**Corporate sectors – East Cambridgeshire**

This report aims at assessing the specialness of the East Cambridgeshire economy by examining the key features characterising the corporate sectors in the area. The first part of the report provides an overview of the size of the corporate sectors in terms of number of companies, total employment and total turnover, while the second part focuses on the analysis of growth in employment and turnover over time. All data refer to Cambridge Ahead data produced by Dr Andy Cosh at the Centre for Business Research unless otherwise indicated.

**1. Size**

Table 1 reports the distribution of employment by sector (in levels as well as in percentage terms with respect to the total for all sectors in the area and to the total for each sector in the Combined Authority) for 2016-17.[[1]](#footnote-1)

Table 1 Distribution of employment by sector in 2016-17

|  |  |  |
| --- | --- | --- |
|  | East Cambridgeshire | Combined Authority |
|  | Total employment | % of total | % of Combined Authority | Total employment | % of total |
| KNOWLEDGE INTENSIVE SECTORS |  |  |  |  |  |
| Information Technology and Telecoms | 579 | 2.5% | 3.0% | 19,419 | 8.2% |
| Life science and healthcare | 270 | 1.1% | 1.9% | 14,106 | 6.0% |
| High-tech manufacturing | 1,483 | 6.3% | 6.8% | 21,651 | 9.2% |
| Knowledge intensive services | 140 | 0.6% | 2.0% | 7,148 | 3.0% |
| *TOTAL KI SECTORS* | *2,472* | *10.5%* | *4.0%* | *62,324* | *26.4%* |
| OTHER SECTORS |  |  |  |  |  |
| Primary | 6,043 | 25.6% | 50.3% | 12,020 | 5.1% |
| Manufacturing | 1,713 | 7.3% | 8.8% | 19,465 | 8.2% |
| Wholesale and retail distribution | 2,608 | 11.0% | 10.5% | 24,839 | 10.5% |
| Construction and utilities | 1,615 | 6.8% | 8.7% | 18,600 | 7.9% |
| Transport and travel | 3,553 | 15.0% | 34.5% | 10,305 | 4.4% |
| Property and finance | 865 | 3.7% | 3.2% | 26,771 | 11.3% |
| Other business services | 998 | 4.2% | 3.6% | 27,502 | 11.6% |
| Other services | 1,000 | 4.2% | 7.3% | 13,677 | 5.8% |
| Education, arts, charities, social care | 2,746 | 11.6% | 13.2% | 20,843 | 8.8% |
| *TOTAL NON-KI SECTORS* | *21,141* | *89.5%* | *12.1%* | *174,022* | *73.6%* |
| *TOTAL ALL SECTORS* | *23,613* | *100.0%* | *10.0%* | *236,346* | *100.0%* |

Total employment in East Cambridgeshire represents around 10% of total employment in the Combined Authority. The largest number of employees are in the Primary sector (6,043), which accounts for 25.6% of total employment in the district and 50.3% of total employment in the sector for the Combined Authority. Other sectors that have significant shares are Transport and Travel (15.0% and 34.5%, respectively), Education, Arts, Charities, Social Care (11.6% and 13.2%, respectively), and Wholesale and Retail Distribution (11.0% and 10.5%, respectively). The share of employment in KI sectors is well below the average for the Combined Authority, with the lowest value observed for Knowledge Intensive Services (0.6% of total employment in the district).

Table 2 presents the distribution of turnover by sector (in £,000 as well as in percentage terms with respect to the total for all sectors in the area and to the total for each sector in the Combined Authority) for 2016-17.

Table 2 Distribution of turnover by sector in 2016-17

|  |  |  |
| --- | --- | --- |
|  | East Cambridgeshire | Combined Authority |
|  | Total turnover £,000 | % of total | % of Combined Authority | Total turnover £,000 | % of total |
| KNOWLEDGE INTENSIVE SECTORS |  |  |  |  |  |
| Information Technology and Telecoms | 84,647 | 2.4% | 2.1% | 4,001,051 | 8.8% |
| Life science and healthcare | 25,480 | 0.7% | 0.9% | 2,876,583 | 6.4% |
| High-tech manufacturing | 247,161 | 7.1% | 4.2% | 5,895,454 | 13.0% |
| Knowledge intensive services | 12,718 | 0.4% | 1.2% | 1,088,008 | 2.4% |
| *TOTAL KI SECTORS* | *370,006* | *10.7%* | *2.7%* | *13,861,095* | *30.6%* |
| OTHER SECTORS |  |  |  |  |  |
| Primary | 842,619 | 24.3% | 41.6% | 2,027,805 | 4.5% |
| Manufacturing | 271,005 | 7.8% | 5.9% | 4,609,590 | 10.2% |
| Wholesale and retail distribution | 759,769 | 21.9% | 8.8% | 8,608,794 | 19.0% |
| Construction and utilities | 379,442 | 10.9% | 8.8% | 4,294,229 | 9.5% |
| Transport and travel | 385,579 | 11.1% | 10.1% | 3,834,353 | 8.5% |
| Property and finance | 105,378 | 3.0% | 3.5% | 3,054,435 | 6.7% |
| Other business services | 125,629 | 3.6% | 4.5% | 2,779,856 | 6.1% |
| Other services | 61,414 | 1.8% | 7.0% | 876,403 | 1.9% |
| Education, arts, charities, social care | 168,600 | 4.9% | 12.8% | 1,315,213 | 2.9% |
| *TOTAL NON-KI SECTORS* | *3,099,435* | *89.3%* | *9.9%* | *31,400,678* | *69.4%* |
| *TOTAL ALL SECTORS* | *3,469,441* | *100.0%* | *7.7%* | *45,261,773* | *100.0%* |

Almost 90% of total turnover in the district is generated in non-KI sectors. The largest shares of turnover are found in the Primary sector (24.3% of the total for East Cambridgeshire and 41.6% of the total in the sector for the Combined Authority) and in the Wholesale and Retail Distribution sector (21.9% and 8.8%, respectively). Other large sectors in terms of turnover are Transport and Travel (11.1% and 10.1%, respectively) and Construction and Utilities (10.9% and 8.8%, respectively). More limited is total turnover originated in KI sectors, which account for 10.7% of total turnover in the district and 2.7% of total turnover in KI sectors for the Combined Authority. The largest KI sector based on turnover is High-Tech Manufacturing (7.1% and 4.2%, respectively).

