Cambridgeshire and Peterborough Combined Authority

Integrated Business and Skills Insight and Evaluation Programme

COVID-19 Emerging Impact Assessment

September 2020

Metro —— Dynamics

Executive Summary / September 2020 Economic Review

Six months into the Covid-19 crisis, much uncertainty remains.

Cambridgeshire and Peterborough Combined Authority (CPCA) commissioned Metro Dynamics to prepare this report on the emerging impact of Covid-19 on the CPCA economy, including our three sub-regional economies. This analysis will be updated towards the end of the 4th Quarter of 2020/21. The underlying data will be available for CPCA in a in a regularly updated dashboard.

This report is based on analysis conducted in August 2020. Six months into the health and economic crisis caused by Covid-19 some patterns are emerging in the shape of the impact and the likely trajectory for recovery, but there are many things we still do not know about the labour market and long term impacts.

This report aims to provide an up to date assessment of the CPCA economy, with a focus on major sectors, business groups and the labour market. We also signpost what to look for over the coming months and draw out emerging implications for CPCA and its strategic response.

The economic situation is bad, but not quite as bad as first forecast

We estimate that the CPCA economy declined by £1.39bn from 1 April to 30 June (Q2): a 21.9% annualised rate of decline. While this is less than the £3.7bn fall in output first forecast by the Office of Budget Responsibility in April 2020, it is nevertheless a decline of historic significance, far exceeding the worst effects of the 2008 recession. Similar falls were recorded comparator areas, including a 22.5% decline in Oxfordshire LEP area and a 21.2% decline in New Anglia LEP.

For CPCA's sectors, the largest falls in £ terms were in the Professional, Scientific and Technical (PST) sector (-£186m, a 24% quarter on quarter fall in output), Education (-£172m, 34%) and Manufacturing (-£166m, 20%).

Early signs are emerging of a recovery, but this is still slow and fragile and the worst period may be ahead for labour markets

After a period of decline and near-total shutdown in some sectors (Visitor Economy output fell more than 80% in Q2), it appears as though the economic freefall of April and May has since stabilised and there are some early indicators of economic activity resuming in Q3, such as businesses across most sectors reopening their doors, shoppers cautiously returning to high streets and workers to offices. That said, around one in five businesses across CPCA were continuing to access government support schemes in August and both local and global markets remain uncertain.

For labour markets it is simply too soon to tell whether the worst has passed. Government policies (particularly the Coronavirus Job Retention Scheme: 'furlough') have delayed the full extent of the impact on labour markets but will not prevent some rise in unemployment when the scheme closes at the end of October. Around one in four workers (114,800) across CPCA remain on furlough, while from February to July the number of people claiming Universal Credit increased by 107% to exceed 60,000 (a record high), compared to a 90.3% rise in claimants nationally. Since February, all local authorities except Peterborough have seen faster rises in universal credit claimants than the national average.

Whilst it is important to discount the increase that was occurring anyway due to UC role out, and the fact that UC figures will include many who are furloughed and may not ultimately be unemployed, it appears increasingly likely that some structurally higher unemployment is locked in for at least the short / medium term. With very limited activity occurring in new job advertisements (particularly in lower paid / skilled roles outside construction) it is likely that some people who have recently lost their jobs will remain unemployed for some time to come. One important indicator will be the extent to which the UC claimant count increases again if the furlough schemes ends as planned in October.

The trajectory from here can be influenced but not controlled.

Firms and communities in the CPCA area are still in the early stages of processing Covid-19's longer term impact. The things we do know reinforce the uncertainty ahead: the virus is still spreading globally and within the UK; National and local Government's financial and political capacity to respond is stretched; the end of the furlough scheme in October looms for many businesses and workers; Brexit, deeply uncertain global trade and travel) – highlight how difficult and uncertain the next few months will be. There are also things we don't yet know which will be crucial to how CPCA recovers in coming months, such as:

- How the Education sector (particularly fee paying and foreign students) will rebound once 'regular' activity resumes in September;

- How soon – and to what extent – restrictions on global travel and markets will lift, which are vital for CPCA's knowledge-based sectors;

- The extent to which a temporary rise in unemployment becomes a structural issue, which may be compounded by business' increased preferences for labour-saving automation and online retail, resulting in fewer entry-level jobs;

- The extent to which a temporary shift to remote working becomes permanent for some workers, and the implications of this for the spatial pattern of economic activity;

- The pace of recovery in retail, and whether smaller centres (such as market towns) will recover faster than larger centres (such as city centres).

Executive Summary / September 2020 Economic Review (cont)

There have been substantial losses in Greater Cambridge's most prominent sectors

Across Greater Cambridge (to generalise: Cambridge and South Cambridgeshire) output in Q2 fell by -£669m, almost half of total output lost across CPCA. Of particular interest are the output declines in Professional, Scientific and Technical (PST) activities and (-£136m) and Education (-£104m). To some extent this reflects their size, but both are also highly dependent on future global markets and travel.

