 Update), we found that even KI sectors in Greater Cambridge have not been immune to the unfavourable macroeconomic environment. Our June 2026 Update casts further light on this by showing that the disappointing employment growth performance of KI sectors continued into 2024-25, although KI employment declined somewhat less than one year earlier. Employment in the Greater Cambridge knowledge economy fell by 2.1% in the year to mid-October 2025 and by 2.8% one year earlier.

The picture for non-KI sectors is partly 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 challenging macroeconomic backdrop has also had some impact on non-KI businesses. Employment growth in non-KI sectors slowed down from 4.8% in 2023-24 to 1.8% in 2024-25.

Turning to the individual districts, both Cambridge and South Cambridgeshire saw a weak employment growth performance during 2024-25. Employment growth slowed down in

Cambridge, where employment increased by 0.2% in the latest year compared to 2.4% in the previous year. In South Cambridgeshire, employment decreased by 0.7% after a 0.8% reduction in 2023-24.

Figure 2.1 Employment growth by area – 2024-25 vs 2023-24



Note: The size of each bubble is proportionate to the number of employees in 2023-24 on a continuous scale.

Source: Cosh & Caselli, CBR.

The KI sectors showed a reduction in employment in both districts. KI employment in Cambridge fell by 1.4% in 2024-25 (-2.3% in 2023-24). South Cambridgeshire suffered a more marked decline in KI employment than Cambridge, although the decline slowed compared with one year earlier (-2.5% in 2024-25 and -3.1% in 2023-24).

Non-KI employment continued to grow, yet at a slower pace than one year earlier. In Cambridge, non-KI performance (1.6% growth in employment in the last year, down from 7.3% one year earlier) managed to hold up overall employment growth in the district. South Cambridgeshire exhibited a similar growth in non-KI employment (1.9% in 2024-25, a rate that was somewhat lower than the 2.7% in 2023-24).

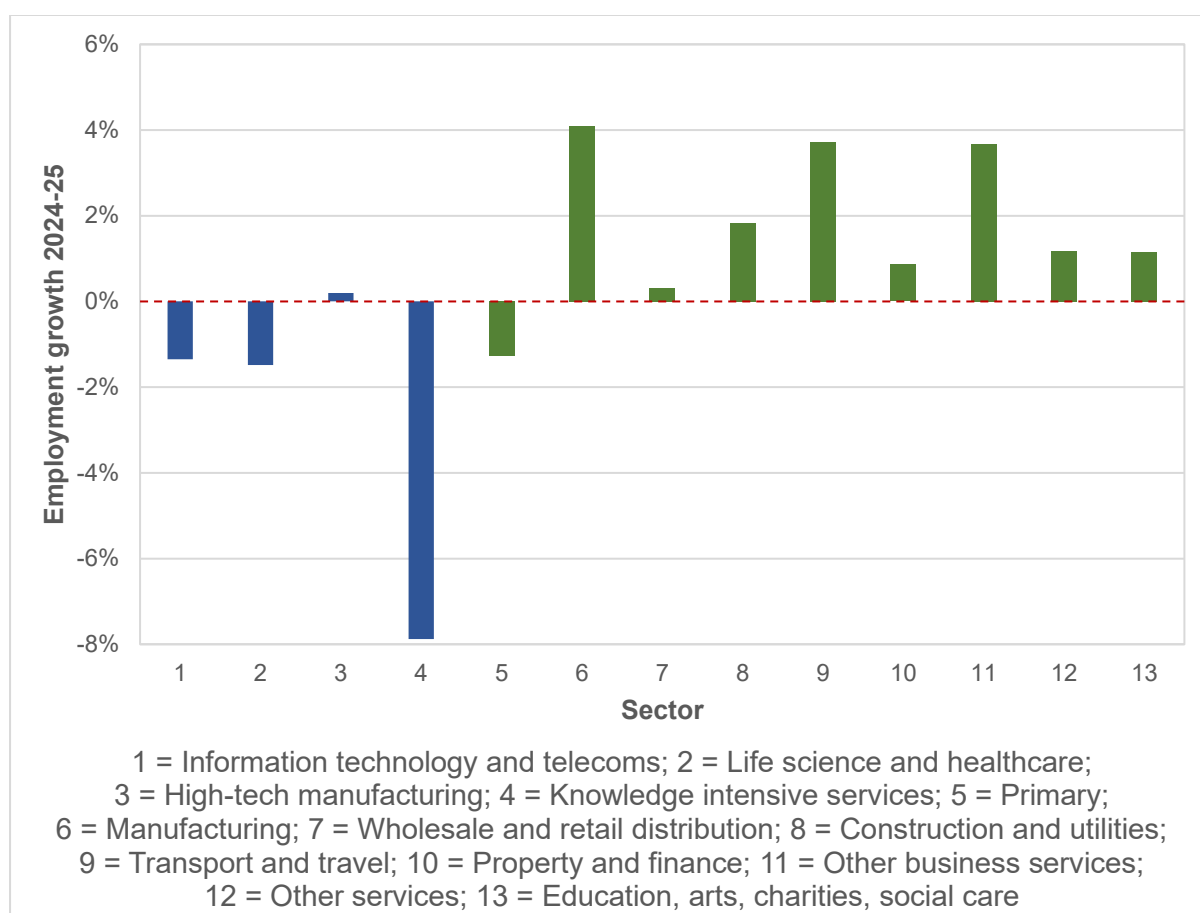
2.2. Analysis by sector

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 2024-25 (on average the year to mid-October 2025), the latest year covered by this work.

Figure 2.2a Employment growth 2024-25 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 emerging picture is one of weak performance across KI sectors.

'High-tech manufacturing' was the only KI sector with positive (albeit modest) employment growth in 2024-25. Some large high-tech manufacturers based in Greater Cambridge such as KMG Systems (5.9%) and CRFS (11.1%) showed an increase in employment in 2024-25. By contrast, other large high-tech manufactures including Xaar (-7.2%), AIXTRON (-18.3%) and Global Inkjet Systems (-25.0%) reported a reduction in employment.

'Knowledge intensive services' suffered the most pronounced reduction in employment. Whilst some large employers in the sector such as RAND Europe (9.0%) and Meteor Inkjet (34.4%) continued to hire staff, other large employers such as DisplayLink / Synaptics (-45.5%), Cambridge Mechatronics (-19.9%) and Cambridge Consultants (-5.9%) showed a reduction in headcount. This reduction reflects a mix of company-specific (e.g. change in business model in the case of Cambridge Mechatronics) and market-wide factors (e.g. softening demand in the case of DisplayLink / Synaptics), with the difficult operating environment also continuing to play a role.

The weakness in 'Life science and healthcare', the largest KI sector in Greater Cambridge and one with good coverage in this update (90% of total corporate employment in the sector), noted in our previous update has continued. Employment in the sector fell by 1.5% during

2024-25. Some of the largest Life Science employers in the area (e.g. Abcam) reported a fall in staff numbers. Several smaller and medium-sized Life Science businesses based locally (e.g. Biofidelity) also had a reduction in employment.

Several large employers operating in the 'Information technology and telecoms' sector exhibited robust growth during 2024-25. Key examples include IQGeo (43.1%), Huawei Technologies Research & Development (10.6%) and RealVNC (6.7%). However, various other ICT employers such as Frontier Developments (-16.8%), Bango (-14.2%) and Amazon's EVI Technologies (-2.1%) saw a decline in employment in the most recent year, partly reflecting efforts to cut operating costs following disappointing financial performance.

All non-KI sectors except the 'Primary' sector achieved positive employment growth in the year to mid-October 2025. Among these, the low- and med-low-tech 'Manufacturing' sector was the fastest-growing sector. Employment in the sector grew by 4.1%, partly reflecting an increase in staff numbers at Hain Celestial / Histon Sweet Spreads (16.8%), Universal Composite Doors (14.6%) and Cambridge University Press (14.2%).

The 'Transport and travel' and 'Other business services' sectors (3.7%) also had robust employment growth in 2024-25. This growth was supported by a higher headcount at several major employers in these sectors such as Premier Travel Agency ('Transport and travel') and Mills & Reeve ('Other business services').

Other non-KI sectors such as 'Construction and utilities' (1.8%) 'Other services' (1.2%) and 'Education, arts, charities, social care' (1.2%) showed positive but less fast growth.

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, overall employment growth in the Greater Cambridge corporate economy in the year to mid-October 2025 is dominated by the KI sectors. However, the figure suggests a reversal from the picture that we have been reporting for several years, where the highest bars were those identifying KI sectors rather than non-KI sectors.