Table 3 shows employment and turnover location quotients (LQs) with respect to the Combined Authority, the LEP and the UK for 2015-16. A similar analysis based on BRES data instead of Cambridge Ahead data is included in Table A.2.

Table 3 Employment and turnover location quotients in 2015-16 – Cambridge Ahead data

|  |  |  |
| --- | --- | --- |
|  | Employment | Turnover |
|  | LQ(Comb. Auth. = 1) | LQ(LEP = 1) | LQ(UK = 1) | LQ(Comb. Auth. = 1) | LQ(LEP = 1) | LQ(UK = 1) |
| KNOWLEDGE INTENSIVE SECTORS |  |  |  |  |  |  |
| Information Technology and Telecoms | 0.29 | 0.47 | 0.53 | 0.28 | 0.32 | 0.40 |
| Life science and healthcare | 0.20 | 0.53 | 0.66 | 0.10 | 0.13 | 0.38 |
| High-tech manufacturing | 0.79 | 0.92 | 1.63 | 0.79 | 0.77 | 1.67 |
| Knowledge intensive services | 0.20 | 0.34 | 0.43 | 0.15 | 0.27 | 0.32 |
| *TOTAL KI SECTORS* | *0.44* | *0.68* | *0.96* | *0.44* | *0.49* | *0.91* |
| OTHER SECTORS |  |  |  |  |  |  |
| Primary | 4.83 | 5.16 | 5.67 | 5.28 | 5.16 | 1.96 |
| Manufacturing | 1.01 | 0.82 | 0.87 | 0.73 | 0.61 | 0.90 |
| Wholesale and retail distribution | 1.17 | 1.30 | 0.66 | 1.28 | 1.41 | 1.16 |
| Construction and utilities | 0.87 | 1.07 | 1.62 | 1.11 | 0.83 | 0.83 |
| Transport and travel | 3.46 | 2.92 | 2.05 | 1.02 | 1.44 | 1.85 |
| Property and finance | 0.33 | 0.52 | 0.37 | 0.45 | 0.70 | 0.23 |
| Other business services | 0.38 | 0.23 | 0.30 | 0.61 | 0.48 | 0.52 |
| Other services | 0.71 | 0.31 | 0.30 | 0.73 | 0.32 | 0.30 |
| Education, arts, charities, social care | 1.20 | 1.33 | 1.78 | 1.11 | 1.13 | 1.81 |
| *TOTAL NON-KI SECTORS* | *1.21* | *1.07* | *1.01* | *1.24* | *1.19* | *1.01* |

Employment LQs suggest that there is high concentration in the Primary sector (5.16 relative to the LEP and 5.67 relative to the UK), in the Transport and Travel sector (2.92 and 2.05, respectively) and in the Education, Arts, Charities, Social Care sector (1.33 and 1.78, respectively). Some degree of concentration can also be observed for Construction and Utilities (1.07 and 1.62), while the share of employment in the Wholesale and Retail Distribution sector is somewhat higher than the corresponding figures for the Combined Authority and the LEP (1.17 and 1.30, respectively). Relatively low concentration can be seen in the KI sectors, with only the LQ for High-Tech Manufacturing relative to the UK being greater than 1.

Consistent results are found in relation to turnover. The sectors with the highest degree of concentration are Primary (5.16 relative to the LEP and 1.96 relative to the UK), Transport and Travel (1.44 and 1.85, respectively), Education, Arts, Charities, Social Care (1.13 and 1.81, respectively), and Wholesale and Retail Distribution (1.41 and 1.16, respectively). Again, the only KI sector with an LQ greater than 1 is High-Tech Manufacturing (1.67 when the LQ relative to the UK is considered).

Table 4 illustrates the distribution of the number of companies that are based in the area (in both absolute and relative terms) by firm size for 2016-17. The groupings used in Table 4 and in the other tables below are defined as follows: (i) micro firms = 1-9 employees; (ii) small and medium-sized firms (SMEs) = 10-249 employees; (iii) large firms > 250 employees. A detailed disaggregation of the number of companies by firm size is included in Table A.4.

Table 4 Distribution of number of companies by firm size in 2016-17 – Broad summary

|  |  |  |
| --- | --- | --- |
|  | East Cambridgeshire | Combined Authority |
|  | No. of companies | % | No. of companies | % |
| Micro firms | 2,193 | 91.1% | 22,214 | 90.4% |
| Small and medium-sized firms | 199 | 8.3% | 2,224 | 9.1% |
| Large firms | 14 | 0.6% | 123 | 0.5% |
| All firms in area | 2,406 | 100.0% | 24,561 | 100.0% |

The distribution of companies by firm size in East Cambridgeshire is largely in line with that for the Combined Authority. Over 90% of companies in the district have between 1 and 9 employees, while SMEs represent 8.3% of the total number of companies in the area. There are 14 companies with more than 250 employees, corresponding to 0.6% of the total.

Table 5 reports the distribution of employment by firm size for 2016-17. A detailed disaggregation of the figures presented below is included in Table A.5.