Greater Cambridge's success stems from its reputation as a centre of knowledge, research and innovation, which attracts global capital and the highest-skilled workers. Covid-19 poses a real risk here, and one which is largely beyond CPCA's control: if, as it has done throughout 2020, Covid-19 continues to disrupt and obstruct the international flow of labour, students and capital then Greater Cambridge's economic activity will remain subdued, with the risk of longer-term scarring or permanent loss of output and employment. Already 14,000 people are claiming Universal Credit: around 5% of residents. Our analysis notes similar problems in other knowledge-based economies, such as in Oxfordshire, where Q2 Education sector output fell by -£180m.

Greater Peterborough's emerging Manufacturing specialism has suffered, and a slow retail recovery puts many jobs at risk

Across Greater Peterborough output in Q2 fell by around -£533m, led by a -£78m decline in Manufacturing output

and a -£67m decline in Retail output. Manufacturing is the region's largest source of GVA (nearly 15% of total) while Retail employs 36,000 people: 18% of the workforce. In recent years manufacturing has emerged as a fast-growing regional specialism that helps to diversify CPCA's economy, progress which risks being set back by Covid-19.

Though the region appears so far to have been spared from the worst of the recession, a slow recovery in the retail sector poses a real threat to regional employment, given 36,000 workers are employed in the sector. An analysis of high streets shows that activity has been slower to return in Greater Peterborough than in other parts of CPCA. It remains to be seen whether the shift to online retail is temporary, or whether there is some permanent displacement of in-person retail activity. If there is, many retail jobs across Greater Peterborough are at risk over the longer term.

A strong agrifood economy has spared The Fens from the worst, but challenges lie ahead

The Fens experienced around -£189m loss of output in Q2. Though the loss in output is smaller here than in other areas that is because there was less to lose to begin with. The Fens' strong Agrifood base (£326m output, 9% of GVA) may have helped insulate the region from the worst effects of the economic shock as regional food production and processing stepped up to meet demand. That said, there are now more than 13,000 Universal Credit claimant across the region, and new claims have been increasing at a faster rate than

nationally. In addition, there are fewer obvious drivers of economic recovery in the region if the economy stalls further.

CPCAs strategic objectives remain relevant and valid – but there will be both opportunities and challenges that provide scope for taking a fresh look at how they are achieved:

1. The spatial pattern of economy activity and the relationships between places for work, living, leisure and learning are changing.
2. Structurally higher unemployment is likely to endure some time and the burden will fall disproportionately on more deprived people and places.
3. Global capital is flowing to temporary safe havens and reliable future bets – of which CPCA may be one. While global capital can still flow across borders, the same cannot be easily said for international labour or students.
4. Productivity performance is likely to vary substantially across places and sectors, with the path out of the crisis potentially influencing productivity for some time to come.
5. The pandemic reduced travel and loading factors for all transport modes and routes across the CPCA area. In the recovery there are new capacity constraints on public transport from social distancing, and renewed public appetite for greener modes of personal transport.

Report Contents

About this Report

The Cambridgeshire and Peterborough Combined Authority (CPCA) has commissioned Metro Dynamics to prepare an assessment on the impact of Covid-19 on the CPCA economy. This work is part of a broader programme of work to support CPCA's integrated business and skills insight and evaluation.

The analysis in this report was carried out in August 2020 and reflects our current best understanding of the impact of Covid-19 on the national economy, CPCA and the six local authorities within CPCA.

Our work builds on research and analysis already carried out by other organisations to understand the impact of Covid-19 on CPCA, including impact assessments produced by Hatch Regeneris in June 2020 and labour market information prepared by Cambridgeshire Insights (ongoing). Our approach has been to complement the analysis included in these reports to add new insight, and to avoid duplicating the analysis wherever possible.

We have based our approach on an assessment of the sectors and businesses within CPCA, and when possible (current evidence at a local authority level is extremely limited), an assessment of how conditions vary across the three overlapping economies of the CPCA area.

Workstreams of the Integrated Business and Skills Insight and Evaluation Programme

Integrated Insight & Evaluation

| **Covid-19 Impact Assessment** | CPCA Strategy Refresh | Market Assessment for Business Growth Service | Local Growth Fund Evaluation | Skills & Labour Market Insights | Recovery Status Checks |

This report

This workstream will also include a web-based dashboard to monitor the recovery

The three overlapping economies of the CPCA area

Greater Cambridge   Greater Peterborough   The Fens

Headline findings

Economy

- **Q2 output contracted by £1.39bn across CPCA**: a 21.9% annualised fall in output. This is less than the fall in output forecast by the OBR but is still historically significant. These numbers are modelled based on national figures and using 2018 GVA figures for CPCA.

- Across sectors, the largest falls in output in percentage terms were in the visitor economy (-87%), arts & recreation (-45%), construction (-35%), and education (-34%).