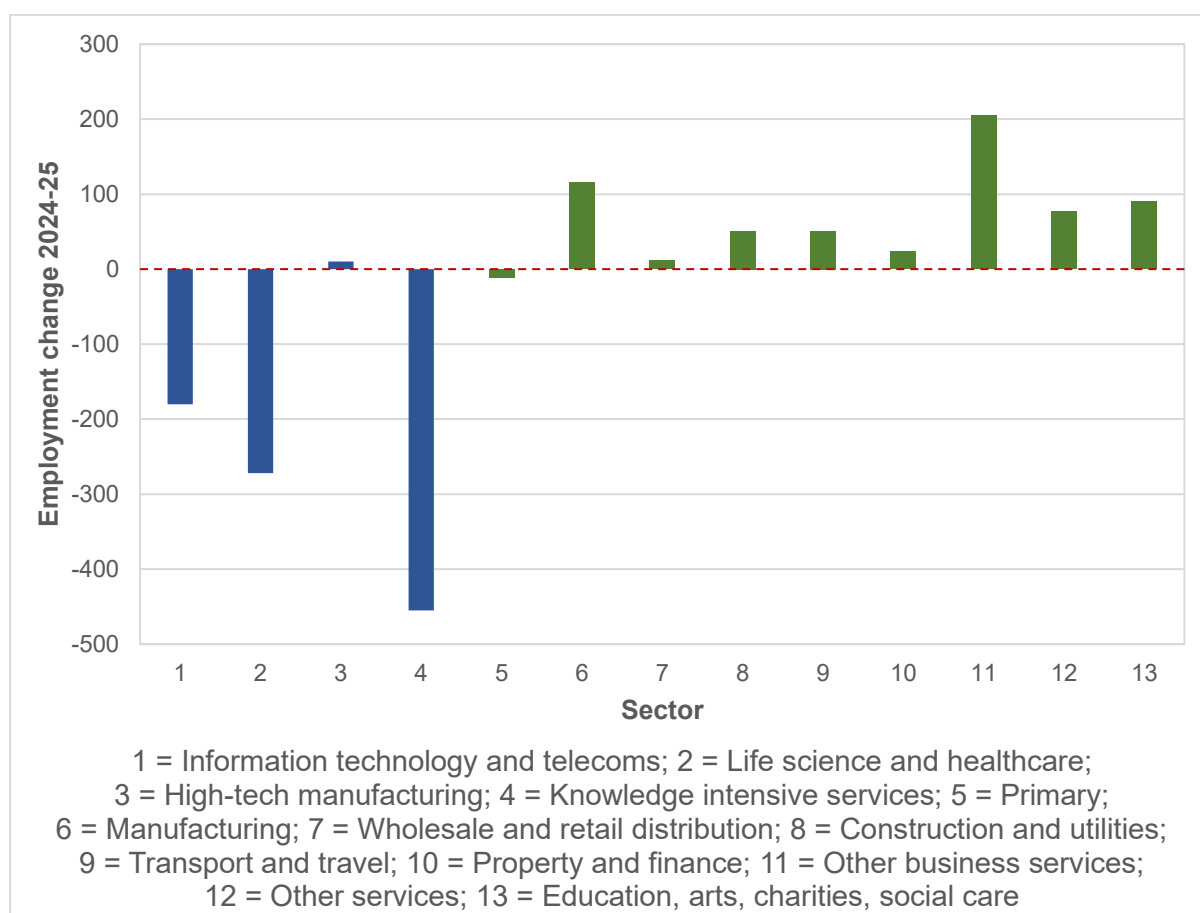
Whilst the 'Other business services' and 'Manufacturing' sectors combined added over 300 employees in 2024-25, this increase was lower than the employment loss in the 'Knowledge intensive services' sector alone (400 employees). 'Life science and healthcare' and 'Information technology and telecoms' also reported some noticeable reductions in employment (272 and 180, 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 2025 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 unveiled positive employment growth across most non-KI sectors, whereas there was a weaker performance across 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.

Figure 2.2b Employment change 2024-25 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.

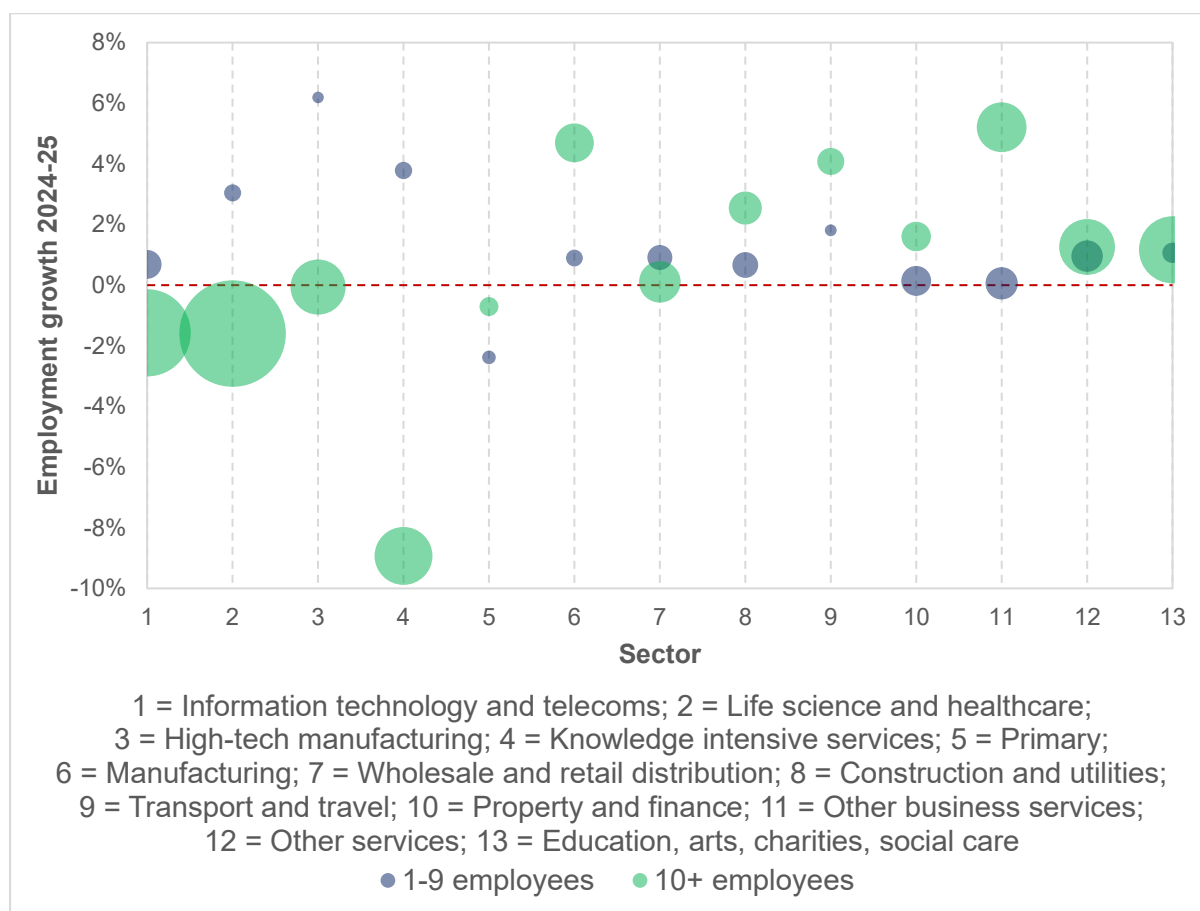
Businesses with 1-9 employees have been the fastest growing companies in sectors such as 'High-tech manufacturing', 'Knowledge intensive services' and 'Life science and healthcare'. However, the relatively small size of their bubbles shows that their impact on total employment growth was somewhat limited.

Examples of fast growth in the 1-9 employee businesses are Cambridge Smart Plastics, a start-up that aims to accelerate innovation in commodity plastics for a smart and sustainable future, and Theia Insights, a deep tech company developing AI-native data and analytics infrastructure for global financial markets.

In turn, 10+ employee businesses exhibited particularly fast growth in 'Other business services', low- and med-low-tech 'Manufacturing' and 'Transport and travel'.

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. Mills & Reeve), low- and med-low-tech 'Manufacturing' (e.g. Hain Celestial / Histon Sweet Spreads) and 'Transport and travel' (e.g. Premier Travel Agency). At the same time, 10+ employee businesses are behind the fall in employment observed in 'Knowledge intensive services' (e.g. Cambridge Consultants), 'Life science and healthcare' (e.g. Abcam) and 'Information technology and telecoms' (e.g. Frontier Developments).

Figure 2.3 Employment growth 2024-25 by sector and firm size in the Greater Cambridge area



Note: The size of each bubble is proportionate to the number of employees in 2023-24 on a continuous scale.

Source: Cosh & Caselli, CBR.

Figure 2.4 compares the 13 industry sectors according to their employment growth during 2023-24 (horizontal axis) and their employment growth during 2024-25 (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 2024-25 are found above the horizontal axis and those with positive growth in 2023-24 appear to the right of the vertical axis.

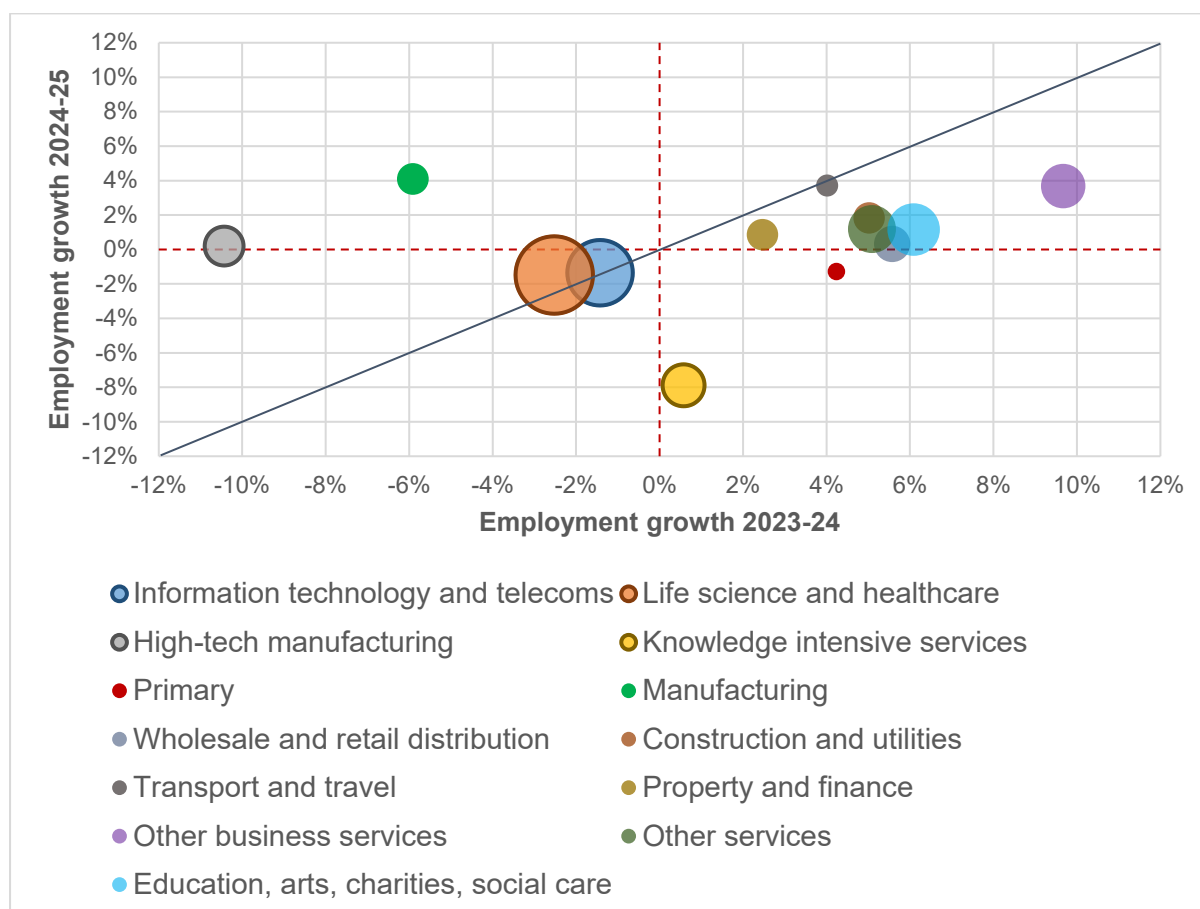
The four KI sectors making up the Greater Cambridge economy saw a disappointing employment growth performance over the past two years.