Table 5 Distribution of employment by firm size in 2016-17 – Broad summary

|  |  |  |
| --- | --- | --- |
|  | East Cambridgeshire | Combined Authority |
|  | Total employment | % | Total employment | % |
| Micro firms | 4,719 | 20.0% | 46,737 | 19.8% |
| Small and medium-sized firms | 6,023 | 25.5% | 80,499 | 34.1% |
| Large firms | 12,871 | 54.5% | 109,110 | 46.2% |
| All firms in area | 23,613 | 100.0% | 236,346 | 100.0% |

Large firms account for over half of total employment in the area, a figure that is considerably higher compared to the Combined Authority (54.5% and 46.2%, respectively). Employment at SMEs corresponds to over 25% of total employment in East Cambridgeshire, with the greatest contribution coming from firms with 10-49 employees (3,386). The share of employment for micro firms (20.0%) mirrors that for the Combined Authority (19.8%).

Table 6 shows the distribution of turnover by firm size for 2016-17. A detailed disaggregation of the figures presented below is included in Table A.6.

Table 6 Distribution of turnover by firm size in 2016-17 – Broad summary

|  |  |  |
| --- | --- | --- |
|  | East Cambridgeshire | Combined Authority |
|  | Total turnover £,000 | % | Total turnover £,000 | % |
| Micro firms | 756,026 | 21.8% | 7,706,187 | 17.0% |
| Small and medium-sized firms | 1,075,225 | 31.0% | 13,536,479 | 29.9% |
| Large firms | 1,638,190 | 47.2% | 24,019,107 | 53.1% |
| All firms in area | 3,469,441 | 100.0% | 45,261,773 | 100.0% |

Over 47% of total turnover in the district is generated by the 14 firms with more than 250 employees. This figure is lower than the corresponding figure for the Combined Authority (53.1%). SMEs account for almost a third of total turnover in East Cambridgeshire, while the lowest share of turnover is observed for micro firms (21.8% compared to 17.0% for the Combined Authority).

Table 7 lists the largest companies that are based in East Cambridgeshire, among those with more than 100 employees, by their turnover in 2016-17.

Table 7 Largest East Cambridgeshire-based companies (100+ employees) by turnover in 2016-17

|  |  |  |  |
| --- | --- | --- | --- |
| Company name | Sector | Employment2016-17 | Turnover2016-17£,000 |
| JDR Enterprises Limited | High-tech manufacturing | 505 | 114,002 |
| Parametric Investments Limited | 243 | 26,326 |
| Ivor Searle Limited | 107 | 9,839 |
| Shearline Holdings Limited | 111 | 7,608 |
| G'S Group Holdings Limited | Primary | 3,894 | 444,286 |
| G'S Growers Limited | 265 | 79,962 |
| J.B Shropshire & Sons Limited | 623 | 72,298 |
| Juddmonte Farms Limited | 111 | 45,556 |
| Littleport Mushroom Farms LLP | 258 | 15,204 |
| Elliott Group Limited | Manufacturing | 1,002 | 162,816 |
| Faerch Plast UK Limited | 300 | 50,414 |
| George Thurlow And Sons (Holdings) Limited | Wholesale and retail distribution | 663 | 229,081 |
| Thorlabs Limited | 202 | 41,707 |
| G.& J.Peck Limited | 131 | 40,353 |
| Life Fitness (UK) Limited | 111 | 37,760 |
| Hoopers Limited | 372 | 23,792 |
| Ellgia Holdings Limited | Construction and utilities | 116 | 17,788 |
| Turners (Soham) Holdings Limited | Transport and travel | 2,979 | 322,608 |
| Bretts Transport Limited | 136 | 14,571 |
| The Active Learning Trust Limited | Education, arts, charities, social care | 737 | 62,676 |
| Anglian Learning | 271 | 28,113 |
| The Diocese of ELY Multi-Academy Trust | 539 | 16,556 |
| The King's School, ELY | 463 | 16,382 |
| Staploe Education Trust | 178 | 8,701 |
| Witchford Village College | 145 | 5,056 |

The largest East Cambridgeshire-based companies tend to be concentrated in non-KI sectors, namely Primary (e.g. G'S Group Holdings Limited), Transport and Travel (e.g. Turners (Soham) Holdings Limited), Manufacturing (e.g. Elliott Group Limited), and Wholesale and Retail Distribution (e.g. George Thurlow And Sons (Holdings) Limited). A number of large companies also belong to the Education, Arts, Charities, Social Care sector, including The Active Learning Trust Limited and Anglian Learning. Among the KI sectors, companies with more than 100 employees are found only in High-Tech Manufacturing, where the largest player is JDR Enterprises Limited.

Table 8 provides a list of the largest companies that are active in East Cambridgeshire, among those with more than 100 employees, by their turnover in 2016-17.

Table 8 Largest East Cambridgeshire-active companies (100+ employees) by turnover in 2016-17

|  |  |  |  |
| --- | --- | --- | --- |
| Company name | Sector | Employment2016-17 | Turnover2016-17£,000 |
| ITV PLC | Information Technology and Telecoms | 6,121 | 3,064,000 |
| Wittington Investments Limited | Manufacturing | 131,211 | 13,555,000 |
| Volkswagen Group United Kingdom Limited | Wholesale and retail distribution | 1,011 | 9,792,900 |
| DS Smith PLC | 26,065 | 4,066,000 |
| A.F.Blakemore And Son Limited | 7,514 | 1,306,165 |
| Office Holdings Limited | 3,125 | 273,727 |
| Caffyns Public Limited Company | 414 | 212,581 |
| Truckeast Limited | 344 | 103,865 |
| Fortnum & Mason Public Limited Company | 708 | 98,729 |
| Medlock Electrical Distributors Limited | 251 | 66,561 |
| EDE & Ravenscroft Limited | 627 | 39,925 |
| European Metal Recycling Limited | Construction and utilities | 2,910 | 2,221,000 |
| Novus Property Solutions Limited | 819 | 130,281 |
| Space Engineering Services Limited | 623 | 83,108 |
| Clive Barford Limited | 145 | 50,269 |
| M.Price Limited | 164 | 40,962 |
| Anchor Trust | Property and finance | 9,232 | 374,709 |
| Sequence (UK) Limited | 3,103 | 173,195 |
| Rentokil Initial UK Ltd | Other Business Services | 2,535 | 229,784 |
| Chubb Fire & Security Limited | 1,779 | 185,432 |
| Fugro Geoservices Limited | 505 | 87,763 |
| Penna PLC | 297 | 80,282 |
| Travelodge Hotels Limited | Other Services | 5,363 | 587,700 |
| MAX Spielmann Limited | 881 | 54,449 |
| Victim Support | Education, arts, charities, social care | 1,224 | 36,409 |