- Across local authorities, Q2 output fell by: Cambridge £370m (-25%); Peterborough £319m (-20%); South Cambridgeshire £298m (-22%); Huntingdonshire £214m (-20%); Fenland £99m (-22%); East Cambridgeshire £90m (-20%).
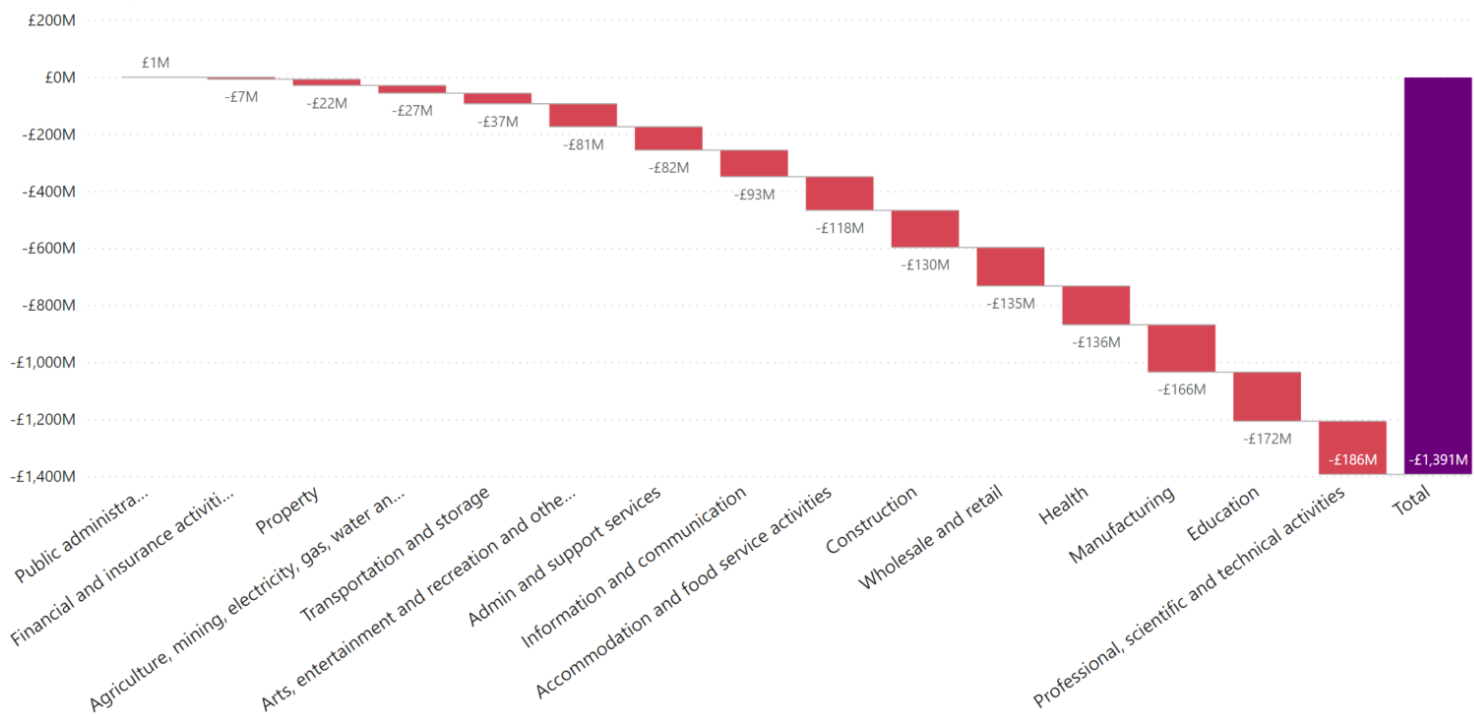
Labour Markets

- A **107% increase in universal credit claimants** from Feb – July 2020 for CPCA, compared to a 90% increase nationally.

- From a low base, a 147% increase in JSA claimants from Feb – July 2020 for CPCA, compared to an 86% increase nationally.

- More than 1 in 4 workers furloughed across the CPCA area, with the highest number in Peterborough (28,400) and the highest proportion of workers in Huntingdonshire (35%)*

Estimated modelled output loss for CPCA in Q2 by sector (£m)

Source: Metro Dynamics analysis of ONS data

Universal Credit claims by local authority

Local authority	UC claimants (Total, July 20)	UC claimants per 10,000 residents
Peterborough	23,592	
Fenland	8,482	
Huntingdonshire	10,099	
Cambridge	7,205	
East Cambridgeshire	4,406	
South Cambridgeshire	7,126	

Source: Metro Dynamics analysis of ONS data
* Furlough scheme analysis provided by Cambridgeshire Insight

Emerging implications for CPCA strategies

Our headline view is that the overarching ambitions in CPCA's strategies remain relevant and appropriate, but there are opportunities to rethink how best to meet and deliver these ambitions.