Employment growth in 'Knowledge intensive services' dropped from 0.6% in 2023-24 to -7.9% in 2024-25. Large engineering and science consultants such as Cambridge Consultants, Science Group and Cambridge Mechatronics had weaker employment growth in the most recent year compared with one year earlier.

Similarly, employment in 'Life science and healthcare' declined by 1.5% in 2024-25, following a drop of 2.5% in 2023-24. Whilst several major 'Life science and healthcare' companies in Greater Cambridge such as Apollo Therapeutics (16.0%), Costello Medical (9.3%) and Astex Therapeutics (5.8%) reported continued growth in employment, other companies in the

sectors such as Abcam (-10.4%), Optibrium (-10.9%) and Carl Zeiss (-1.0%) showed a reduction in employee numbers.

Figure 2.4 Employment growth by sector in the Greater Cambridge area – 2024-25 vs 2023-24



Note: The size of each bubble is proportionate to the number of employees in 2023-24 on a continuous scale. Bubbles with an outline identify KI sectors.

Source: Cosh & Caselli, CBR.

'Information technology and telecoms', the second-largest KI sector in the area after 'Life science and healthcare', saw an employment growth of -1.3% in the most recent year (-1.4% in the previous year). Sitec Infrastructure Services (-18.0%), Frontier Developments (-16.8%) and Bango (-14.2%) are some of the major ICT employers based locally with lower staff numbers last year compared with the previous year.

In turn, employment in 'High-tech manufacturing' increased moderately by 0.2% in the year to mid-October 2025, up from -10.4% one year earlier. There was significant variation in employment growth across locally based high-tech manufacturers. Companies such as CRFS (11.1%), dCS (7.3%) and KMG Systems (5.9%) grew their headcount. Conversely, companies such as Global Inkjet Systems (-25.0%), AIXTRON (-18.3%) and Xaar (-7.2%) reduced their number of staff.

There are more mixed results for non-KI sectors.

The low- and med-low-tech 'Manufacturing' sector showed an improvement in performance in the year to 2025, with employment growing by 4.1% in 2024-25 compared with a rate of -5.9% in 2023-24. This result is encouraging if one considers that our June 2026 Update sample

covers about 74% of corporate employment in the 'Manufacturing' sector in Greater Cambridge (see the fourth data column in Appendices A1-A3). The strong growth in 'Manufacturing' employment benefited from the steady increase in employee numbers at Hain Celestial / Histon Sweet Spreads (16.8%), Universal Composite Doors (14.6%) and Cambridge University Press (14.2%).

The 'Transport and travel' sector reported a robust growth in employment of 3.7%, down slightly from the 4.0% rate achieved one year earlier.

By contrast, employment growth slowed down in the following sectors: 'Other business services' (3.7% in 2024-25 compared with 9.7% in 2023-24), 'Wholesale and retail distribution' (0.3% and 5.6%, respectively), 'Education, arts, charities, social care' (1.2% and 6.1%, respectively), 'Other services' (1.2% and 5.1%, respectively), 'Construction and utilities' (1.8% and 5.0%, respectively) and 'Property and finance' (0.9% and 2.5%, respectively).

Some examples of companies with weaker employment growth in the year to mid-October 2025 than in the earlier year include Trinity Harper Cleaning ('Other business services'), Services Machinery & Trucks ('Wholesale and retail distribution'), Red Balloon Educational Trust ('Education, arts, charities, social care'), Lunchtime Co ('Other services'), Midsummer Energy ('Construction and utilities') and Howard Ventures ('Property and finance').

Employment in the 'Primary' sector fell by 1.3% in the latest year, after increasing by 4.2% in the previous year. This fall in employment partly reflects a lower headcount at large 'Primary' sector employers such as Flora-tec (-5.3%) and E W Pepper (-0.8%).

Employment growth in Cambridge

Figure 2.5 compares sectors based on their employment growth during 2023-24 (horizontal axis) and their employment growth during 2024-25 (vertical axis), this time focusing on Cambridge.

'High-tech manufacturing' is the only KI sector in Cambridge with a growth rate of employment in 2024-25 that is higher than 2023-24 (2.7% and -13.3%, respectively). Cambridge Smart Plastics, illumion and Spotta are a few examples of high-tech manufacturers based in the district with robust employment growth in the year to mid-October 2025.

Employment growth in the most recent year was positive, albeit only marginally, also in the 'Information technology and telecoms' sector (0.1% in 2024-25 and 0.0% in 2023-24). Whilst some of the larger ICT companies in Cambridge had an increase in their staff numbers (e.g. IQGeo, Arcus Global and Cambridge Intelligence), others suffered a drop in employment (e.g. Bango, Microsoft Research and Amazon's EVI Technologies).

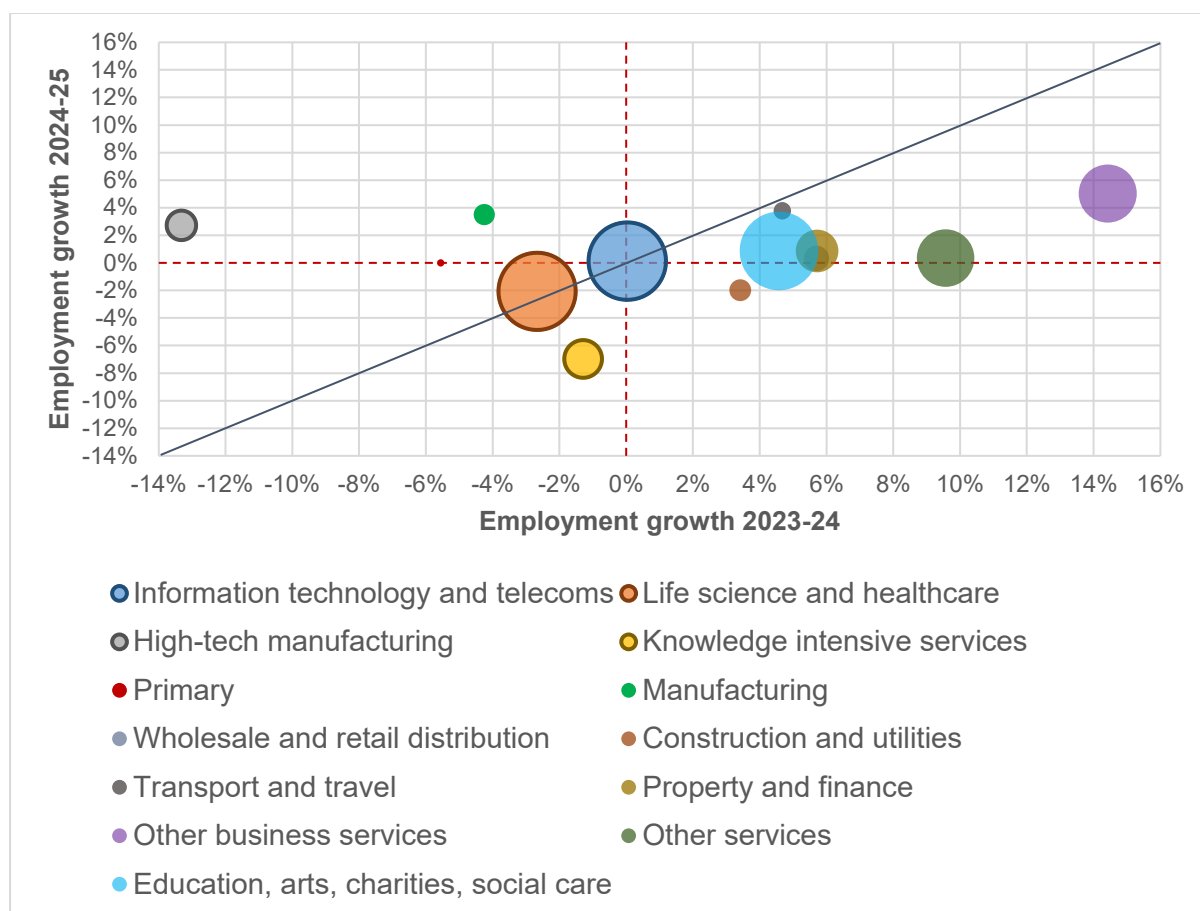
In the 'Life science and healthcare' sector, employment fell by 2.1% (close to the -2.7% one year earlier). The 10.4% reduction in employment during 2024-25 at Abcam, one of the largest Life Science employers in Cambridge, had a dominant impact on overall growth in the sector.

The 'Knowledge intensive services' sector showed a similar picture, with employment falling by 7.0% in 2024-25 (-1.3% in 2023-24). Several Cambridge-based employers in the sector (e.g. Cambridge Econometrics, Cambridge Crystallographic Data Centre and Traffic International) experienced a reduction in staff numbers in the most recent year.

Turning to the non-KI sectors, employment growth in the latest year was higher than it was in the previous year in the low- and med-low-tech 'Manufacturing' sector (3.5% in 2024-25 and

-4.3% in 2023-24), helped by the steady increase in employee numbers at Cambridge University Press (14.2% in the most recent year).

Figure 2.5 Employment growth by sector in Cambridge – 2024-25 vs 2023-24



Note: The size of each bubble is proportionate to the number of employees in 2023-24 on a continuous scale. Bubbles with an outline identify KI sectors.

Source: Cosh & Caselli, CBR.

