PRESS RELEASE

Cambridge Cluster Insights

CPCA Combined Authority

Annual Draw 2020 Highlights

A mixed picture across the Combined Authority

- The study identified 26,000 companies based in the six local authority districts making up the Combined Authority (Cambridge, South Cambridgeshire, East Cambridgeshire, Huntingdonshire, Peterborough and Fenland). We also show Greater Cambridge, an area which combines Cambridge with South Cambridgeshire.
- Together these companies had employment of 282,000 and a combined turnover of £56bn.
- The knowledge intensive (KI) businesses accounted for 5,000 companies with 72,000 employees and turnover of £20bn – 19%, 25% and 36% of the total respectively.
- **Exhibit 1** shows the employment levels for both KI and non-KI companies in each of the districts. Peterborough is the largest district in terms of total employment with South Cambridgeshire second, Huntingdonshire third and Cambridge fourth.
- In terms of total KI employment South Cambridgeshire is much larger than any other, with Cambridge second and Peterborough third. The other districts have relatively low levels of KI corporate employment.
- **Exhibit 2** shows the % division of employment in each district split between the companies operating in the KI and non-KI sectors. South Cambridgeshire exhibits very high knowledge intensity in its companies with 45% of corporate employment in the KI sectors. Cambridge is not far behind with 41% KI.
- The percentage of employment in KI companies is much lower in the other local authority districts – 16% in Peterborough, 15% in Huntingdonshire, 12% in East Cambridgeshire and 5% in Fenland.

Recent growth

- Corporate employment growth in the Combined Authority was a robust 3.3% over the year 2019/20 despite the collapse of Thomas Cook in September 2019, although somewhat lower than the growth of 4.6% pa over the last three years (the equivalent figures after excluding Thomas Cook would be 4.3% and 5.1% pa respectively). KI employment growth also fell from 5.8% to 4.6% and non-KI employment growth fell from 4.2% to 2.8%.
- The employment growth per annum of the six districts over the last year is shown on the vertical axis in **Exhibit 3** in comparison with their annual growth rates per annum over the last three years on the horizontal axis.
- The 45^0 degree line shows faster growth the further away from the origin you go. Sectors above the 45^0 degree line have increased their growth in the last year whereas those below the line have a declining growth rate.
- In all six districts employment growth in the last year is lower than over the past three years. However, overall corporate employment growth has remained robust at 3% for the whole Combined Authority.

- The fastest growth is found in East Cambridgeshire, Cambridge and South Cambridgeshire, both in the last year and over the past three years.
- **Exhibit 4** shows the growth rate comparisons for KI companies across the districts. The highest growth rates are again found in the three Cambridgeshire districts.
- Finally, **Exhibit 5** shows the growth rate comparisons for non-KI companies. East Cambridgeshire is the only district to stand out over both one and three years.

Sector strengths within the Combined Authority

Combined Authority

- In terms of employment the largest KI sectors in the Combined Authority as a whole are Information Technology, Life Sciences and High-tech Manufacturing. In non-KI sectors the largest are Education, Business Services, Distribution, Other Manufacturing and Construction.
- The fastest growing sectors in the Combined Authority over the last year are Life Sciences, Information Technology, Knowledge Intensive Services, Property and Finance, Education and Business Services.
- Ten of the thirteen sectors show lower growth in the latest year compared with the last three years and only three, Knowledge Intensive Services, Education and Business Services, have shown an acceleration of growth. Overall, growth has slowed from 5% to 3%pa.

Cambridge

- In terms of employment the largest KI sectors in Cambridge are Information Technology and Life Sciences. In non-KI sectors the largest are Education and Business Services.
- The employment growth per annum of the thirteen sectors over the last year is shown on the vertical axis in **Exhibit 6** in comparison with their annual growth rates per annum over the last three years on the horizontal axis.
- The fastest growing sectors last year were Life Sciences, Knowledge Intensive Services and Information Technology.
- Eight of the thirteen sectors show lower growth in the latest year compared with the last three years and five: Knowledge Intensive Services, Distribution, Property and Finance, Transport and Travel (a lower decline than previously) and the Primary sector have shown an acceleration of growth. Overall, growth has slowed from 7% pa over the last three years to 5% last year.

South Cambridgeshire

- In terms of employment the largest KI sectors in South Cambridgeshire are Life Sciences, Information Technology and High-tech Manufacturing. In non-KI sectors the largest is Distribution.
- The employment growth per annum of the thirteen sectors over the last year is shown on the vertical axis in **Exhibit 7** in comparison with their annual growth rates per annum over the last three years on the horizontal axis.

- The fastest growing sectors last year were Life Sciences, Information Technology, Education (due to changes amongst the Academies) and Other Business Services.
- Ten of the thirteen sectors show lower growth in the latest year compared with the last three years and only three: Information Technology, Other Business Services and Education have shown an acceleration of growth. Overall, growth has slowed from 5% pa over the last three years to 3% last year.

Greater Cambridge (which combines Cambridge and South Cambridgeshire)

- In terms of employment the largest KI sectors in Greater Cambridge are Life Sciences, Information Technology and High-tech Manufacturing. In non-KI sectors the largest are Distribution, Education and Business Services.
- The employment growth per annum of the thirteen sectors over the last year is shown on the vertical axis in **Exhibit 8** in comparison with their annual growth rates per annum over the last three years on the horizontal axis.
- The fastest growing sectors last year were Life Sciences, Information Technology, Knowledge Intensive Services and Property and Finance.
- Ten of the thirteen sectors show lower growth in the latest year compared with the last three years and only three: Knowledge Intensive Services, Property and Finance and Distribution have shown some acceleration of growth. Overall, growth has slowed from 6% pa over the last three years to a still robust 4% last year.

East Cambridgeshire

- In terms of employment the only KI sector in East Cambridgeshire with over 1,000 employees is High-tech Manufacturing. In non-KI sectors the largest are Farming, Transport and Travel, Distribution and Education.
- The employment growth per annum of the thirteen sectors over the last year is shown on the vertical axis in **Exhibit 9** in comparison with their annual growth rates per annum over the last three years on the horizontal axis.
- The fastest growing sectors last year were High-tech Manufacturing, Education (due to changes amongst the Academies), Transport and Travel (due to Turners of Soham) and Business Services.
- Seven of the thirteen sectors show lower growth in the latest year compared with the last three years and six: Life Sciences (but from a low base), High-tech Manufacturing, Transport and Travel, Business Services, Other Services and Education have shown an acceleration of growth. Overall, growth has slowed from 7% pa over the last three years to 6% last year.