Most of the largest companies that are active in the district belong to the non-KI sectors. Specifically, the key sectors in terms of East Cambridgeshire-active companies are Manufacturing (e.g. Wittington Investments Limited), Wholesale and Retail Distribution (e.g. Volkswagen Group United Kingdom Limited and DS Smith PLC), Construction and Utilities (e.g. European Metal Recycling Limited), Property and Finance (e.g. Anchor Trust and Sequence (UK) Limited), and Other Services (e.g. Travelodge Hotels Limited). Within the KI sectors, one of the largest companies that are active in the area is ITV PLC (Information Technology and Telecoms).

**2. Growth**

Table 9 reports the annualised growth rates in employment by sector over the three- and six-year periods to 2016-17.[[2]](#footnote-2)

Table 9 Three-year and six-year employment growth (% pa) by sector

|  |  |  |
| --- | --- | --- |
|  | East Cambridgeshire | Combined Authority |
|  | 3 yearsto 2016-17 | 6 yearsto 2016-17 | 3 yearsto 2016-17 | 6 yearsto 2016-17 |
| Information Technology and Telecoms | 12.7% | 9.4% | 6.9% | 7.3% |
| Life science and healthcare | 10.7% | 15.3% | 7.4% | 6.7% |
| High-tech manufacturing | -0.5% | 0.2% | 1.6% | 1.9% |
| Knowledge intensive services | 11.9% | 12.5% | 8.6% | 5.9% |
| *TOTAL KI SECTORS* | *3.9%* | *3.7%* | *5.2%* | *4.9%* |
| OTHER SECTORS |  |  |  |  |
| Primary | 10.5% | 6.0% | 5.9% | 4.9% |
| Manufacturing | -1.0% | -0.1% | 4.7% | 3.2% |
| Wholesale and retail distribution | 6.0% | 4.4% | 6.6% | 4.3% |
| Construction and utilities | 10.1% | 7.4% | 5.4% | 4.6% |
| Transport and travel | 6.8% | 5.1% | 11.7% | 5.6% |
| Property and finance | 9.5% | 6.4% | 8.6% | 9.0% |
| Other business services | 5.7% | 8.0% | 5.3% | 5.9% |
| Other services | 12.8% | 13.1% | 8.4% | 8.7% |
| Education, arts, charities, social care | 26.7% | 29.0% | 8.2% | 13.8% |
| *TOTAL NON-KI SECTORS* | *9.5%* | *7.1%* | *6.9%* | *6.5%* |
| *TOTAL ALL SECTORS* | *8.9%* | *6.7%* | *6.4%* | *6.0%* |

Total employment in East Cambridgeshire has increased at a higher rate compared to the Combined Authority. Growth in total employment in the district has accelerated during the past three years, reaching an annualised growth rate of 8.9% as opposed to a rate of 6.4% for the Combined Authority as a whole. Among the fastest growing sectors are Education, Arts, Charities, Social Care (26.7% over the three years to 2016-17 and 29.0% over the six years to 2016-17), Other Services (12.8% and 13.1%, respectively), and Construction and Utilities (10.1% and 7.4%, respectively). Employment growth has also been remarkable in the Primary sector, which has witnessed higher rates relative to the Combined Authority (6.0% and 4.9%, respectively, if the entire period is examined). Conversely, the KI sectors taken together have experienced more limited growth, well below the average for the Combined Authority (3.7% and 4.9%, respectively). One can also notice that employment in the Manufacturing sector has decreased over time, while it has remained somewhat stable in the High-Tech Manufacturing sector.

Table 10 presents the annualised growth rates in turnover by sector over the three- and six-year periods to 2016-17.

Table 10 Three-year and six-year turnover growth (% pa) by sector

|  |  |  |
| --- | --- | --- |
|  | East Cambridgeshire | Combined Authority |
|  | 3 yearsto 2016-17 | 6 yearsto 2016-17 | 3 yearsto 2016-17 | 6 yearsto 2016-17 |
| Information Technology and Telecoms | 11.0% | 10.6% | 10.4% | 9.7% |
| Life science and healthcare | 12.4% | 15.0% | 9.0% | 8.7% |
| High-tech manufacturing | -7.2% | -1.1% | 3.4% | 3.9% |
| Knowledge intensive services | 10.9% | 12.9% | 6.1% | 6.9% |
| *TOTAL KI SECTORS* | *-2.4%* | *2.1%* | *6.6%* | *6.6%* |
| OTHER SECTORS |  |  |  |  |
| Primary | 5.9% | 7.8% | 3.2% | 6.6% |
| Manufacturing | 0.3% | 3.0% | 4.8% | 5.1% |
| Wholesale and retail distribution | 7.8% | 4.5% | 11.3% | 8.0% |
| Construction and utilities | 12.2% | 11.5% | 9.3% | 7.2% |
| Transport and travel | 8.1% | 7.0% | -0.2% | 0.3% |
| Property and finance | 8.5% | 7.0% | 9.6% | 11.6% |
| Other business services | 1.8% | 7.7% | 6.9% | 5.5% |
| Other services | 17.6% | 14.9% | 9.5% | 9.3% |
| Education, arts, charities, social care | 15.1% | 32.5% | 5.6% | 14.3% |
| *TOTAL NON-KI SECTORS* | *7.3%* | *7.5%* | *7.0%* | *6.5%* |
| *TOTAL ALL SECTORS* | *6.1%* | *6.8%* | *6.9%* | *6.5%* |

The results for total turnover largely resemble those based on total employment. Turnover growth in East Cambridgeshire has been driven by the growth of non-KI sectors, which have seen higher growth rates relative to the Combined Authority (7.5% and 6.5%, respectively, throughout the six-year period). The largest rates of growth are found for Education, Arts, Charities, Social Care (15.1% for the three-year growth and 32.5% for the six-year growth), Other Services (17.6% and 14.9%, respectively), Construction and Utilities (12.2% and 11.5%), and Primary (5.9% and 7.8%). Turnover growth has been relatively low for the KI sectors as a whole and has turned negative during the three years to 2016-17 (-2.4%).