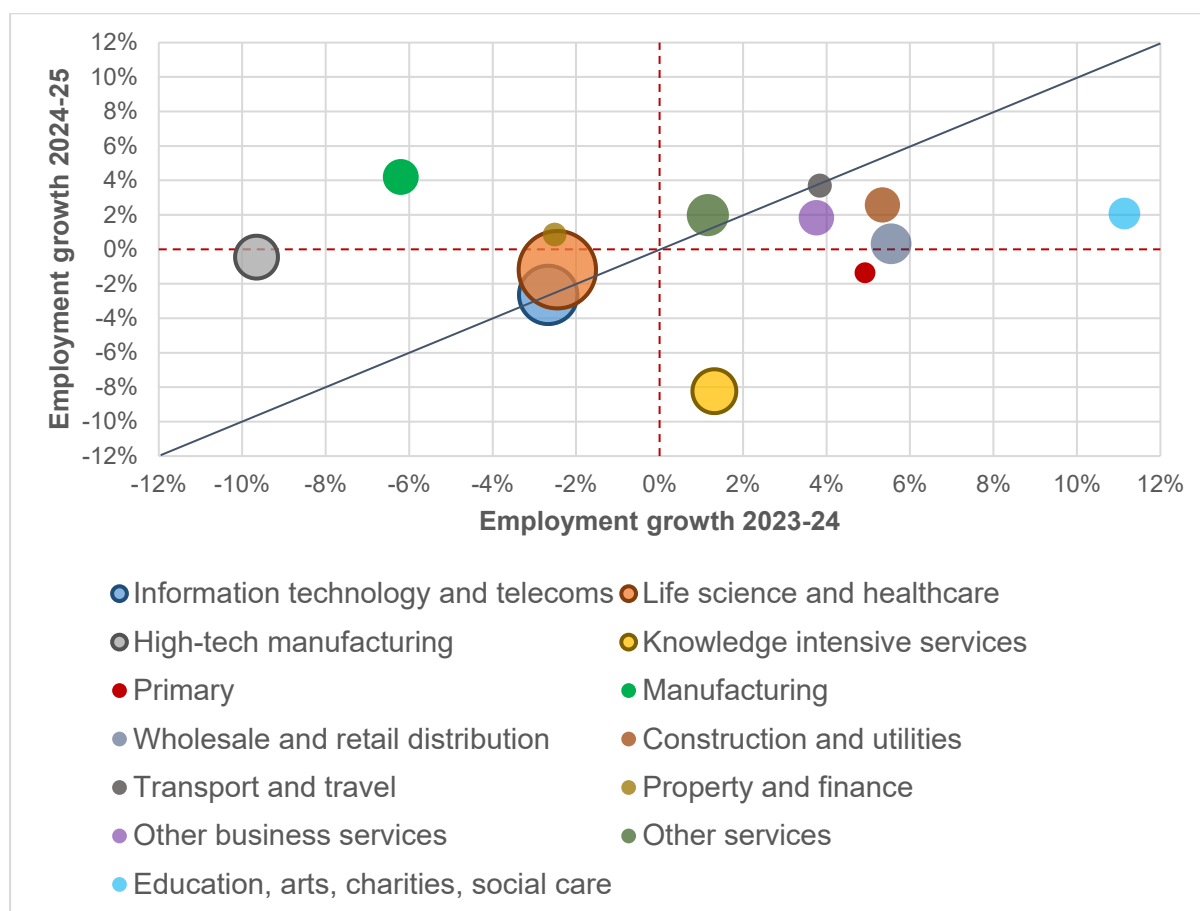
Employment continued to grow at pace in ‘Transport and travel’ (3.8% in 2024-25, down slightly from 4.7% in 2023-24). This growth is partly the result of higher staff numbers at several travel agencies based locally, including Premier Travel Agency (3.2%).

The picture looks different for the other non-KI sectors. Except for the ‘Primary’ sector, employment growth in the year to mid-October 2025 slowed down compared with one year earlier in ‘Other business services’ (5.0% and 14.4%, respectively), ‘Other services’ (0.3% and 9.6%, respectively), ‘Wholesale and retail distribution’ (0.3% and 5.7%, respectively), ‘Construction and utilities’ (-2.0% and 3.4%, respectively), ‘Property and finance’ (0.9% and 5.7%, respectively) and ‘Education, arts, charities, social care’ (0.9% and 4.6%, respectively).

Employment growth in South Cambridgeshire

Figure 2.6 focuses on South Cambridgeshire and compares sectors based on their employment growth during 2023-24 (horizontal axis) and their employment growth during 2024-25 (vertical axis).

Figure 2.6 Employment growth by sector in South Cambridgeshire – 2024-25 vs 2023-24



Note: The size of each bubble is proportionate to the number of employees in 2023-24 on a continuous scale. Bubbles with an outline identify KI sectors.

Source: Cosh & Caselli, CBR.

Three of the four KI sectors in South Cambridgeshire, notably 'Life science and healthcare', 'Information technology and telecoms' and 'High-tech manufacturing', reported a drop in employment for the second consecutive year.

The largest KI sector in South Cambridgeshire, 'Life science and healthcare', saw employment decrease by 1.2% in the year to mid-February 2025 (-2.5% in the previous year). Among the Life Science companies in the district with a fall in employee numbers are Metrion Biosciences (-13.0%), Optibrium (-10.9%) and Carl Zeiss (-1.0%).

The 'Information technology and telecoms' sector also exhibited negative employment growth (-2.6% in 2024-25 and -2.7% in 2023-24). Various ICT employers based locally (e.g. Huawei Technologies Research & Development, MathWorks and Quartix) had an increase in staff numbers in the most recent year, but this was offset by the reduction in employment at several other ICT employers (e.g. Agile Analog, Sitec Infrastructure Services and Frontier Developments).

The drop in employment in the 'High-tech manufacturing' sector was more modest (-0.5% in 2024-25, which followed a more marked drop of 9.7% in 2023-24). Whilst high-tech manufacturers such as CRFS (11.1%), dCS (7.3%) and KMG Systems (5.9%) reported a

growth in employment, other companies such as Global Inkjet Systems (-25.0%), AIXTRON (-18.3%) and Xaar (-7.2%) reduced their headcount.

Similar to Cambridge, the 'Knowledge intensive services' in South Cambridgeshire showed a marked decrease in employment in the most recent year. Employment growth in the sector was -8.2% in 2024-25 (down from 1.3% in 2023-24), reflecting a fall in staff numbers at DisplayLink / Synaptics (-45.5%), Cambridge Mechatronics (-19.9%), Science Group (-10.0%) and Cambridge Consultants (-5.9%).

The results portray a multifaceted picture for non-KI sectors.

Three non-KI sectors, notably 'Manufacturing', 'Property and finance' and 'Other services', recorded higher growth in employment during 2024-25 than they did in 2023-24. Among the main contributors to this growth are Hain Celestial / Histon Sweet Spreads ('Manufacturing'), Quay Mill Hotel & Spa ('Property and finance') and ELA Active ('Other services').

In turn, 'Transport and travel' reported steady growth over the past two years (3.7% in 2024-25 and 3.8% in 2023-24). The sector benefited from continued growth in employee numbers at several large passenger transport companies (e.g. Ascendal Group / Whippet) and freight transport companies (e.g. Welch's).

By contrast, the other five non-KI sectors had lower employment growth in 2024-25 than in 2023-24: 'Education, arts, charities, social care' (2.1% in 2024-25 and 11.1% in 2023-24), 'Primary' (-1.4% and 4.9%, respectively), 'Wholesale and retail distribution' (0.3% and 5.5%, respectively), 'Construction and utilities' (2.6% and 5.3%, respectively) and 'Other business services' (1.8% and 3.8%, respectively).

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

Absolute change in employment numbers in Greater Cambridge

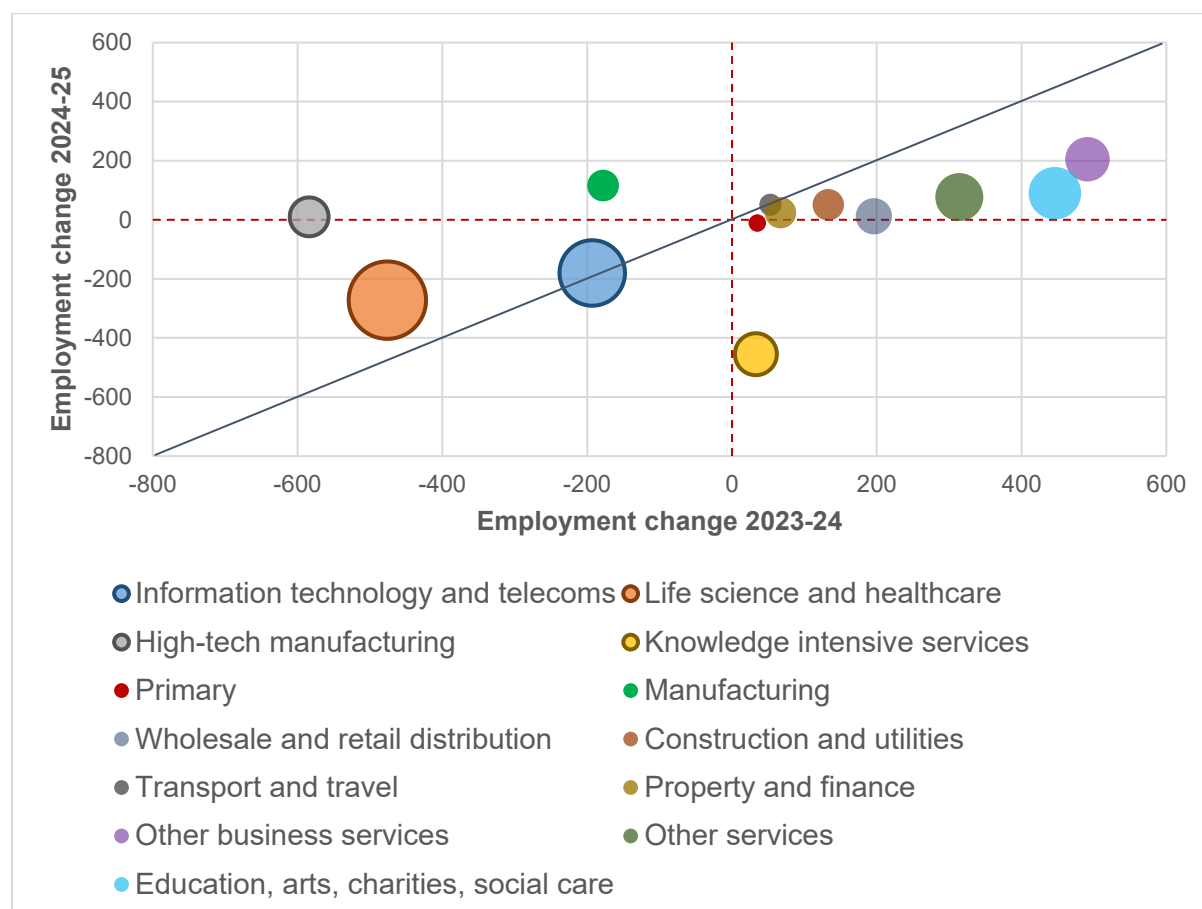
Figure 2.7 offers another comparison across sectors, this time looking at their employment change (rather than their employment growth) during 2023-24 (horizontal axis) and 2024-25 (vertical axis). Similar to Figures 2.4-2.6, this chart allows us to compare the performance of sectors over time. The position 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 2024-25 are found above the horizontal axis and those with a positive change during 2023-24 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 on overall employment growth.