Huntingdonshire

- In terms of employment the largest KI sectors in Huntingdonshire are Information Technology and High-tech Manufacturing. In non-KI sectors the largest are Conventional Manufacturing, Construction and Distribution and Business Services.
- The employment growth per annum of the thirteen sectors over the last year is shown on the vertical axis in **Exhibit 10** in comparison with their annual growth rates per annum over the last three years on the horizontal axis.

- The fastest growing sectors last year were Knowledge Intensive Services (but a relatively small sector), Conventional Manufacturing, Construction and Transport and Travel.
- Ten of the thirteen sectors show lower growth in the latest year compared with the last three years and only three: Life Sciences (a relatively small sector), Education and Conventional Manufacturing have shown an acceleration of growth. Overall, growth has slowed from 3% pa over the last three years to 2% last year.

Peterborough

- In terms of employment the largest KI sector in Peterborough is High-tech Manufacturing. In non-KI sectors the largest are Property and Finance, Distribution and Business Services.
- The employment growth per annum of the thirteen sectors over the last year is shown on the vertical axis in **Exhibit 11** in comparison with their annual growth rates per annum over the last three years on the horizontal axis.
- The fastest growing sectors last year were Life Sciences (but a small sector), Business Services, Education (due to changes amongst the Academies) and Property and Finance.
- Eight of the thirteen sectors show lower growth in the latest year compared with the last three years and only five: Life Sciences and Knowledge Intensive Services (but both are relatively small sectors), Information Technology, Business Services and Education have shown an acceleration of growth. Overall, growth has slowed from 3% pa over the last three years to 2% last year.

Fenland

- In terms of employment there are no large KI sectors in Fenland. In non-KI sectors the largest are Distribution, Conventional Manufacturing, Business Services and Agriculture.
- The employment growth per annum of the thirteen sectors over the last year is shown on the vertical axis in **Exhibit 12** in comparison with their annual growth rates per annum over the last three years on the horizontal axis.
- The fastest growing sectors last year were: Other Services, Construction and Education (due to changes amongst the Academies).
- Nine of the thirteen sectors show lower growth in the latest year compared with the last three years and only four: Life Sciences (but with very few employees), Other Services, Construction and Education have shown an acceleration of growth. Overall, growth has slowed from 3% pa over the last three years to 2% last year.

24th February 2021

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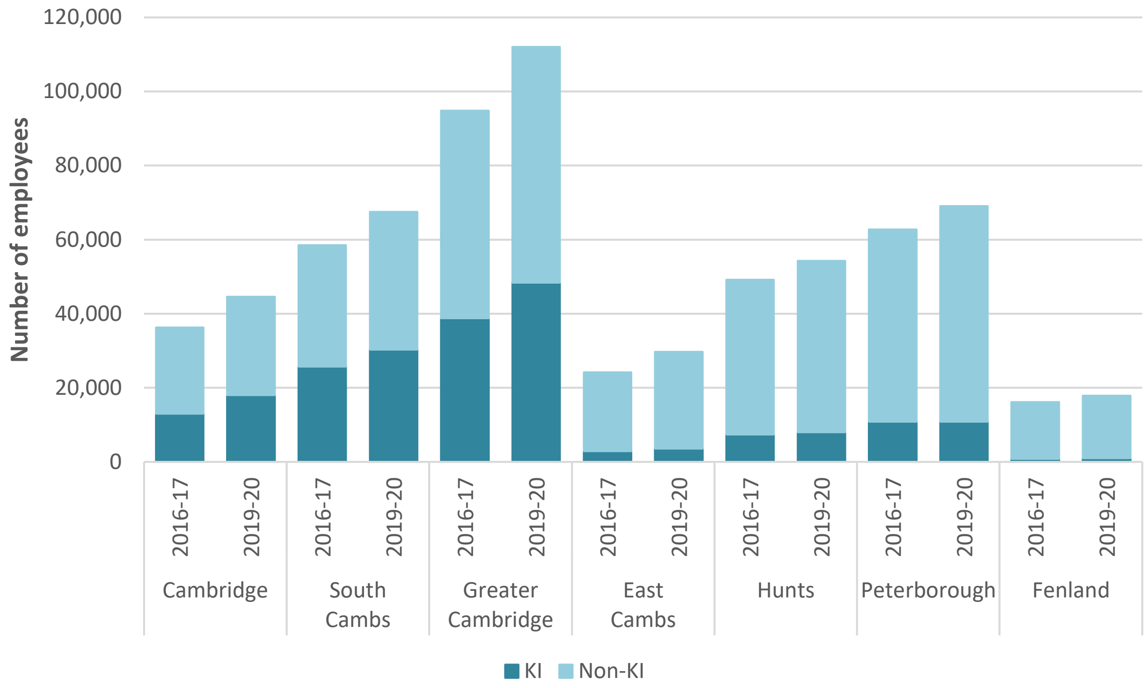
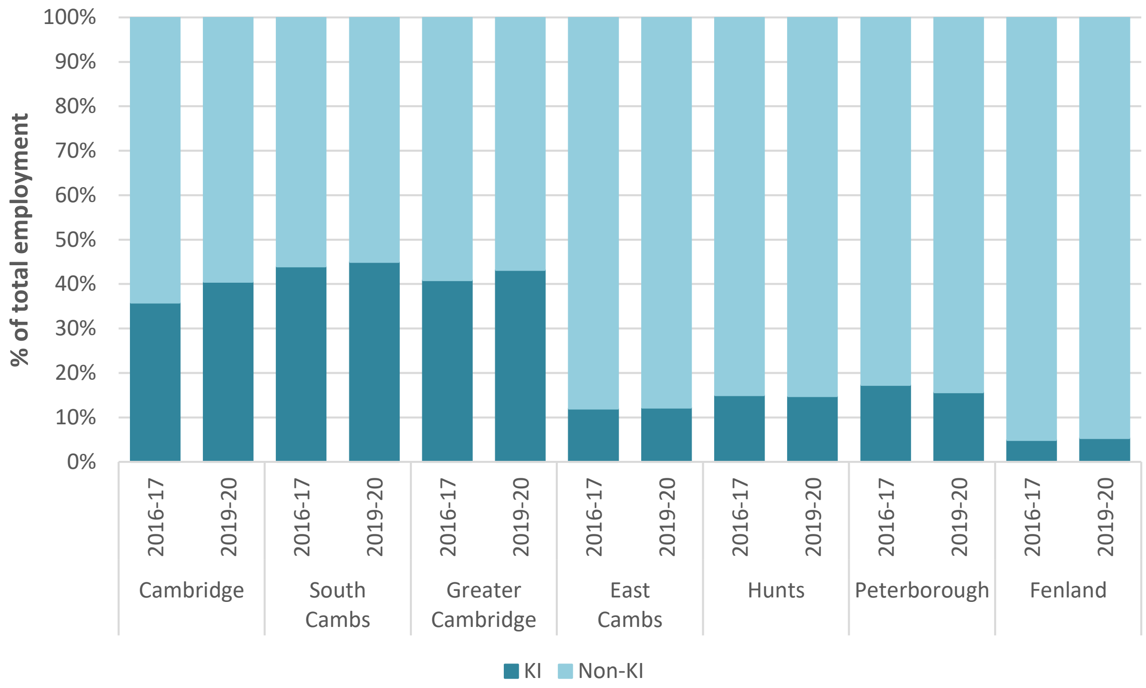
Exhibit 1 Total employment in KI and non-KI sectors by district, Combined Authority area 2016-17 & 2019-20