Table 11 illustrates the absolute change in employment and turnover LQs (calculated with respect to the Combined Authority) by sector over the three- and six-year periods to 2016-17. A similar analysis for employment based on BRES data instead of Cambridge Ahead data is included in Table A.7.

Table 11 Change in employment and turnover location quotients (Combined Authority = 1) – Cambridge Ahead data

|  |  |  |
| --- | --- | --- |
|  | Employment | Turnover |
|  | 3 yearsto 2016-17 | 6 yearsto 2016-17 | 3 yearsto 2016-17 | 6 yearsto 2016-17 |
| Information Technology and Telecoms | 0.03 | 0.02 | 0.01 | 0.01 |
| Life science and healthcare | 0.00 | 0.07 | 0.01 | 0.03 |
| High-tech manufacturing | -0.09 | -0.10 | -0.19 | -0.20 |
| Knowledge intensive services | 0.00 | 0.05 | 0.02 | 0.04 |
| *TOTAL KI SECTORS* | *-0.04* | *-0.04* | *-0.10* | *-0.11* |
| OTHER SECTORS |  |  |  |  |
| Primary | 0.30 | 0.13 | 0.52 | 0.28 |
| Manufacturing | -0.23 | -0.23 | -0.09 | -0.11 |
| Wholesale and retail distribution | -0.09 | -0.03 | -0.09 | -0.27 |
| Construction and utilities | 0.05 | 0.10 | 0.11 | 0.23 |
| Transport and travel | -0.77 | -0.23 | 0.30 | 0.41 |
| Property and finance | -0.01 | -0.07 | 0.00 | -0.14 |
| Other business services | -0.02 | 0.03 | -0.08 | 0.06 |
| Other services | 0.04 | 0.13 | 0.19 | 0.22 |
| Education, arts, charities, social care | 0.44 | 0.67 | 0.41 | 0.97 |
| *TOTAL NON-KI SECTORS* | *0.01* | *0.00* | *0.04* | *0.05* |

The changes in employment LQs indicate that concentration has increased over time in a number of non-KI sectors. These include Education, Arts, Charities, Social Care (0.67 over the whole period), Primary (0.13), Other Services (0.13), and Construction and Utilities (0.10). At the same time, the relative concentration of employment in the district has decreased in other sectors such as Manufacturing (-0.23), Transport and Travel (-0.23), and Property and Finance (-0.07). Negative LQs can also be observed for the KI sectors taken together, implying that the share of employment in these sectors for East Cambridgeshire relative to the Combined Authority has declined over time.

These results are confirmed by the analysis of turnover LQs, which suggest that the degree of concentration in terms of turnover has become greater for Education, Arts, Charities, Social Care (0.97), Primary (0.28), Construction and Utilities (0.23), and Other Services (0.22). Interestingly, whilst employment in Transport and Travel has become somewhat less concentrated over time, concentration with respect to turnover has increased throughout the time period. In addition, there is evidence that the relative concentration of turnover in the KI sectors as a whole has decreased over time, in line with the results based on employment figures.

Table 12 shows the annualised growth rates in employment by firm size over the three- and six-year periods to 2016-17. A detailed disaggregation of the figures presented below is included in Table A.9.

Table 12 Three-year and six-year employment growth (% pa) by firm size – Broad summary

|  |  |  |
| --- | --- | --- |
|  | East Cambridgeshire | Combined Authority |
|  | 3 yearsto 2016-17 | 6 yearsto 2016-17 | 3 yearsto 2016-17 | 6 yearsto 2016-17 |
| Micro firms | 6.8% | 7.2% | 6.6% | 6.4% |
| Small and medium-sized firms | 6.8% | 5.9% | 5.1% | 5.7% |
| Large firms | 10.7% | 7.0% | 7.4% | 6.2% |
| All firms in area | 8.9% | 6.7% | 6.4% | 6.0% |

During the six years to 2016-17, employment growth for large firms (7.0%) appears to be the major driver of total employment growth in the district. Similarly, the greatest contribution to total employment growth over the past three years has come from large firms, which have grown by 10.7%. Employment growth for SMEs has been 5.9% throughout the entire period, broadly in line with the corresponding figure for the Combined Authority. It is also worth highlighting that growth experienced by each of the three groups of firms in East Cambridgeshire has been higher compared to the average for the Combined Authority.

Table 13 shows the annualised growth rates in turnover by firm size over the three- and six-year periods to 2016-17. A detailed disaggregation of the figures presented below is included in Table A.10.

Table 13 Three-year and six-year turnover growth (% pa) by firm size – Broad summary

|  |  |  |
| --- | --- | --- |
|  | East Cambridgeshire | Combined Authority |
|  | 3 yearsto 2016-17 | 6 yearsto 2016-17 | 3 yearsto 2016-17 | 6 yearsto 2016-17 |
| Micro firms | 5.7% | 7.7% | 10.2% | 8.2% |
| Small and medium-sized firms | 2.3% | 3.1% | 6.1% | 4.0% |
| Large firms | 9.1% | 9.4% | 6.4% | 7.6% |
| All firms in area | 6.1% | 6.8% | 6.9% | 6.5% |

The highest rates of growth in turnover are observed among firms with more than 250 employees, which have grown between 9.1% (three years to 2016-17) and 9.4% (six years to 2016-17). These values are considerably higher than those for the Combined Authority, implying that large firms in East Cambridgeshire have witnessed greater turnover growth than the average for the entire region. Significantly lower are the growth rates for micro firms (5.7% and 7.7%, respectively) and SMEs (2.3% and 3.1%, respectively). Furthermore, both these groups of firms have grown at a lower rate compared to the Combined Authority as a whole.