Trends emerging

The pandemic has rapidly accelerated some existing trends, introduced others and created new drivers and possibilities for policy:

- Migration of economic activity from offices / city centres into homes / suburbs
- Disintermediation of services (especially in retail and hospitality), leading to fewer jobs in entry level / low-wage occupations
- Shift online for social life, retail, learning and work
- Increased importance of local community amenities (e.g. green space, work hubs) and infrastructure (e.g. digital)
- Countries turning 'inward' – secure domestic supplies; reduced international travel
- Private investment capital seeking safe havens, especially public-sector debt

Contingencies and Uncertainties

There remain many unknown factors, such as:

- Trajectory of the pandemic, including breakthroughs in treatments and policy responses
- Future Government funding and pathways for transition out of support measures
- Reversion vs re-imagining in economic and social behaviours
- Extent to which post-COVID conditions drive further labour-saving automation and/or the use of contingent labour (e.g. ZHCs)
- Extent of structural unemployment after output recovers and labour markets stabilise
- Demand for, design of, and location of future employment spaces
- Impact on inequalities for groups and communities.
- Final shape/ operation of spatial planning rules (e.g. zoning for growth)
- Government and social commitment to net zero ambitions / green recovery

Implications

Implications of highest relevance to CPCA resulting from these emerging trends and uncertainties:

Meaning in practice for CPCA

In practice for CPCA, this could mean:

Relevant CPCA Strategies

Implications	Meaning in practice for CPCA	LIS	Skills Strategy	AEB	Cambridge City Deal	Sector Strategies
The **spatial pattern of economic activity** and the relationships between places for work, living, leisure and learning are changing: • Work and educational activities transacted successfully over larger geographies • Productivity gains from agglomeration and 'economies of scope' potentially achievable at more local scales (i.e. away from city centres)	• Embed into the design of new settlements like North East Cambridge amenities that support remote working, learning and collaboration (e.g. work-hubs; parklets and green spaces) • Revisiting the assumptions underpinning local plans for the relationship between jobs and housing demand in places (e.g. running new scenarios through the East of England Forecasting Model) • Use vacant commercial properties as windfall housing supply to re-imagine urban centres (better housing offer for young people) • Speed up the rollout of ultrafast broadband to homes and 5G across all of the CPCA area	✓	✓	✓	✓	✓
A **weaker labour market** overall than anticipated by existing strategies, with new structural unemployment likely to persist beyond the pandemic. The burden will fall disproportionately on low-wage and low-skill jobs and sectors, thereby widening inequality.	• Funding online / remote methods of education and training that allow for higher numbers and more cost-effective learning opportunities (for leaners and providers) • Supporting learners to remotely access out-of-area training and education • Intensive consultation with learners and employers to understand new changes in skills demands and career preferences • Investment in services that support employment (e.g. careers hubs)	✓	✓	✓		
Global capital is seeking temporary safe havens and reliable future bets. This includes activities related to the management of this and future pandemics (e.g. vaccines, therapeutics and diagnostics); future growth opportunities (e.g. digital collaboration networks, platforms to connect producers with end consumers); and investment opportunities guaranteed by government.	New opportunities to secure private sector match-funding for investments in housing, infrastructure and industrial development, across all CPCA economic areas.	✓			✓	✓
Productivity performance is likely to vary substantially across places and sectors over the course of the recovery and beyond. Productivity is contingent on a number of factors, but, with the right recovery, there are opportunities to close the gap earlier between CPCA and London.	Managing and benefiting from existing regional strengths – can high productivity workers and businesses be permanently attracted from London / the South East to CPCA areas that are not already facing growth pressures ?	✓	✓	✓	✓	✓
The pandemic reduced travel and loading factors for all **transport modes and routes** across the CPCA area. In the recovery there are new capacity constraints on public transport from social distancing, and renewed public appetite for greener modes of *personal* transport.	• Opportunity to address mobility needs through investment in infrastructure for green personal transport modes and embedding these into the design of new settlements (cycling, e-bikes, e-scooters, autonomous and electric cars) • Revisiting specification of public transport services and vehicles to provide needed capacity with higher standards for personal space	✓			✓	

Emerging evidence requirements

While it stands alone, this report is one component of a broader package of work to review and refresh CPCA's strategies in light of Covid-19 and to monitor CPCA's economic recovery over time. This report presents the best evidence which is currently available (as of August 2020), however, new evidence is emerging all the time as governments, businesses and other entities develop new methods to understand Covid-19's impact. This slide indicates the emerging evidence themes to watch for over the coming months, including how they relate to the refresh of CPCA's key strategic documents.

Emerging Theme	Type of Evidence Required	C&P Local Industrial Strategy	C&P Skills Strategy	AEB Commissioning Strategy	Cambridge City Deal	C&P Sector Strategies
Change in the spatial pattern of economic development	Change in use (and location) of commercial property	✓			✓	✓
	Inward investment / private equity	✓			✓	✓
	Proportion of workers returning to offices	✓	✓	✓		✓
	Change in transport modes and preferences	✓				
	Vitality of high streets in large centres / market towns	✓			✓	
Structural labour market changes	Rates of return from furlough	✓	✓	✓	✓	✓
	HEI / apprenticeship starts	✓	✓	✓		
	Job vacancies across sectors	✓	✓	✓		✓
	Migrant inflows / outflows	✓			✓	✓
New forms and priorities for innovation	Impact on R&D claims	✓			✓	✓
	Impact of new forms of digital collaboration	✓	✓	✓	✓	✓