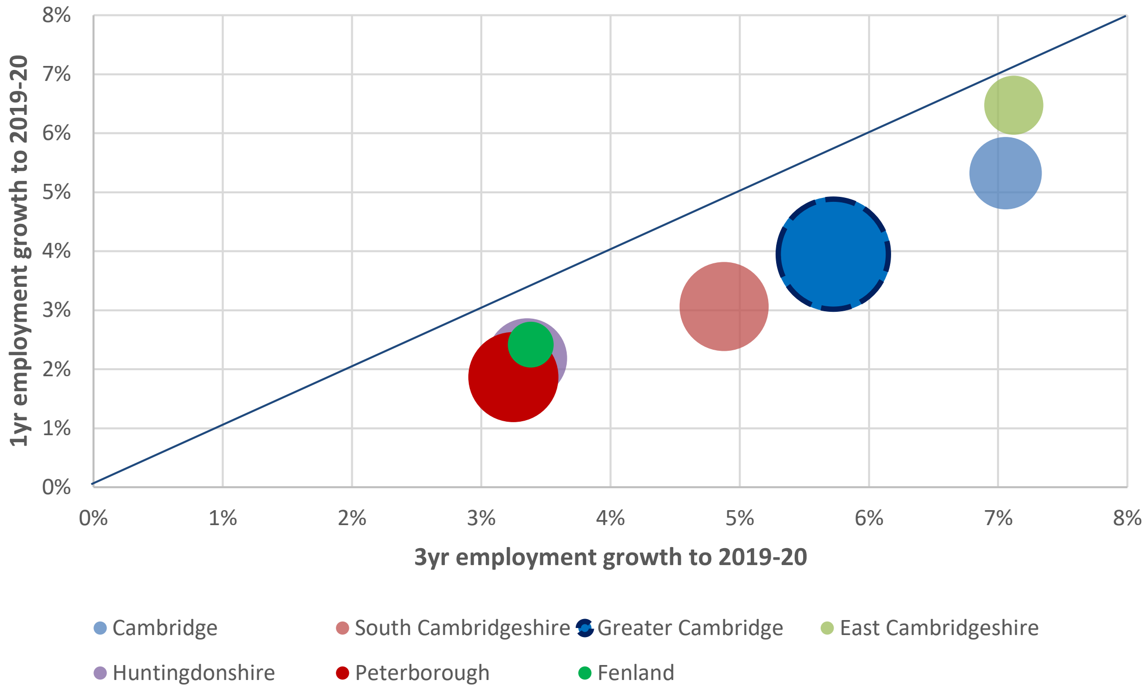
Source: Cosh & Caselli, CBR.

Exhibit 2 % of total employment in KI and non-KI sectors by district, Combined Authority area 2016-17 & 2019-20



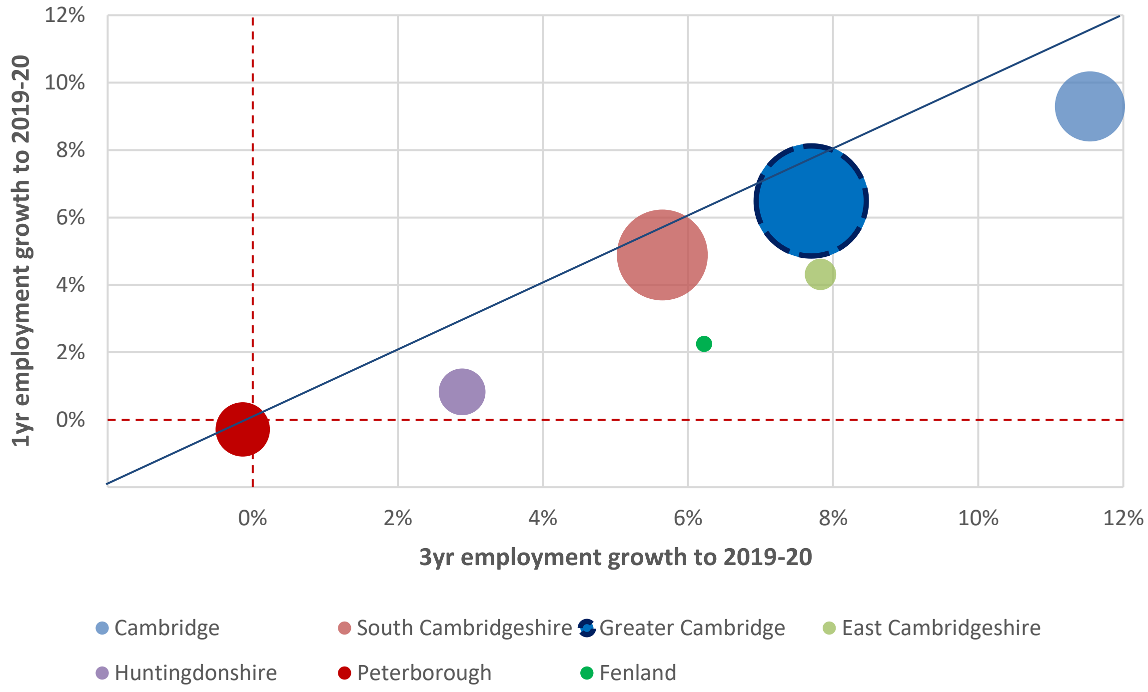
Source: Cosh & Caselli, CBR.