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**Appendix A**

Table A.1 Distribution of number of companies by sector in 2016-17

|  |  |  |
| --- | --- | --- |
|  | East Cambridgeshire | Combined Authority |
|  | No. of companies | % of total | % of Combined Authority | No. of companies | % of total |
| KNOWLEDGE INTENSIVE SECTORS |  |  |  |  |  |
| Information Technology and Telecoms | 199 | 8.3% | 7.1% | 2,805 | 11.4% |
| Life science and healthcare | 24 | 1.0% | 6.3% | 384 | 1.6% |
| High-tech manufacturing | 63 | 2.6% | 12.0% | 526 | 2.1% |
| Knowledge intensive services | 54 | 2.2% | 7.6% | 712 | 2.9% |
| *TOTAL KI SECTORS* | *340* | *14.1%* | *7.7%* | *4,427* | *18.0%* |
| OTHER SECTORS |  |  |  |  |  |
| Primary | 125 | 5.2% | 19.0% | 657 | 2.7% |
| Manufacturing | 126 | 5.2% | 10.7% | 1,174 | 4.8% |
| Wholesale and retail distribution | 250 | 10.4% | 10.1% | 2,468 | 10.0% |
| Construction and utilities | 392 | 16.3% | 13.3% | 2,952 | 12.0% |
| Transport and travel | 75 | 3.1% | 8.4% | 895 | 3.6% |
| Property and finance | 288 | 12.0% | 9.6% | 2,991 | 12.2% |
| Other business services | 434 | 18.0% | 9.2% | 4,720 | 19.2% |
| Other services | 277 | 11.5% | 9.1% | 3,039 | 12.4% |
| Education, arts, charities, social care | 99 | 4.1% | 8.0% | 1,238 | 5.0% |
| *TOTAL NON-KI SECTORS* | *2,066* | *85.9%* | *10.3%* | *20,134* | *82.0%* |
| *TOTAL ALL SECTORS* | *2,406* | *100.0%* | *9.8%* | *24,561* | *100.0%* |

Table A.2 Employment location quotients in 2016 – BRES data

|  |  |  |  |
| --- | --- | --- | --- |
|  | LQ(Comb. Auth. = 1) | LQ(LEP = 1) | LQ(GB = 1) |
| High-tech manufacturing | 1.21 | 1.22 | 1.58 |
| Life sciences manufacturing | 0.65 | 0.60 | 0.68 |
| ICT | 0.51 | 0.68 | 0.61 |
| R&D | 0.14 | 0.23 | 0.94 |
| Knowledge intensive services | 1.08 | 1.31 | 1.52 |
| *Sub-total - KI sectors* | *0.72* | *0.90* | *1.11* |
| Primary | 2.10 | 1.73 | 0.31 |
| Other manufacturing | 1.34 | 1.01 | 1.37 |
| Property and construction | 1.52 | 1.28 | 1.28 |
| Utilities | 1.12 | 1.15 | 1.12 |
| Publishing | 0.97 | 1.37 | 2.41 |
| Transport and travel | 1.95 | 1.66 | 1.90 |
| Wholesale distribution | 1.04 | 0.89 | 1.06 |
| Retail distribution | 0.91 | 0.87 | 0.90 |
| Hotels, pubs and restaurants | 1.02 | 0.86 | 0.77 |
| Other business services | 1.00 | 1.06 | 1.03 |
| Public services | 0.49 | 0.51 | 0.39 |
| Other Services | 1.84 | 1.83 | 1.80 |
| Education | 0.86 | 0.97 | 1.04 |
| Finance and professional services | 0.54 | 0.58 | 0.36 |
| Health services | 0.56 | 0.58 | 0.52 |
| *Sub-total - Other sectors* | *1.05* | *1.01* | *0.99* |

Table A.3 Comparison of employment by sector in 2016 – Cambridge Ahead vs. BRES data

|  |  |  |
| --- | --- | --- |
|  | Total employment | % of total |
|  | Cambridge Ahead data | BRES data | Cambridge Ahead data | BRES data |
| High-tech manufacturing | 1,503 | 1,190 | 6.4% | 3.8% |
| Life sciences manufacturing | 14 | 50 | 0.1% | 0.2% |
| ICT | 613 | 735 | 2.6% | 2.3% |
| R&D | 161 | 135 | 0.7% | 0.4% |
| Knowledge intensive services | 338 | 1,160 | 1.4% | 3.7% |
| *Sub-total - KI sectors* | *2,629* | *3,270* | *11.1%* | *10.3%* |
| Primary | 5,943 | 175 | 25.2% | 0.6% |
| Other manufacturing | 1,719 | 2,305 | 7.3% | 7.3% |
| Property and construction | 1,912 | 2,625 | 8.1% | 8.3% |
| Utilities | 251 | 655 | 1.1% | 2.1% |
| Publishing | 41 | 300 | 0.2% | 0.9% |
| Transport and travel | 3,787 | 3,605 | 16.0% | 11.4% |
| Wholesale distribution | 1,563 | 1,305 | 6.6% | 4.1% |
| Retail distribution | 801 | 2,815 | 3.4% | 8.9% |
| Hotels, pubs and restaurants | 155 | 1,805 | 0.7% | 5.7% |
| Other business services | 1,050 | 4,135 | 4.4% | 13.0% |
| Public services | 8 | 510 | 0.0% | 1.6% |
| Other Services | 626 | 2,665 | 2.7% | 8.4% |
| Education | 2,495 | 2,850 | 10.6% | 9.0% |
| Finance and professional services | 267 | 545 | 1.1% | 1.7% |
| Health services | 366 | 2,125 | 1.5% | 6.7% |
| *Sub-total - Other sectors* | *20,984* | *28,420* | *88.9%* | *89.7%* |
| *Total Employment* | *23,613* | *31,690* | *100.0%* | *100.0%* |

*Note:* For a detailed comparison of employment estimates between Cambridge Ahead data and BRES data, please see the report titled “Comparison of the employment growth from the corporate database with BRES data”.