Consistent evidence requirements across CPCA strategies to monitor during recovery

Economic and labour force trends	Spatial planning and development	Funding	Industrial development	Enterprise
• Output • Labour market • Education and skills attainment	• Demand and supply of housing • Demand and supply of employment land / commercial premises • Connectivity between places • Economic assets • Infrastructure funding, delivery timescales and usage • Data for wider area and strategic corridors	• Public spending, investment and devolved expenditure limits • Private investment in buildings, capital and training • Access to finance and investments for start-ups and scales ups • Inward investment	• Innovation and adoption of best-practices and technologies • Technological frontiers • Future market opportunities across key sectors	• Business population trends • Business sentiment • Business demand for support services • Collaboration / Business networking

Methodology

About the data

The pace of economic change in COVID-19's wake has rendered many traditional datasets and forms of analysis temporarily obsolete. The economy has changed so fundamentally and so quickly that information which is not published in near-real time cannot be relied upon to paint a realistic picture. Wherever possible in this report we have used up-to-date data sources, such as the ONS Business Impact of Coronavirus Survey (BICS) to analyse what is happening, although these sources are new and data is collected at a national level only. We have applied data from national sources to CPCA's economic context (and to local authorities within CPCA) to produce local estimates. The outputs of this analysis are estimates only. More accurate, specific data of the effects on CPCA will become increasingly available as time goes on. The paragraphs below describe our methodology for applying these national figures to CPCA.

ONS Business Impacts of Coronavirus Survey (BICS) – Local estimates

The Business Impacts of COVID-19 Survey (BICS) captures businesses responses on how their turnover, workforce prices, trade and business resilience have been affected. The information is captured by sector. The survey is updated fortnightly with a new two-week reference period each release. Given that this is a national survey we cannot precisely determine the impacts on businesses within the CPCA area. In order to develop estimates of the local impact we have applied the survey responses across sectors to CPCA's sectoral mix to model the local impact on businesses within different sectors of CPCA's economy.

Our approach involves taking the % shares of national business responses for each indicator and sector within the BICS and multiplying them by the total number of business in 2019 (*Using ONS UK Business; activity, size and location estimates*) for each aligning sector within CPCA. This provides crude estimates of business counts for each sector at the local level for the different types of business responses within the (BICS). It must be noted that these are approximations, and there is likely to be some deviation in the responses by sectors at the local level relative to the national, however the BICS responses do shed a light on the business impact for different sectors more generally across the UK.

Note: The industry groupings *; Financial and insurance activities, Electricity, gas, steam and air conditioning supply, Agriculture, forestry and fishing, Mining and quarrying, Public administration and defense and other service activities* are not included within the BICS, therefore business totals for the different BICS indicators within this report may be an underestimate as these sectors are not covered.

GVA output loss (£) in Q2 – Local estimates

We have provided modelled estimates of the absolute loss in GDP in Q2 by sector at the geography levels; **local authority, Combined Authority, LEP and Region level**. National GDP % fall estimates by sector were obtained through the *ONS GDP first quarterly estimate time series* dataset, where the national *GDP period on period growth % in chain volume measure for 2020Q2* for each sector was used. Note the sector classifications available within the dataset did not include the standardly defined industry '*Agricultural, mining, electricity, and gas*' (ABDE), therefore the sector '*Electricity and gas*' was used as a proxy.

We then approximate estimates for GDP by sector for each geography using GVA by sector in 2018 estimates from the *Balanced GVA by industry* dataset. We divide each GVA by sector figure by 4 to obtain a crude estimate of GVA per quarter in 2018, and multiply these estimates by the % GDP fall by sector figures that we obtained from "*ONS GDP first quarterly estimate time series*". This enables us to acquire absolute loss estimates in £ terms for each sector of our desired geographies.

Impact Assessment

01

Headline Impacts

COVID-19 health impacts

Change in movement patterns

High street recovery

Headline economic impacts (GVA)

Actual vs forecast change in Q2 sector output

Estimated Q2 GVA loss by sector

02

Performance against Comparators

Sector output loss

Universal Credit claimants

The first peak of the virus has passed, but low levels of infection persist in the community