Exhibit 3 Employment growth by district, Combined Authority area: all sectors



Note: The size of each bubble is proportionate to the number of employees in 2019-20 on a continuous scale.
Source: Cosh & Caselli, CBR.

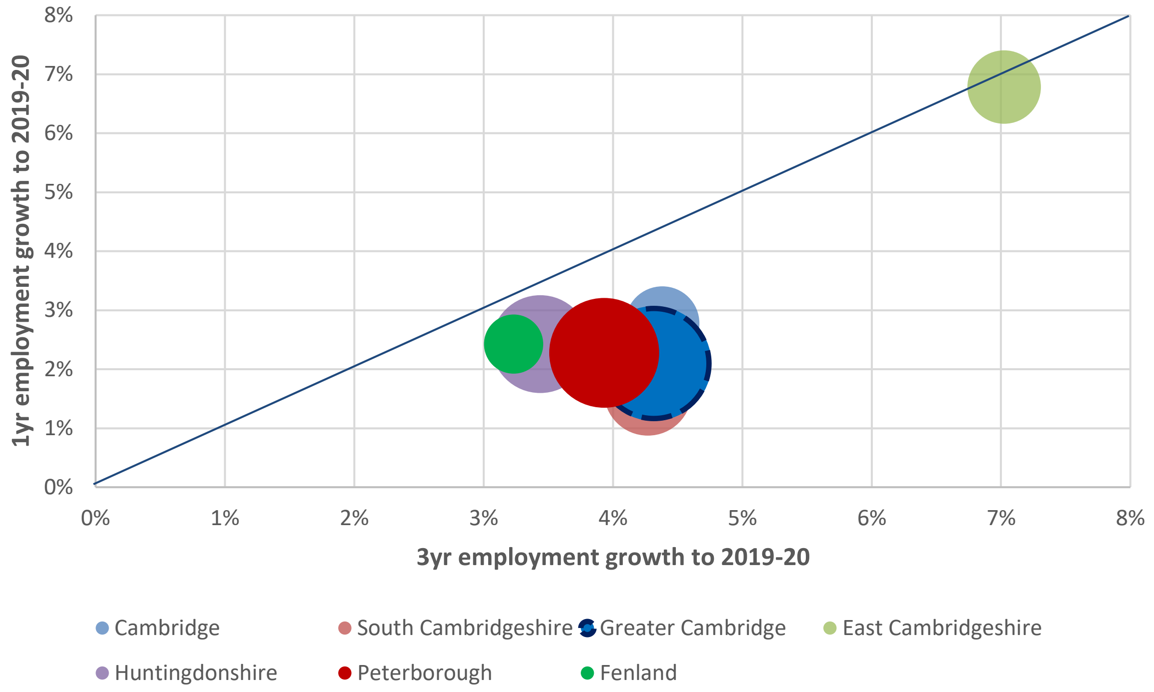
Exhibit 4 Employment growth by district, Combined Authority area: KI sectors



Note: The size of each bubble is proportionate to the number of employees in 2019-20 on a continuous scale.

Source: Cosh & Caselli, CBR.

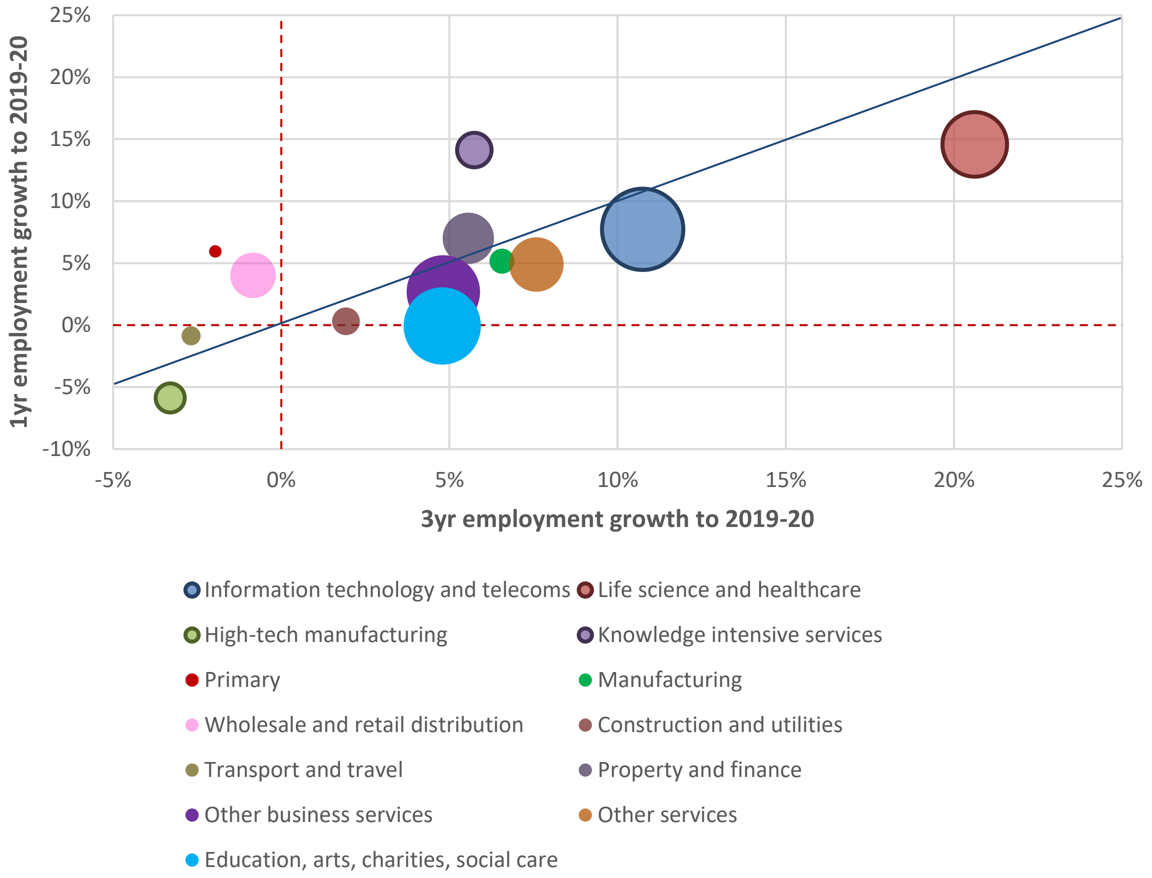
Exhibit 5 Employment growth by district, Combined Authority area: non-KI sectors