Table A.4 Distribution of number of companies by firm size in 2016-17 – Detailed summary

|  |  |  |
| --- | --- | --- |
|  | East Cambridgeshire | Combined Authority |
|  | No. of companies | % | No. of companies | % |
| *Micro firms* |  |  |  |  |
| 1 employee | 1,087 | 45.2% | 11,662 | 47.5% |
| 2-4 employees | 895 | 37.2% | 8,369 | 34.1% |
| 5-9 employees | 211 | 8.8% | 2,183 | 8.9% |
| *Small firms* |  |  |  |  |
| 10-49 employees | 173 | 7.2% | 1,848 | 7.5% |
| *Medium-sized firms* |  |  |  |  |
| 50-99 employees | 15 | 0.6% | 189 | 0.8% |
| 100-249 employees | 11 | 0.5% | 187 | 0.8% |
| *Large firms* |  |  |  |  |
| > 250 employees | 14 | 0.6% | 123 | 0.5% |
| *All firms in area* | *2,406* | *100.0%* | *24,561* | *100.0%* |

Table A.5 Distribution of employment by firm size in 2016-17 – Detailed summary

|  |  |  |
| --- | --- | --- |
|  | East Cambridgeshire | Combined Authority |
|  | Total employment | % | Total employment | % |
| *Micro firms* |  |  |  |  |
| 1 employee | 1,087 | 4.6% | 11,662 | 4.9% |
| 2-4 employees | 2,288 | 9.7% | 21,260 | 9.0% |
| 5-9 employees | 1,344 | 5.7% | 13,815 | 5.8% |
| *Small firms* |  |  |  |  |
| 10-49 employees | 3,386 | 14.3% | 37,818 | 16.0% |
| *Medium-sized firms* |  |  |  |  |
| 50-99 employees | 1,046 | 4.4% | 13,451 | 5.7% |
| 100-249 employees | 1,591 | 6.7% | 29,230 | 12.4% |
| *Large firms* |  |  |  |  |
| > 250 employees | 12,871 | 54.5% | 109,110 | 46.2% |
| *All firms in area* | *23,613* | *100.0%* | *236,346* | *100.0%* |

Table A.6 Distribution of turnover by firm size in 2016-17 – Detailed summary

|  |  |  |
| --- | --- | --- |
|  | East Cambridgeshire | Combined Authority |
|  | Total turnover £,000 | % | Total turnover £,000 | % |
| *Micro firms* |  |  |  |  |
| 1 employee | 162,944 | 4.7% | 1,642,977 | 3.6% |
| 2-4 employees | 366,473 | 10.6% | 3,442,876 | 7.6% |
| 5-9 employees | 226,608 | 6.5% | 2,620,334 | 5.8% |
| *Small firms* |  |  |  |  |
| 10-49 employees | 642,073 | 18.5% | 6,854,090 | 15.1% |
| *Medium-sized firms* |  |  |  |  |
| 50-99 employees | 177,887 | 5.1% | 2,100,819 | 4.6% |
| 100-249 employees | 255,265 | 7.4% | 4,581,570 | 10.1% |
| *Large firms* |  |  |  |  |
| > 250 employees | 1,638,190 | 47.2% | 24,019,107 | 53.1% |
| *All firms in area* | *3,469,441* | *100.0%* | *45,261,773* | *100.0%* |

Table A.7 Change in employment location quotients – BRES data

|  |  |  |
| --- | --- | --- |
|  | 3yrs 2013-2016 | 6yrs 2010-2016 |
|  | Comb. Auth. = 1 | LEP = 1 | GB = 1 | Comb. Auth. = 1 | LEP = 1 | GB = 1 |
| High-tech manufacturing | 0.21 | 0.14 | -0.04 | 0.40 | 0.36 | 0.17 |
| Life sciences manufacturing | 0.52 | 0.48 | 0.55 | -0.48 | -0.99 | -1.13 |
| ICT | 0.02 | 0.04 | 0.02 | 0.02 | 0.04 | 0.12 |
| R&D | -0.06 | -0.09 | -0.38 | -0.16 | -0.28 | -1.02 |
| Knowledge intensive services | -0.21 | -0.32 | -0.32 | -0.17 | -0.27 | -0.57 |
| *Sub-total - KI sectors* | *-0.02* | *-0.03* | *-0.09* | *-0.02* | *-0.04* | *-0.14* |
| Primary | 0.38 | 0.16 | 0.05 | 0.81 | 0.43 | 0.13 |
| Other manufacturing | -0.13 | -0.12 | -0.17 | -0.23 | -0.17 | -0.15 |
| Property and construction | -0.07 | -0.11 | -0.06 | 0.03 | -0.07 | -0.15 |
| Utilities | 0.04 | 0.06 | -0.05 | 0.26 | 0.09 | -0.26 |
| Publishing | 0.43 | 0.62 | 1.41 | 0.66 | 0.92 | 1.84 |
| Transport and travel | -0.09 | -0.04 | 0.09 | -0.22 | -0.10 | 0.07 |
| Wholesale distribution | 0.06 | 0.07 | 0.07 | 0.15 | 0.08 | 0.00 |
| Retail distribution | -0.01 | 0.00 | 0.01 | -0.14 | -0.10 | -0.06 |
| Hotels, pubs and restaurants | 0.07 | 0.04 | 0.02 | -0.19 | -0.15 | -0.11 |
| Other business services | -0.18 | -0.18 | -0.24 | -0.11 | -0.09 | -0.03 |
| Public services | -0.03 | -0.03 | -0.01 | -0.05 | -0.04 | -0.05 |
| Other Services | 0.40 | 0.46 | 0.67 | 0.39 | 0.44 | 0.44 |
| Education | 0.16 | 0.19 | 0.15 | 0.08 | 0.13 | 0.12 |
| Finance and professional services | 0.02 | 0.03 | 0.03 | 0.11 | 0.09 | 0.08 |
| Health services | -0.18 | -0.18 | -0.16 | -0.07 | -0.06 | -0.07 |
| *Sub-total - Other sectors* | *0.00* | *0.00* | *0.01* | *0.00* | *0.00* | *0.01* |