'High-tech manufacturing' was the only KI sectors with a positive, albeit modest, change in employment in the year to mid-October 2025 (10 employees, compared with a loss of 584 employees in the year to mid-October 2024). High-tech manufacturers that reported an increase in staff numbers in the most recent year include SuperSharp (13 employees), KMG Systems (11 employees) and Spotta (11 employees).

Conversely, the other three KI sectors showed an employment loss in 2024-25.

Figure 2.7 Employment change by sector in the Greater Cambridge area – 2024-25 vs 2023-24



Note: The size of each bubble is proportionate to the number of employees in 2023-24 on a continuous scale. Bubbles with an outline identify KI sectors.

Source: Cosh & Caselli, CBR.

'Life science and healthcare' had a loss of 272 employees. Some of the major Life Science employers in Greater Cambridge (e.g. Abcam) reported a decline in staff numbers. 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 Biofidelity (-34 employees), Mogrify (-22) and CS Genetics (-15) also suffered a reduction in employment.

The second-largest sector in the area, 'Information technology and telecoms', had 180 less employees in 2024-25 than in 2023-24. Various ICT businesses such as IQGeo (107 employees), Huawei Technologies Research & Development (38 employees) and CBNG (35 employees) increased their headcount in 2024-25, but this increase was offset by the reduction in staff numbers at other companies. Amongst the ICT businesses with a reduction in staff numbers are Frontier Developments (-141 employees), Bango (-33 employees) and Sitec Infrastructure Services (-20 employees).

The 'Knowledge intensive services' sector saw the largest drop in employment during 2024-25, with 455 less employees than in 2023-24 (down from an increase of 33 employees one year earlier). Science Group (-59 employees), DisplayLink / Synaptics (-50 employees) and Cambridge Consultants (-42 employees) account for about one-third of this employment loss.

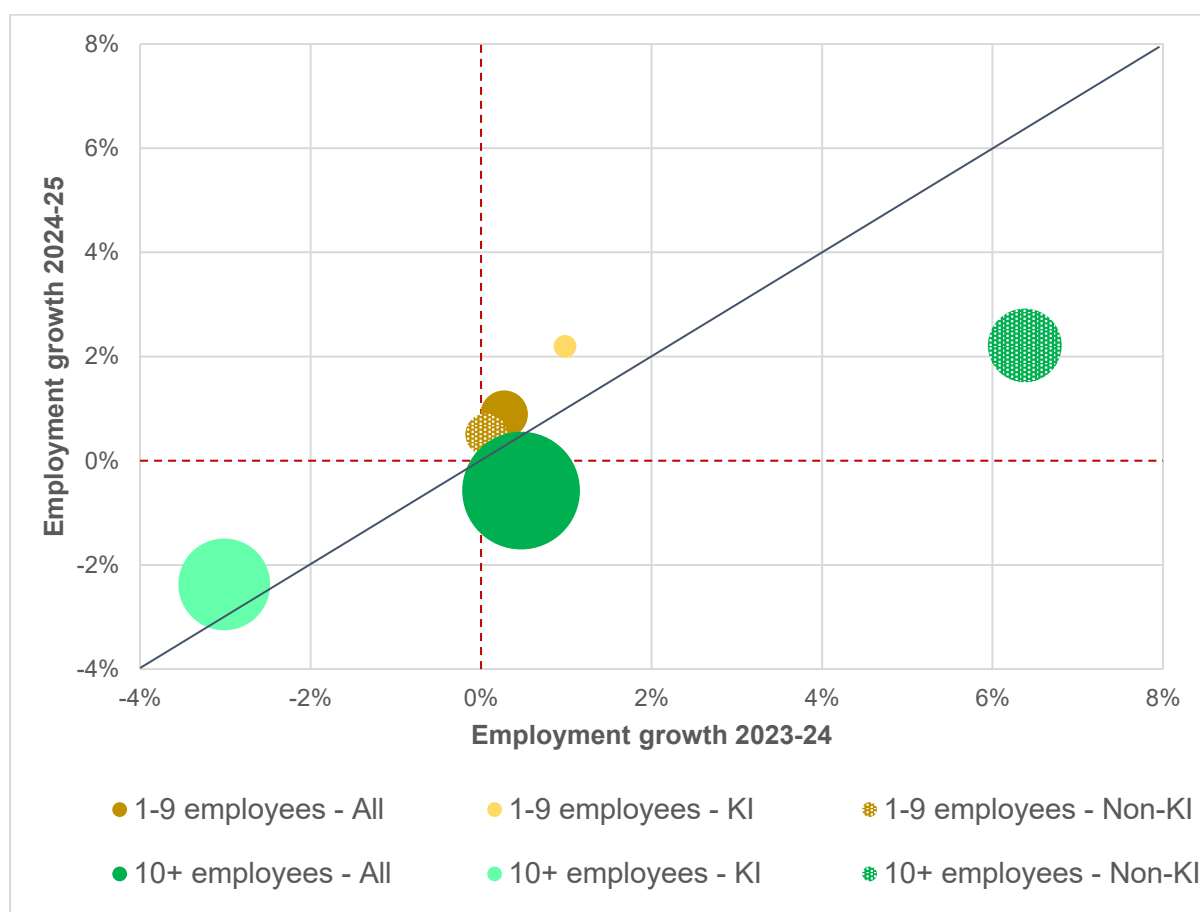
Collectively, KI sectors had a combined loss of 897 employees during 2024-25, while non-KI sectors added 615 employees.

'Other business services' (205 employees in 2024-25 and 491 employees in 2023-24), low- and med-low-tech 'Manufacturing' (116 and -178 employees, respectively) and 'Education, arts, charities, social care' (90 and 446 employees, respectively) made the largest contribution to employment change to 2025.

2.3. Analysis by firm size

Figure 2.8 shows employment growth in KI and non-KI sectors during 2023-24 (horizontal axis) and 2024-25 (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 2024-25 are found above the horizontal axis and those with positive growth in 2023-24 appear to the right of the vertical axis.

Figure 2.8 Employment growth by firm size in the Greater Cambridge area – 2024-25 vs 2023-24



Note: The size of each bubble is proportionate to the number of employees in 2023-24 on a continuous scale.

Source: Cosh & Caselli, CBR.

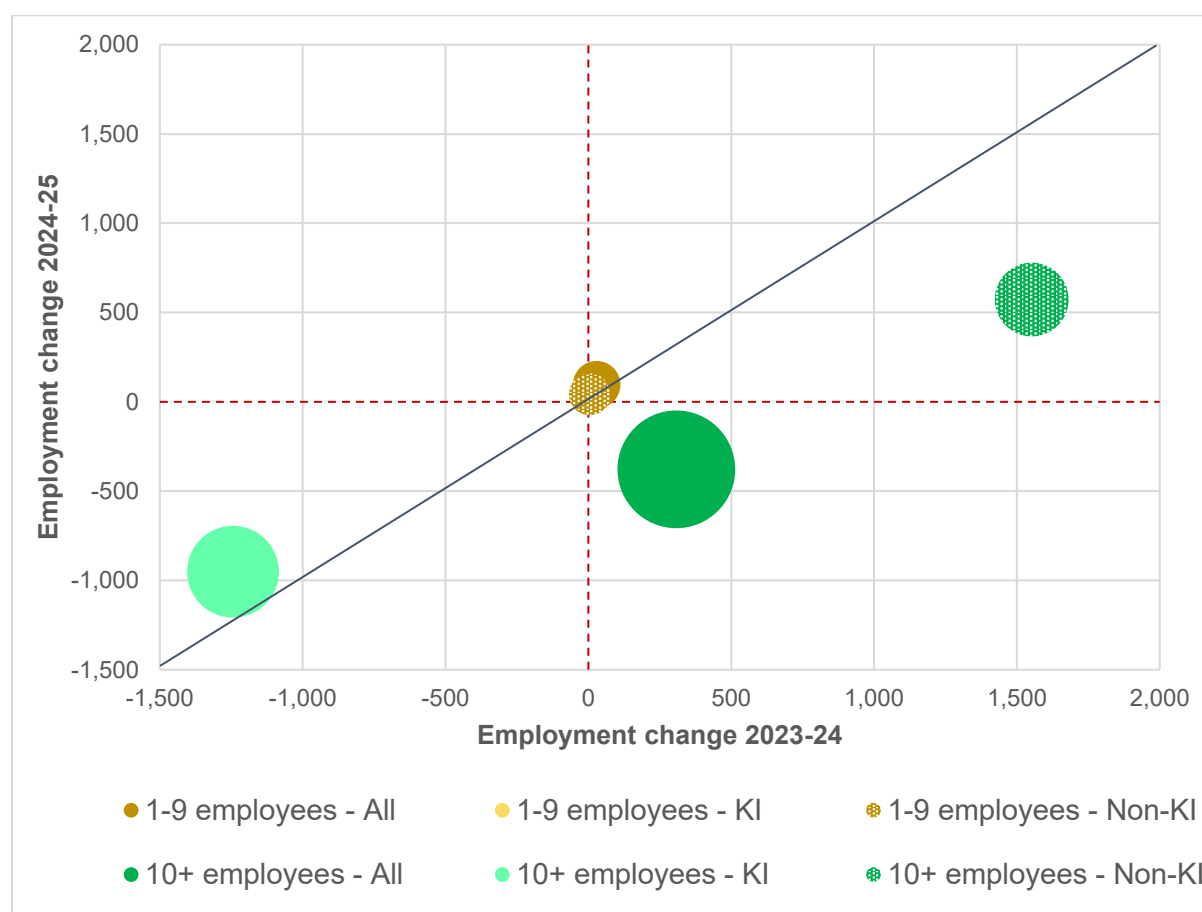
Figure 2.8 points to some important differences between size classes.