Note: The size of each bubble is proportionate to the number of employees in 2019-20 on a continuous scale.

Source: Cosh & Caselli, CBR.

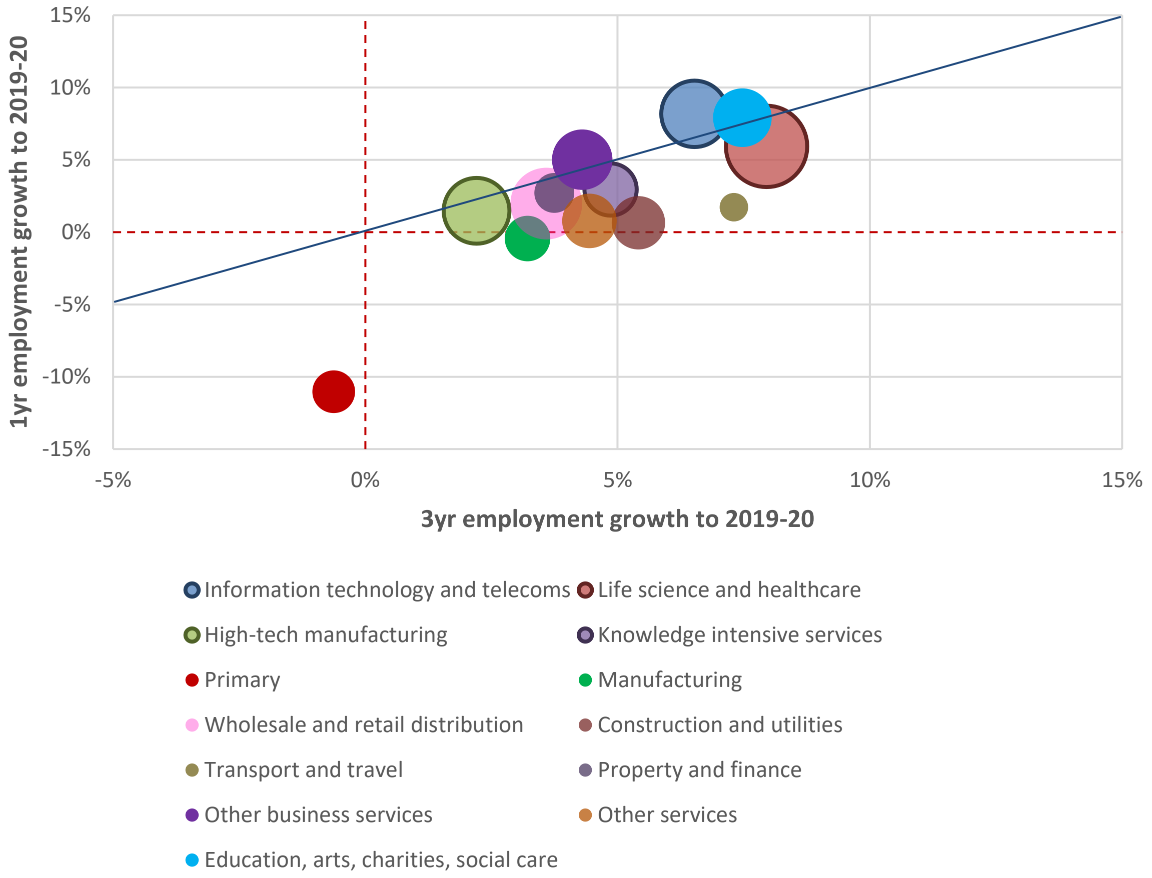
Exhibit 6 Employment growth by sector, Cambridge



Note: The size of each bubble is proportionate to the number of employees in 2019-20 on a continuous scale. Bubbles with an outline identify KI sectors.

Source: Cosh & Caselli, CBR.