Covid-19 cases by local authority, CPCA

Geography ● Cambridge ● East Cambridgeshire ● Fenland ● Huntingdonshire ● Peterborough ● South Cambridgeshire ● Rolling 7 day average
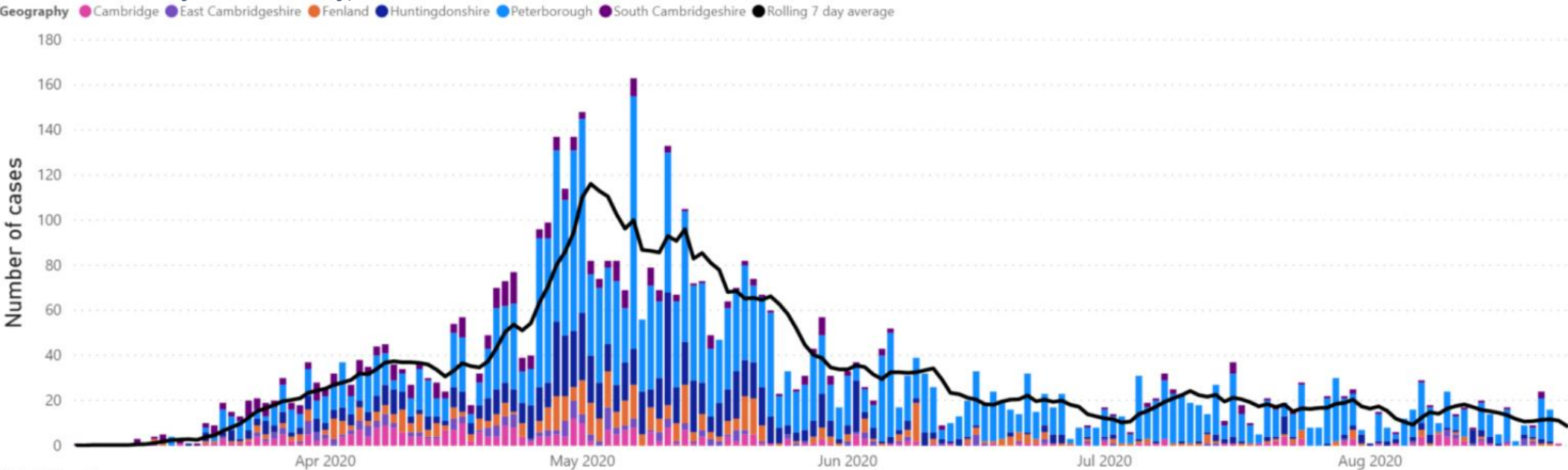
Total Deaths

Total Cases
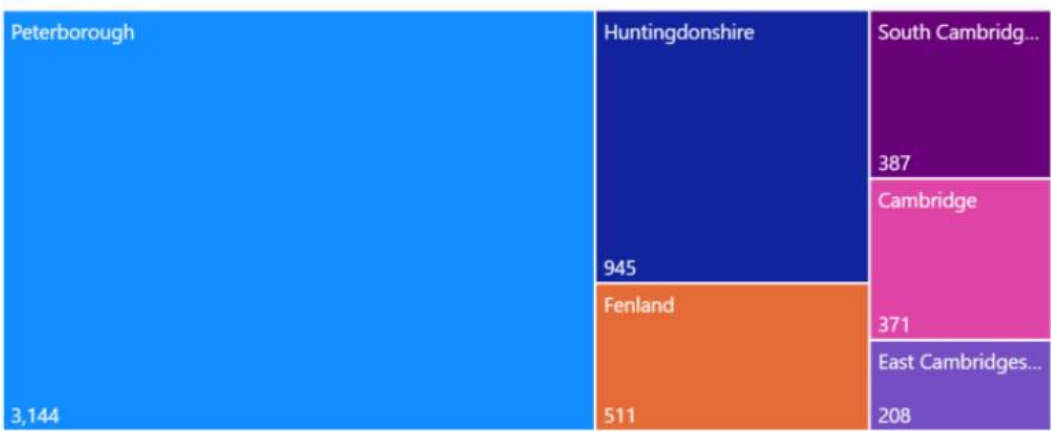
Source: Metro Dynamics analysis of NHS UK data

People have been cautiously returning to workplaces and shops in Cambridgeshire, however activity is still well below pre-lockdown levels

Use of space relative to baseline period, seven day rolling average, Cambridgeshire

Attribute ● Grocery And Pharmacy ● Parks ● Residential ● Retail And Recreation ● Transit Stations ● Workplaces

This chart shows change in the use of different types of space relative to how they were used in the first six weeks of the year. This data is provided by Google, based on the real-time location of phones. The dramatic effect of lockdown on March 23rd can be clearly seen: in increased time at home, and reduced time in all other settings.

On May 10th the Government changed its messaging from "stay at home" to "stay alert" and reduced various restrictions, a process which have been ongoing steadily since to allow more activity. Activity has returned to parks, but has been slower to come back in other areas.

Retail and recreation remains nearly 40% below pre-lockdown levels, despite an uptick in activity from the beginning of July when pubs and non-essential retail businesses reopened.

This data is available at county level only.