Employment growth of 1-9 employee businesses increased from 0.3% in 2023-24 to 0.9% in 2024-25. This growth was driven primarily by KI sectors, which saw employment grow by 2.2% in the latest year compared with 1.0% one year earlier. Non-KI sectors in this size class grew less fast than KI sectors, reaching 0.5% in 2024-25 (up from 0.1% in 2023-24).

The picture looks different for 10+ employee businesses. Employment in the year to 2025 fell by 2.4% in KI sectors (-3.0% in the year to 2024). Employment growth in non-KI sectors slowed down from 6.4% in 2023-24 to 2.2% in 2024-25. As a result, employment growth of 10+ employee businesses was -0.6% last year, down from 0.5% one year earlier. Given the large aggregate size of businesses employing 10 people or more, corporate employment growth in Greater Cambridge continued to be weak (-0.4% in 2024-25 and 0.4% in 2023-24).

Figure 2.9 compares size classes based on their employment change during 2023-24 (horizontal axis) and 2024-25 (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 2024-25 are found above the horizontal axis and those with a positive change during 2023-24 appear to the right of the vertical axis.

Figure 2.9 Employment change by firm size in the Greater Cambridge area – 2024-25 vs 2023-24



Note: The size of each bubble is proportionate to the number of employees in 2023-24 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 2024-25 and larger than it was in 2023-24 (96 and 29 employees, respectively). The employment change in the most recent year originated primarily in KI sectors (54 employees compared with 42 employees for non-KI sectors).

A different finding holds for businesses with 10+ employees, which saw a change of -378 employees in 2024-25 (against an increase of 308 in 2023-24). This reduction was caused primarily by KI sectors, where employment dropped by 951 people in the latest year (KI employment dropped by 1,244 people in the previous year). In turn, employment change in non-KI sectors was positive (573 employees) but considerably smaller than it was in 2023-24 (1,552).

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 -282 in the year to mid-October 2025 compared with 337 in the year to mid-October 2024.

The next section presents the results of the June 2026 snapshot analysis.

3. June 2026 snapshot results

This 'stop press' analysis allows us to provide an even more up-to-date picture. This note uses just the nine companies that have presented interim results for the six-month periods ending between September 2025 and June 2026. Only turnover data is available and together these companies represent a combined current annual turnover of about £464m and have about 2,980 employees.

The gain from focusing on interim results for six-month periods is that the activity reported in the accounts took place in 2025 and 2026. For each company we look at turnover growth in the same six-month period the year before.

Turnover growth

Total turnover for this group of companies **rose** by **7%** in the most recent six months compared with a **rise** of 2% in the same period the year before. The median growth rate was 12% compared with -1% last year. These figures, which are similar to the growth rates achieved in the past (albeit for a small sample), demonstrate some recovery from the consequences of the flatlining economy.

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 positive results and that these businesses can counteract the consequences of a depressed UK economy.

Science Group plc is an international Professional Services and Systems organisation delivering innovation through the application of science, technology and engineering. The first half of 2026 delivered another resilient performance for Science Group despite the challenges presented by external factors. Whilst the geopolitical environment remains volatile, the Board anticipates sequential period growth in the second half of the year, driven principally by the Services division. Sagentia provides product development, regulatory and advisory services. The Division is differentiated through deep technical, scientific and engineering expertise combined with specialist industry knowledge. The geopolitical turmoil in the Middle East impacted business confidence in H1 2026, across the Division's international corporate client base, with concerns over increasing energy prices, global inflationary pressures and potential interest rate increases. Such an environment inevitably creates uncertainty and slows investment decisions resulting in delays to procurement schedules. While some market sectors stabilised fairly rapidly, others have taken longer to normalise, but UK trading conditions are starting to improve following the release of the UK Defence Investment Plan, which is expected to unlock deferred pipelines in their relevant divisions. Armed with significant cash reserves, Science Group is actively exploring strategic corporate acquisitions to accelerate growth.

Science Group PLC: Science and technology consultants

Xaar's the Cambridge-headquartered industrial inkjet technology specialist, is currently executing a structural turnaround. Following years of challenging market conditions, recent financial results indicate that the company has returned to top-line growth and adjusted

profitability. Driven by a strategic pivot toward diversified digital manufacturing applications (such as 3D printing and advanced coatings), management anticipates a significantly stronger performance moving forward. The full-year outlook remains unchanged, and the Board looks forward with confidence.

Xaar PLC: Digital inkjet printing technology

The company's primary focus continues to be providing vehicle tracking systems and analytical software-as-a-service (SaaS) to fleet operators globally. Continued growth in ARR with the strong increase in the ARR per vehicle of 3% across the subscription base, together with improvements in net revenue retention, manufacturing costs and overhead efficiency, are strengthening the Group's capacity to invest further in profitable growth in the second half and into 2027. This will include planned investment to support the launch of the Group's dashcam offering in Continental Europe in the first half of 2027, extending the Group's product capabilities and supporting future revenue growth. The Board remains confident in delivering market expectations for the current year in respect of revenue, Adjusted EBIT and free cash flow. This confidence is underpinned by the Group's recurring revenue model, improving operational efficiency and disciplined approach to investment. The Company therefore looks forward to the remainder of the year, and 2027, with confidence.

Quartix Technologies PLC: Vehicle GPS tracking

Cambridge Cognition Holdings is a brain health software group specialising in digital health products that advance brain health research and treatment. Cambridge Cognition's H1 2026 trading update released in late July highlighted marked progress:

- **Revenue Growth:** H1 2026 revenues rose 16% to £5.0 million (up from £4.3 million in H1 2025). This included the company's first pilot revenues (£100,000) from its newly targeted Healthcare and Consumer Wellness segments.
- **Loss Reduction:** The company's adjusted EBITDA loss narrowed down to £0.3 million from a £0.4 million loss in H1 2025.
- **Order Book Dynamic:** New sales orders for H1 stood at £6.0 million (down from £6.9 million in H1 2025). However, management noted this was a matter of timing, as a large £1.0 million contract was signed just three working days after the period closed.
- **Balance Sheet Overhaul:** In July 2026, Cambridge Cognition completed a successful share placement raising £2.5 million in gross proceeds. The company used this capital to fully pay off its venture debt facility with Claret Capital Partners, leaving it entirely debt-free with a net cash position.

Cambridge Cognition Hldgs PLC: Digital solutions to assess brain health

Cambridge Nutritional Sciences PLC is a specialized medical diagnostics company focused on personalised health, nutrition, and food sensitivity testing. The company is currently awaiting its final audited annual figures, which were delayed until September 8, 2026. Chief Executive James Cooper noted that the company's capital upgrades will "deliver significant product, cost and market position advantages" over the long term.

- **IVDR Development Programme:** Much of the company's recent cash burn has been redirected into capital equipment for its In Vitro Diagnostic Regulation (IVDR) compliance. This operational transition is expected to fortify its product offerings and long-term positioning across global regulated markets.

- *Product Line Expansion: CNSL continues to expand its core diagnostics ecosystem. Growth relies on its flagship lab panel FoodPrint®, point-of-care test Food Detective®, and its newly released Gut Detective® stool biomarker panel, alongside its digital symptom tracker app, My Health Tracker.*

Cambridge Nutritional Sciences PLC: Diagnostics testing business

CyanConnnode Holdings PLC is being acquired by Esyssoft Technologies UK Limited in a recommended all-cash deal valuing the company at approximately £36.5 million. CyanConnnode has major smart-metering contracts, including a 6.5 million communication module contract awarded by Esyssoft in 2024. Esyssoft is part of Sirius International Holding Limited, owned by International Holding Company PJSC (IHC), a large UAE conglomerate. Operationally, CyanConnnode has shown robust top-line momentum, driven heavily by its position in the massive smart-metering rollout in India. It will no longer be possible to monitor Cyanconnnode's performance.

CyanConnnode Hldgs: Delivers Wi-Fi solutions for utility metering

Frontier Developments PLC has achieved a major financial and operational turnaround following a strategic pivot back to its core strengths. By refocusing almost entirely on the creative management simulation (CMS) genre, the company delivered a record provisional adjusted operating profit of £19.0 million for the fiscal year ended May 31, 2026 (FY26)—up 44% from the previous year. Revenue also climbed 16% to £104.8 million, driven primarily by the strong launch of Jurassic World Evolution 3 and enduring back-catalogue sales. CMS titles accounted for 90% of total revenue in FY26, confirming the success of their streamlined portfolio model. Jo Cooke, Chief Executive Officer, said: "Thank you so much to our amazing people and our fantastic players for helping us deliver an excellent FY26, including record financial performance. It's the result of a stunning turnaround of our business over the last three years which was driven by my predecessor, Jonny Watts. We are now set for further success, with three new games scheduled for release across FY27 and FY28. For FY27 we have two terrific sequels, with Planet Zoo 2 and Warhammer 40,000: Chaos Gate – Deathwatch, and for FY28 we are creating a new Planet game franchise, continuing our commitment to building and sustaining world-class CMS games."

Frontier Developments PLC: Developer and publisher of videogames

SDI Group plc recently delivered the strongest year in its history, announcing record final results for the fiscal year ended April 30, 2026. The UK-based scientific and industrial equipment manufacturer has successfully shifted from a period of macroeconomic resilience back into active growth, driven by both steady organic demand and strategic acquisitions. The company's decentralized "buy-and-build" strategy has delivered an impressive revenue compound annual growth rate (CAGR) of 24.1% since 2015. Management expressed significant confidence heading into FY27, reporting that the new financial year has started strongly and is aligned with market expectations.