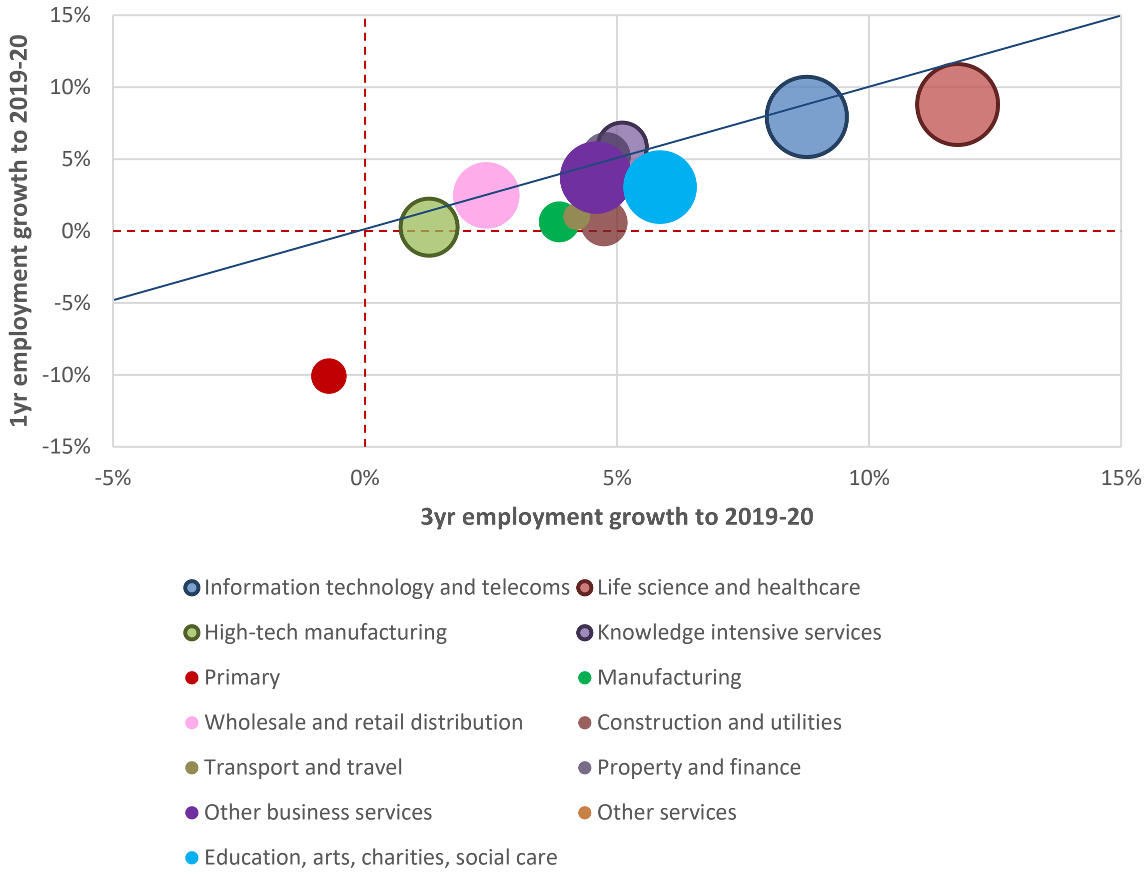
Exhibit 7 Employment growth by sector, South Cambridgeshire



Note: The size of each bubble is proportionate to the number of employees in 2019-20 on a continuous scale. Bubbles with an outline identify KI sectors.

Source: Cosh & Caselli, CBR.

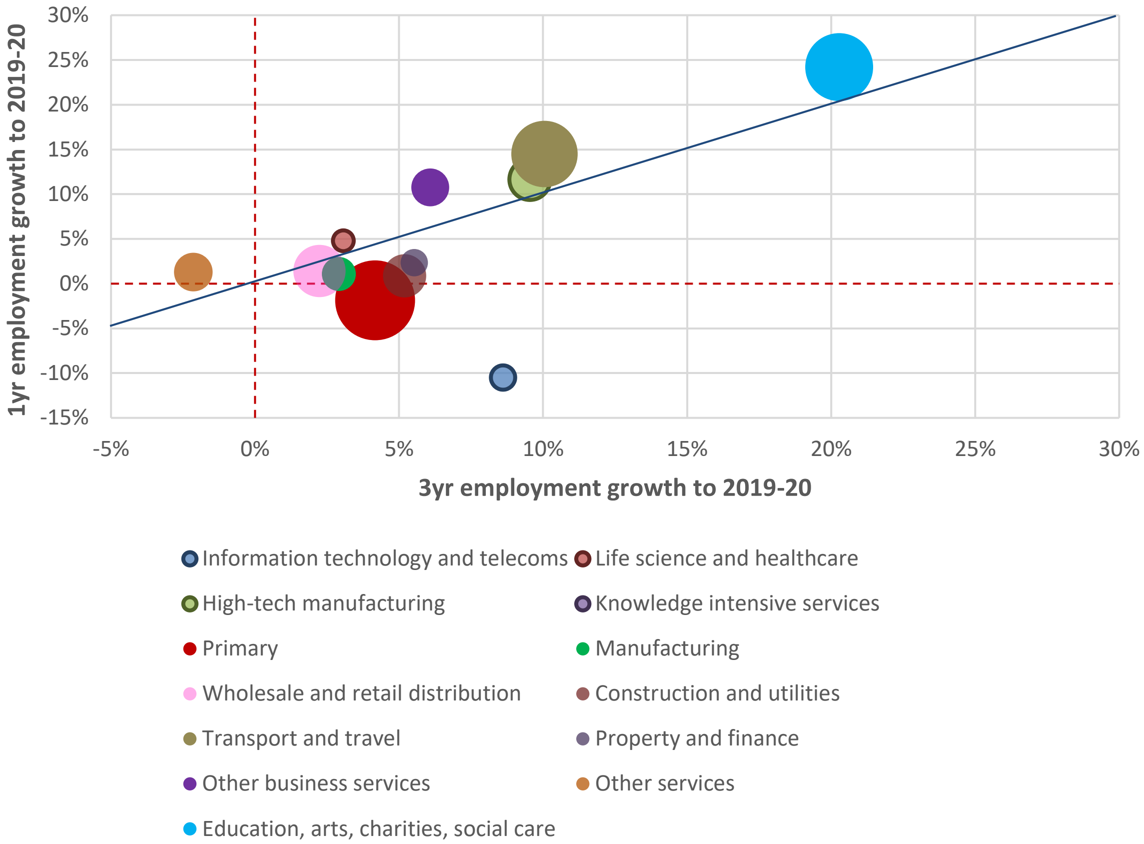
Exhibit 8 Employment growth by sector, Greater Cambridge



Note: The size of each bubble is proportionate to the number of employees in 2019-20 on a continuous scale. Bubbles with an outline identify KI sectors.