Source: Metro Dynamics analysis of Google Mobility Data

Metro——Dynamics

People have been cautiously returning to workplaces and shops in Peterborough, however activity is still well below pre-lockdown levels

Use of space relative to baseline period, seven day rolling average, Peterborough
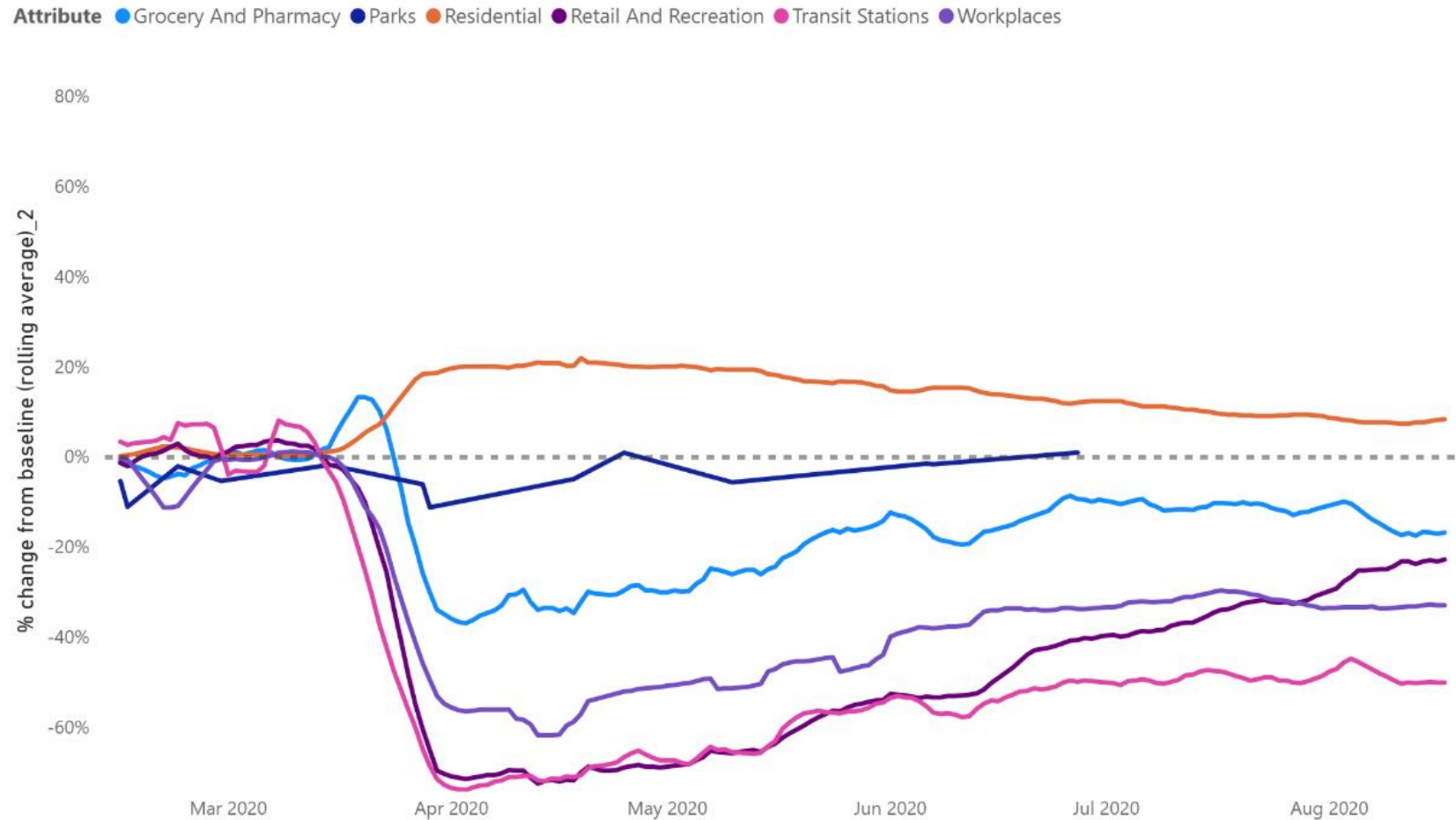
Attribute ● Grocery And Pharmacy ● Parks ● Residential ● Retail And Recreation ● Transit Stations ● Workplaces

This chart shows change in the use of different types of space relative to how they were used in the first six weeks of the year. This data is provided by Google, based on the real-time location of phones. The dramatic effect of lockdown on March 23rd can be clearly seen: in increased time at home, and reduced time in all other settings.

On May 10th the Government changed its messaging from "stay at home" to "stay alert" and reduced various restrictions, a process which have been ongoing steadily since to allow more activity. Despite this, activity has been slow to recover in all non-residential settings.

Retail and recreation remains more than 20% below pre-lockdown levels, despite an uptick in activity from the beginning of July when pubs and non-essential retail businesses reopened. Workers had gradually been returning to workplaces, but since the middle of July this trend seems to have paused, with Workplace activity still nearly 40% below pre-lockdown levels.

This data is available at county level only.