SDI Group PLC: Digital imaging and sensing and control applications

Tristel Plc (LSE: TSTL), a prominent global specialist in infection prevention and chlorine dioxide-based decontamination technologies, continues to demonstrate robust financial health

alongside clear drivers for long-term international expansion. Tristel's trading update for the full year ended 30 June 2026 highlights strong operational momentum with double-digit revenue growth: full-year revenue increased by 10% to £51m. Tristel's strategic prospects point toward accelerated scaling:

- U.S. Expansion Acceleration: Following the commercial launch of its high-level disinfection products for ultrasound and ophthalmology, U.S. revenues experienced an impressive sixfold growth. The brand is benefiting from expanding distributor networks, OEM collaborations, and increasing integration into official clinical guidelines.*
- Digital Innovation & Recurring Revenue: In late July 2026, the company officially commercialized 3T Pro, the first paid tier within its digital compliance and asset-tracking software platform. This shift introduces a predictable, high-margin, recurring digital revenue stream alongside its legacy chemical product footprint.*

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 June 2026 Update points to a continuation of low employment growth in the Greater Cambridge corporate economy in the year to mid-October 2025, whilst the June 2026 Snapshot provides encouraging signals of a return to growth during more recent months. We wonder whether we can obtain more up-to-date figures from ONS to see if the Snapshot results find any support in the ONS data. The gain from looking at ONS data is that it also covers non-corporates (e.g. public services) and allows for a comparison against the nation.

We compared the main measures of employment produced by ONS in a recent CBR Working Paper.² One of our key findings was that these measures differ widely in terms of coverage. For example, we found that PAYE RTI, the main ONS measure of employment used in this section, tends to have a lower coverage than BRES – 71% of BRES employees in the case of Greater Cambridge as shown in Table 4.1. However, if it were the case that 71% was a constant random sample of the employment population, then one would expect the changes in payrolled employees to reflect the changes in the wider employment population.

Table 4.1 Differences in coverage between ONS employment measures: Greater Cambridge

Data Source	2021	2021 Ratios to BRES
Employment		
BRES Employment	202,000	100%
APS Employment	139,800	69%
APS Workbased Employment	178,400	88%
Census – Employment	146,015	72%
Employees		
BRES Employees	197,000	100%
APS Employees	127,000	64%
Payrolled employees from PAYE RTI	139,814	71%
Census – Employees	123,771	63%

Source: CBR's analysis based on ONS data.

Our comparison of ONS employment measures uncovered substantial difficulties with using ONS data to capture employment growth in a fast-growing, knowledge intensive economy like Greater Cambridge. Most of these measures are based on where employees live rather than where they work (e.g. PAYE RTI), and do not give employment data at a detailed geographical and sectoral level. For researchers interested in exploring sub-regional employment dynamics, including clustering and agglomeration effects, the Business Register and Employment Survey (BRES) emerges as the only relevant measure – although with some important limitations, including large fluctuations year on year and under-recording of employment growth in the knowledge economy.

A first comparison can thus be made with employment data from BRES, the official source of employment statistics at a detailed geographical and sectoral level. However, our June 2026 Update results are not directly comparable with BRES, since the latest BRES figures that were published in October 2025 have September 2024 as the reference period (against a median year end of mid-October 2025 for our June 2026 Update). We compare the latest BRES

² Cosh, A., Caselli, G. and Hughes, R. (2026), Analysis of ONS employment measures, *CBR Working Papers*, No. 553, June 2026.

figures with CBR employment data for companies and non-corporate research institutions that we published as part of our 2024-25 annual draw, which covers accounting year ends between 6th April 2024 and 5th April 2025 (on average the year to early December 2024).

Table 4.2 shows employment growth from CBR and BRES during 2024-25, the latest year covered by our annual draw. 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 the local authority where they work. Only employment growth figures for all sectors are reported for PAYE RTI as this source does not provide a KI versus non-KI split.

Table 4.2 Employment growth in Greater Cambridge (GC) from CBR and ONS

	1yr 2024-25		
	CBR	BRES	PAYE RTI
GC - KI	-2.1%	-3.8%	n.a.
GC - Non-KI	3.6%	1.3%	n.a.
GC - All	1.2%	0.0%	-0.3%
National	n.a.	0.5%	0.6%

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 CBR data reports a positive, albeit modest, employment growth of 1.2% in Greater Cambridge. By contrast, ONS data suggests a more muted performance – 0.0% for BRES and -0.3% for PAYE RTI. Both BRES and PAYE RTI show that Greater Cambridge did not outperform the nation in 2024-25, a finding that contrasts with the superior performance of the local economy that we have been reporting until 2023-24.

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 2026 Update and Snapshot samples. The findings of this comparison are shown in Table 4.3.

Table 4.3 Growth in Greater Cambridge from CBR and ONS: June 2026 Update and Snapshot periods

	June 2026 Update		June 2026 Snapshot	
	CBR empl	PAYE RTI empl	CBR tover*	PAYE RTI empl
GC - KI	-2.1%	n.a.	7.1%	n.a.
GC - Non-KI	1.8%	n.a.	n.a.	n.a.
GC - All	-0.4%	-0.3%	n.a.	-0.6%
National	n.a.	-0.4%	n.a.	-0.3%

* The growth rate of turnover of Greater Cambridge-based KI companies over the last 6 years was 8.1% per annum, while their growth rate of employment over that period was 4.9% per annum. Therefore, the turnover growth of the companies in the Snapshot sample (7.1%) would imply an employment growth of approximately 4.3% (although the sample size is small).

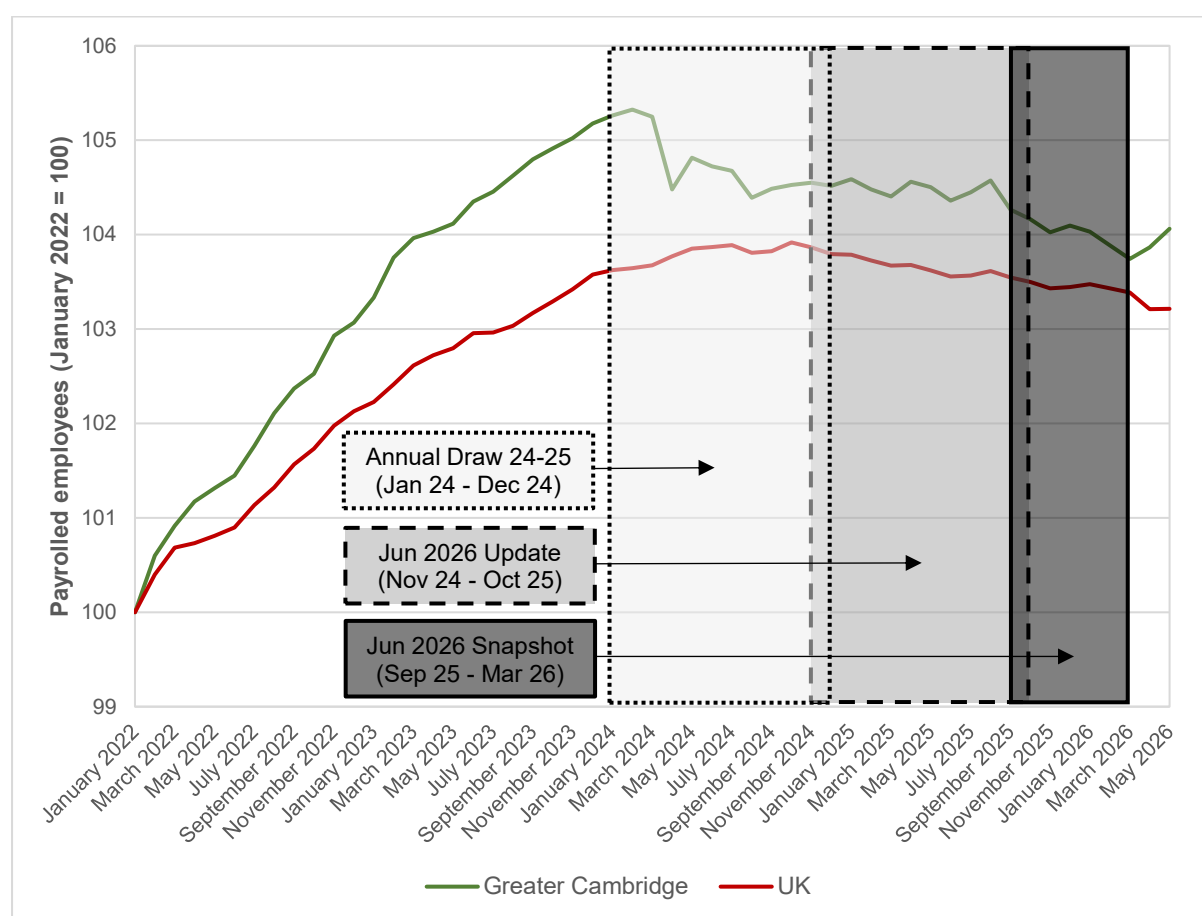
Note: CBR data is for the corporate sector only.

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

This comparison confirms the continuation of low employment growth in the Greater Cambridge economy obtained from CBR data (Section 2). CBR and PAYE RTI exhibit very similar growth rates over the Update period, on average the year to mid-October 2025 (-0.4% and -0.3%, respectively). However, CBR and PAYE RTI provide a different picture for the Snapshot period (Section 3). The PAYE RTI figures suggest that the negative employment growth performance of Greater Cambridge businesses continued even during very recent months, whilst CBR turnover data provides a more encouraging picture. Overall, the findings for Greater Cambridge are in line with those for the UK as a whole.

It is worth delving deeper into the performance of the Greater Cambridge economy over recent months by looking at PAYE RTI data up to May 2026. 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).

We can see that the number of payrolled employees grew steadily until the early part of 2024 but declined through the periods covered by our 2024-25 Annual Draw and June 2026 Update. Both Greater Cambridge and the UK as a whole have been showing a downward trend also during the period covered by our June 2026 Snapshot, suggesting that this may be a national rather than local phenomenon.

However, the chart appears to show an optimistic outturn in payrolled employee growth in very recent months (April and May 2026), which is consistent with the encouraging picture portrayed by our June 2026 Snapshot.

5. Concluding remarks

The June 2026 Update is the fourteenth in 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 5,668 companies with accounting year ends between May and December 2025 (on average the year to mid-October 2025). Therefore, it captures a period characterised by weak domestic growth, sticky inflation, a sharp employer cost shock and a global environment of tariff uncertainty. We compare this period with the same period the previous year, which saw recovery and disinflation in the UK set against stable but limited global growth.