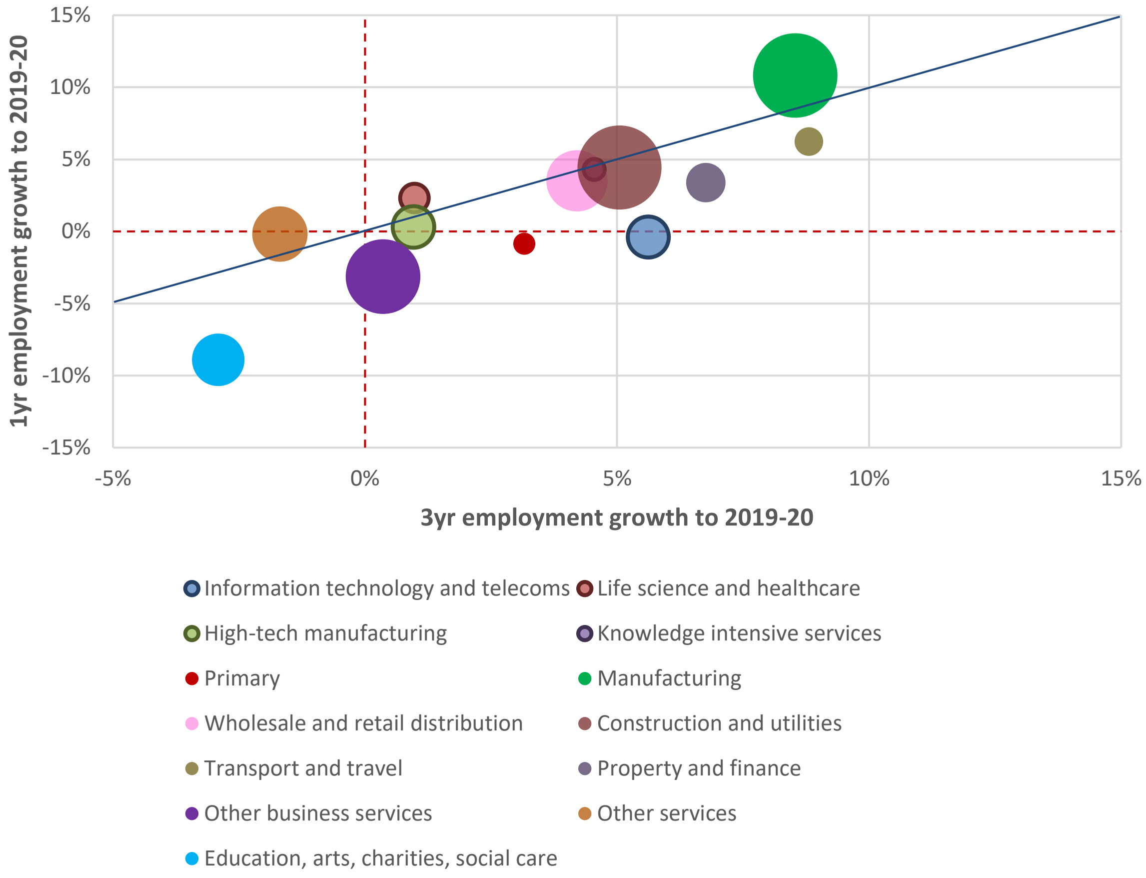
Source: Cosh & Caselli, CBR.

Exhibit 9 Employment growth by sector, East Cambridgeshire



Note: The size of each bubble is proportionate to the number of employees in 2019-20 on a continuous scale. Bubbles with an outline identify KI sectors.
Source: Cosh & Caselli, CBR.

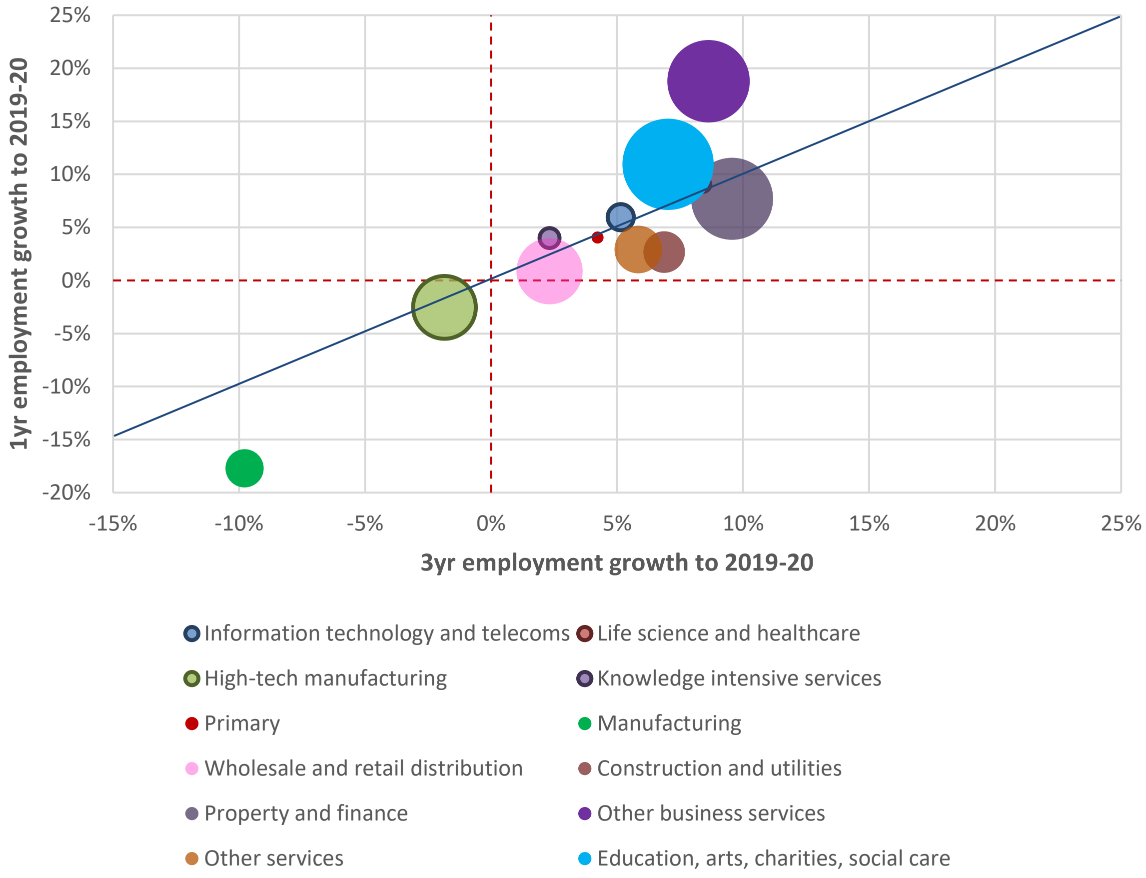
Exhibit 10 Employment growth by sector, Huntingdonshire



Note: The size of each bubble is proportionate to the number of employees in 2019-20 on a continuous scale. Bubbles with an outline identify KI sectors.

Source: Cosh & Caselli, CBR.