Table A.8 Comparison of employment growth by sector – Cambridge Ahead vs. BRES data

|  |  |  |
| --- | --- | --- |
|  | 3yrs 2013-2016 | 6yrs 2010-2016 |
|  | Cambridge Ahead data | BRES data | Cambridge Ahead data | BRES data |
| High-tech manufacturing | -0.3% | 0.1% | 0.3% | 4.4% |
| Life sciences manufacturing | 26.0% | 71.0% | 9.8% | -15.8% |
| ICT | 11.9% | 7.9% | 11.7% | 10.0% |
| R&D | 12.9% | -3.5% | 11.9% | -8.2% |
| Knowledge intensive services | 14.9% | 3.4% | 12.7% | 2.1% |
| *Sub-total - KI sectors* | *4.6%* | *3.1%* | *4.3%* | *3.1%* |
| Primary | 10.5% | 9.0% | 5.9% | 10.7% |
| Other manufacturing | -0.8% | -0.2% | -0.1% | 1.0% |
| Property and construction | 7.3% | 2.8% | 5.7% | 2.0% |
| Utilities | 31.3% | 1.6% | 24.3% | -1.2% |
| Publishing | 4.4% | 33.9% | 7.2% | 26.0% |
| Transport and travel | 6.6% | 8.7% | 4.9% | 6.1% |
| Wholesale distribution | 11.8% | 5.7% | 7.7% | 2.8% |
| Retail distribution | -1.7% | 2.6% | 0.3% | 1.2% |
| Hotels, pubs and restaurants | 4.7% | 7.1% | 5.7% | 3.5% |
| Other business services | 6.1% | -0.2% | 7.9% | 6.0% |
| Public services | 4.6% | -0.6% | 8.1% | -2.7% |
| Other Services | 12.0% | 22.1% | 9.5% | 8.4% |
| Education | 28.6% | 7.7% | 35.1% | 4.9% |
| Finance and professional services | 18.9% | 6.6% | 12.9% | 7.7% |
| Health services | 13.1% | -5.6% | 12.3% | 1.7% |
| *Sub-total - Other sectors* | *9.4%* | *4.3%* | *7.1%* | *3.8%* |
| *Total Employment* | *8.9%* | *4.2%* | *6.7%* | *3.8%* |

*Note:* For a detailed comparison of employment growth rates between Cambridge Ahead data and BRES data, please see the report titled “Comparison of the employment growth from the corporate database with BRES data”.

Table A.9 Three-year and six-year employment growth (% pa) by firm size – Detailed summary

|  |  |  |
| --- | --- | --- |
|  | East Cambridgeshire | Combined Authority |
|  | 3 yearsto 2016-17 | 6 yearsto 2016-17 | 3 yearsto 2016-17 | 6 yearsto 2016-17 |
| *Micro firms* |  |  |  |  |
| 1 employee | -4.4% | 0.3% | -2.2% | 1.8% |
| 2-4 employees | 11.4% | 11.3% | 10.1% | 9.9% |
| 5-9 employees | 11.3% | 8.2% | 10.7% | 6.1% |
| *Small firms* |  |  |  |  |
| 10-49 employees | 10.4% | 7.1% | 9.6% | 6.7% |
| *Medium-sized firms* |  |  |  |  |
| 50-99 employees | 5.9% | 5.5% | -2.2% | 1.4% |
| 100-249 employees | 1.0% | 3.7% | 3.7% | 6.6% |
| *Large firms* |  |  |  |  |
| > 250 employees | 10.7% | 7.0% | 7.4% | 6.2% |
| *All firms in area* | *8.9%* | *6.7%* | *6.4%* | *6.0%* |

Table A.10 Three-year and six-year turnover growth (% pa) by firm size – Detailed summary

|  |  |  |
| --- | --- | --- |
|  | East Cambridgeshire | Combined Authority |
|  | 3 yearsto 2016-17 | 6 yearsto 2016-17 | 3 yearsto 2016-17 | 6 yearsto 2016-17 |
| *Micro firms* |  |  |  |  |
| 1 employee | -2.6% | 1.3% | -1.7% | 1.3% |
| 2-4 employees | 6.9% | 11.2% | 12.3% | 11.1% |
| 5-9 employees | 11.2% | 8.5% | 17.9% | 10.3% |
| *Small firms* |  |  |  |  |
| 10-49 employees | 4.6% | 1.5% | 12.1% | 8.3% |
| *Medium-sized firms* |  |  |  |  |
| 50-99 employees | -6.0% | 9.7% | -6.6% | -7.2% |
| 100-249 employees | 3.6% | 3.6% | 5.7% | 6.3% |
| *Large firms* |  |  |  |  |
| > 250 employees | 9.1% | 9.4% | 6.4% | 7.6% |
| *All firms in area* | *6.1%* | *6.8%* | *6.9%* | *6.5%* |

1. The distribution of the number of companies by sector for 2016-17 is included in Table A.1. A comparison of employment estimates by sector between Cambridge Ahead data and BRES data is presented in Table A.3. [↑](#footnote-ref-1)
2. A comparison of employment growth rates by sector between Cambridge Ahead data and BRES data is presented in Table A.8. [↑](#footnote-ref-2)