Our findings point to a continuation of low corporate employment growth in the Greater Cambridge area during the year to mid-October 2025. Employment in the area dropped by 0.4% in 2024-25 after increasing by 0.4% in 2023-24, suggesting that the uncertain operating environment both nationally and globally has had a significant impact on Greater Cambridge businesses. In our previous update (November 2025 Update), we found that even KI sectors in Greater Cambridge have not been immune to the unfavourable macroeconomic environment. Our June 2026 Update casts further light on this by showing that the disappointing employment growth performance of KI sectors continued into 2024-25, although KI employment declined somewhat less than one year earlier. Employment in the Greater Cambridge knowledge economy fell by 2.1% in the year to mid-October 2025 and by 2.8% one year earlier. The picture for non-KI sectors is partly more encouraging. Nevertheless, there are signs that the challenging macroeconomic backdrop has also had some impact on non-KI businesses. Employment growth in non-KI sectors slowed down from 4.8% in 2023-24 to 1.8% in 2024-25.

We complement these findings by providing a snapshot for companies with interim accounts ending between September 2025 and June 2026. This sample is much smaller than the update sample (£464m turnover and about 3,000 employees) but allows for an even more up-to-date picture of corporate growth in Greater Cambridge. Total turnover for this group of companies rose by 7% in the most recent six months compared with a rise of 2% in the same period the year before – the median growth rate was 12% compared with -1% last year. These figures, which are similar to the growth rates achieved in the past (albeit for a small sample), demonstrate some recovery from the consequences of the flatlining economy. The perusal of their interim reports also appears to show that these businesses can counteract the consequences of a depressed UK economy.

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 continuation of low employment growth in the Greater Cambridge economy obtained from CBR data – CBR and PAYE RTI exhibit very similar growth rates over the Update period (-0.4% and -0.3%, respectively). However, PAYE RTI shows an optimistic outturn in payrolled employee growth in very recent months (April and May 2026), which is consistent with the encouraging picture portrayed by our June 2026 Snapshot.

Overall, our update results show that employment growth remains below the rates seen over recent years (particularly in KI sectors). However, recent announcements such as Aveva's plans for a new global headquarters and R&D centre at Cambridge Science Park, AstraZeneca's investment in the UK life sciences sector and GSK's relocation of its R&D centre from Stevenage to the Cambridge Biomedical Campus suggest an encouraging recovery in business confidence. The opening of Cambridge South station and the announcement of plans that would see Cambridge Science Park trebling its economic output

over the next 30 years provide reasons to be optimistic about the prospects for growth in Greater Cambridge. We will return to this in our next update.

Andy Cosh & Giorgio Caselli

Centre for Business Research, University of Cambridge

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

June 2026 Update	Number of companies	Total empl 2024-25	Total empl 2023-24	% of GC total 2023-24	Empl growth 2024-25	Empl growth 2023-24
KNOWLEDGE INTENSIVE SECTORS						
Information technology and telecoms	776	13,161	13,341	72.0%	-1.3%	-1.4%
Life science and healthcare	271	18,111	18,383	89.9%	-1.5%	-2.5%
High-tech manufacturing	160	5,023	5,013	76.2%	0.2%	-10.4%
Knowledge intensive services	268	5,318	5,773	71.9%	-7.9%	0.6%
TOTAL KI SECTORS	1,475	41,613	42,510	79.3%	-2.1%	-2.8%
OTHER SECTORS						
Primary	122	850	861	74.0%	-1.3%	4.2%
Manufacturing	216	2,949	2,833	74.4%	4.1%	-5.9%
Wholesale and retail distribution	424	3,725	3,713	66.2%	0.3%	5.6%
Construction and utilities	510	2,833	2,782	55.0%	1.8%	5.0%
Transport and travel	119	1,424	1,373	70.3%	3.7%	4.0%
Property and finance	709	2,809	2,785	53.5%	0.9%	2.5%
Other business services	952	5,773	5,568	55.6%	3.7%	9.7%
Other services	749	6,561	6,484	58.2%	1.2%	5.1%
Education, arts, charities, social care	392	7,862	7,772	57.2%	1.2%	6.1%
TOTAL NON-KI SECTORS	4,193	34,786	34,171	59.4%	1.8%	4.8%
TOTAL ALL SECTORS	5,668	76,399	76,681	69.0%	-0.4%	0.4%

Source: Cosh & Caselli, CBR.

Appendix A2. Employment growth by sector in Cambridge

June 2026 Update	Number of companies	Total empl 2024-25	Total empl 2023-24	% of Camb total 2023-24	Empl growth 2024-25	Empl growth 2023-24
KNOWLEDGE INTENSIVE SECTORS						
Information technology and telecoms	349	6,239	6,231	62.5%	0.1%	0.0%
Life science and healthcare	94	6,072	6,200	88.6%	-2.1%	-2.7%
High-tech manufacturing	30	1,056	1,028	85.7%	2.7%	-13.3%
Knowledge intensive services	119	1,495	1,607	72.2%	-7.0%	-1.3%
TOTAL KI SECTORS	592	14,862	15,066	73.9%	-1.4%	-2.3%
OTHER SECTORS						
Primary	22	51	51	69.9%	0.0%	-5.6%
Manufacturing	66	443	428	75.6%	3.5%	-4.3%
Wholesale and retail distribution	144	614	612	50.0%	0.3%	5.7%
Construction and utilities	127	445	454	51.4%	-2.0%	3.4%
Transport and travel	41	302	291	50.2%	3.8%	4.7%
Property and finance	309	1,753	1,738	62.6%	0.9%	5.7%
Other business services	366	3,383	3,221	70.4%	5.0%	14.4%
Other services	318	3,172	3,161	63.9%	0.3%	9.6%
Education, arts, charities, social care	201	5,947	5,896	72.5%	0.9%	4.6%
TOTAL NON-KI SECTORS	1,594	16,110	15,852	66.7%	1.6%	7.3%
TOTAL ALL SECTORS	2,186	30,972	30,918	70.0%	0.2%	2.4%

Source: Cosh & Caselli, CBR.

Appendix A3. Employment growth by sector in South Cambridgeshire

June 2026 Update	Number of companies	Total empl 2024-25	Total empl 2023-24	% of S Cambs total 2023-24	Empl growth 2024-25	Empl growth 2023-24
KNOWLEDGE INTENSIVE SECTORS						
Information technology and telecoms	427	6,922	7,110	83.0%	-2.6%	-2.7%
Life science and healthcare	177	12,039	12,183	90.7%	-1.2%	-2.5%
High-tech manufacturing	130	3,967	3,985	74.1%	-0.5%	-9.7%
Knowledge intensive services	149	3,823	4,166	71.7%	-8.2%	1.3%
TOTAL KI SECTORS	883	26,751	27,444	82.7%	-2.5%	-3.1%
OTHER SECTORS						
Primary	100	799	810	74.3%	-1.4%	4.9%
Manufacturing	150	2,506	2,405	74.2%	4.2%	-6.2%
Wholesale and retail distribution	280	3,111	3,101	70.7%	0.3%	5.5%
Construction and utilities	383	2,388	2,328	55.7%	2.6%	5.3%
Transport and travel	78	1,122	1,082	78.7%	3.7%	3.8%
Property and finance	400	1,056	1,047	43.1%	0.9%	-2.5%
Other business services	586	2,390	2,347	43.2%	1.8%	3.8%
Other services	431	3,389	3,323	53.6%	2.0%	1.2%
Education, arts, charities, social care	191	1,915	1,876	34.4%	2.1%	11.1%
TOTAL NON-KI SECTORS	2,599	18,676	18,319	54.2%	1.9%	2.7%
TOTAL ALL SECTORS	3,482	45,427	45,763	68.3%	-0.7%	-0.8%

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 fifteen years. The current database goes from 2010-11 to 2024-25 audited company data and covers the accounting periods of companies ending in the 2024-25 financial year. The results of the 2024-25 annual draw were made available in May 2026. 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 2026, we propose June and November updates which yield estimates of growth for the years to mid-October 2025 and mid-February 2026. These periods capture: a year of weak domestic growth, sticky inflation, a sharp employer cost shock and a global environment of tariff uncertainty (June update); and a year of near-zero growth, inflation peaking and receding, unemployment at a five-year high and a record-tax Budget (November 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:
<i>Annual draw 2024-25*</i>	All companies	6 th April 2024 to 5 th April 2025	Year to early December 2024	May 2026	Recovery from UK recession and effects of global economic and political instability
<i>Update June 2026**</i>	Sample	May 2025 to December 2025	Year to mid-October 2025	September 2026	Impacts of weak domestic growth, sticky inflation, sharp employer cost shock and global environment of tariff uncertainty
<i>Update November 2026**</i>	Sample	December 2025 to April 2026	Year to mid-February 2026	December 2026	Impacts of near-zero growth, inflation peaking and receding, unemployment at a five-year high and record-tax Budget
<i>Annual draw 2025-26*</i>	All companies	6 th April 2025 to 5 th April 2026	Year to early December 2025	March 2027	Assessment of robustness of Greater Cambridge economy

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

Update Sample (using June 2026 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 2025. We then check employment data for the last two years 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 (**5,197** companies this time representing total employment of **46,990**):

- Company name
- Company registration number
- LA District
- Sector
- KI or non-KI
- Size class in 2023-24 – 1 = 1 employee, 2 = 2-9 employees, 3 = 10 or more employees
- Latest employment 2024-25 (on average mid-October 2025)
- Employment 2023-24 (on average mid-October 2024)
- % change in employment over last year (i.e. on average to mid-October 2025)

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 2025 (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 2024-25 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 (**5,668** companies representing total employment of **76,399**) with the following information:

- Company name
- Company registration number
- Local Authority District
- Sector
- KI or non-KI
- Size class in 2023-24 (as above)

- Employment 2022-23
- Employment 2023-24
- Employment 2024-25
- % change in employment between 2023-24 and 2024-25

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 2024-25. This allows us to examine the most recent growth of each sector and size class over the most recent year 2024-25 in comparison with the year 2023-24 for this sample of companies. The year 2024-25 was a period characterised by weak domestic growth, sticky inflation, a sharp employer cost shock and a global economy that had to weather the largest tariff disruption in ninety years. In turn, the year 2023-24 captures a period of recovery and disinflation in the UK set against stable but limited global growth.

The resulting sample is shown in Appendices A1-A3 and these tables highlight how significant these companies are, representing 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 2023-24 and as the vertical axis the annual growth shown in the update sample for 2024-25 – 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 2024-25 are found above the horizontal axis and those with positive growth in 2023-24 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).