Exhibit 11 Employment growth by sector, Peterborough

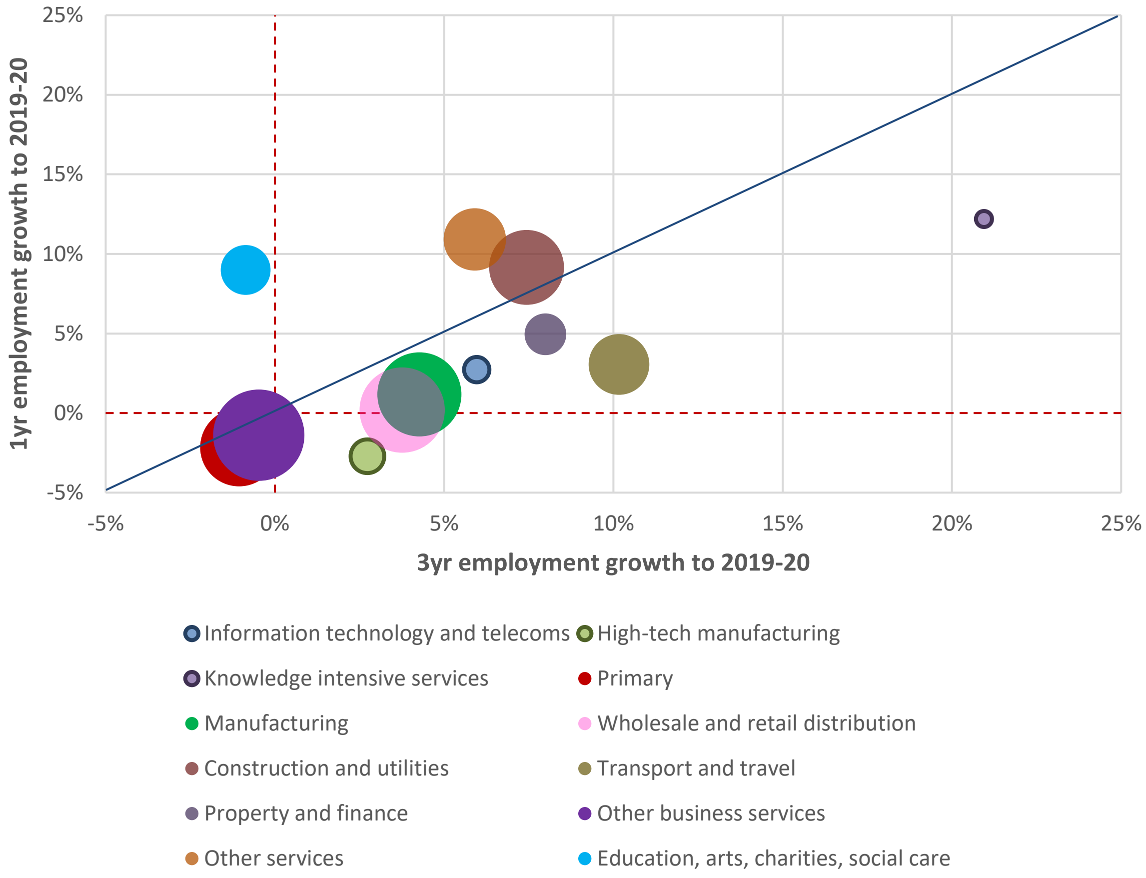


Note: This chart excludes figures for Transport and Travel, where employment fell by 60.4% in 2019-20 following the collapse of Thomas Cook.

The size of each bubble is proportionate to the number of employees in 2019-20 on a continuous scale. Bubbles with an outline identify KI sectors.

Source: Cosh & Caselli, CBR.

Exhibit 12 Employment growth by sector, Fenland



Note: This chart excludes figures for Life Science and Healthcare due to its very small size.
The size of each bubble is proportionate to the number of employees in 2019-20 on a continuous scale. Bubbles with an outline identify KI sectors.
Source: Cosh & Caselli, CBR.

About Cambridge Cluster Insights

Cambridge Cluster Insights - Cambridge Ahead

The webpage above includes the Cambridge Cluster Map (select Cluster Map tab) which shows the location of each company and allows the user to look at the clusters shown in the broad picture, or to drill down to a single company and capture its information. The user can choose the area covered and which sectors to include. On separate tabs the user can explore sectoral growth, growth by company size, company births and deaths and produce lists of companies by area, sector and size.

Cambridge Cluster Insights also provides information about the size and location of the principal research intensive institutions in the area.

About the draw

The annual draw takes all companies based in the six local authority districts making up the CPCA Combined Authority (Cambridge, South Cambridgeshire, East Cambridgeshire, Huntingdonshire, Peterborough and Fenland). In addition it includes major businesses operating, but not based, in the area. The annual audited accounts of these companies are inspected to discover their employment and turnover and their principal location is established. The annual draw allows us to track the growth of companies' employment and turnover, changes in location and company births and deaths. The database underpinning this work has over 90,000 companies on it and covers the financial years 2010/11 to 2019/20.

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

The nerdy stuff

The data provided in the principal analyses concerns only locally based companies. Each company is given a principal location and main sector of activity. We measure the total employment and turnover of our companies. About three-quarters of our companies provide employment and most of the rest are one-person businesses. However, less than 10% of the companies provide turnover data (fortunately these are the largest few thousand). This means that we estimate a company's turnover based on its employment and the ratio of turnover to employment for that sector and size.

Our size and sector analyses take companies which are in the local area in 2019/20 or were in the local area when they died. It then looks at the employment and turnover of these companies back to 2010/11. Companies that moved out of the area in the past decade are excluded. The Cluster Map uses these data but by default displays only those that are alive in 2019/20.

The analyses are presented for each of the six local authority districts and for Greater Cambridge which combines Cambridge with South Cambridgeshire.

Some companies require special treatment due to their very large size – AstraZeneca and Aveva kindly provide us with their employment in the Cambridge area and it is those figures that appear. Also, Marshall of Cambridge is split into Marshall Motor Holdings and its other businesses (principally Marshall Aerospace).

Covid

The 2020 draw shows the information of the accounting period ending in the 2019/20 financial year. This means that the impact of the Covid crisis is minimal in this draw. The team are working on an update that will provide early quantification of the impact of Covid on Cambridge businesses.

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