High streets have been slow to recover and activity remains well below pre-lockdown levels

High Street Recovery Index, Cambridgeshire

Index measure ● Night time index ● Overall index ● Weekend index ● Workers index
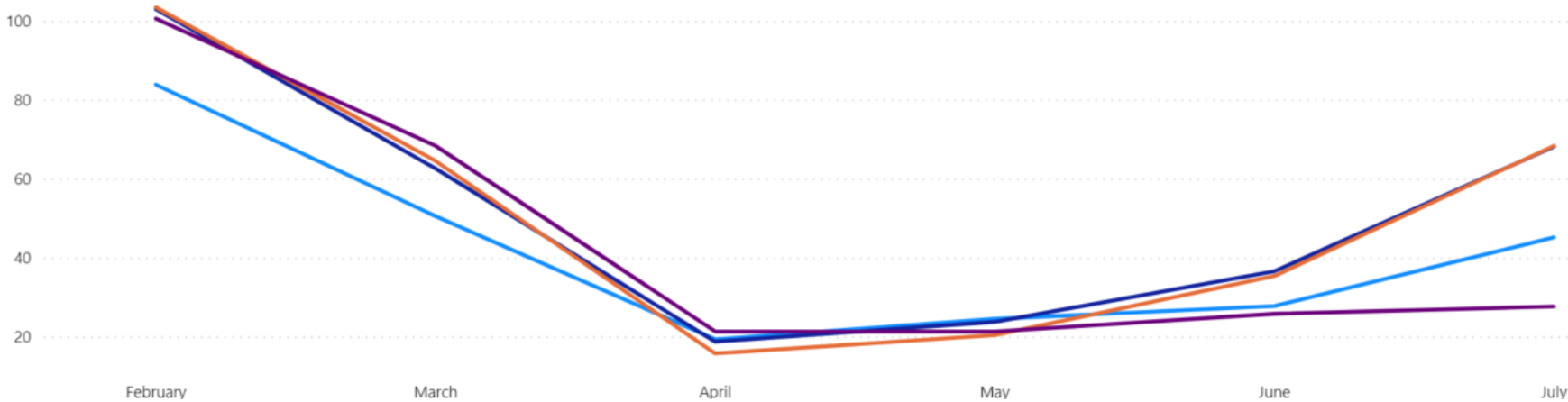
These charts show Centre for Cities' data on high street recovery for Cambridgeshire (top) and Peterborough (bottom). Data is available at county level only. The index measures activity on high streets across different time periods.

Across all time periods activity has been slow to recover, particularly during business hours on weekdays (the workers index, purple line), which likely reflects the cautious return of workers to offices and retail spaces and an ongoing preference to work remotely where possible.

High Street Recovery Index, Peterborough

Index measure ● Night time index ● Overall index ● Weekend index ● Workers index

Some uptick in activity on weekends is visible, which suggests that residents across CPCA are returning to high streets for retail and leisure purposes, but even on weekends activity remains far below pre-lockdown levels.

Source: Metro Dynamics analysis of Centre for Cities' High Street Recovery Index
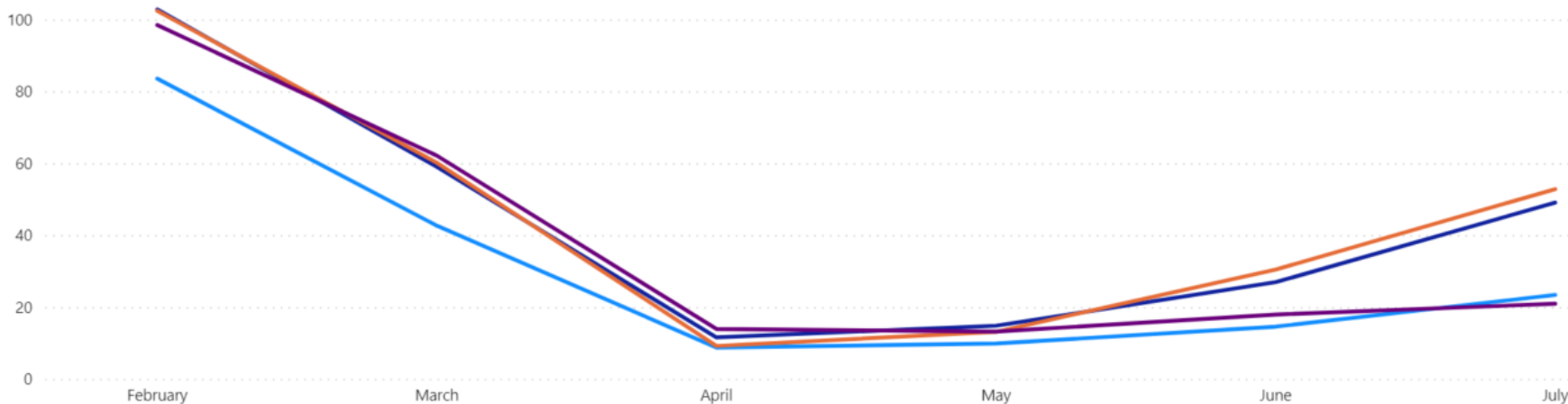
Output declined across all sectors in Q2, with the largest falls in the Visitor Economy, Arts and Leisure, Education and Construction

This chart shows proportion of total GVA (2018) (blue bar), proportion of employment (light blue bar) and our modelled estimates of the Q2 fall in output (pink dots, right axis) for CPCA. This analysis shows that the largest output decline was in the visitor economy (-87%) and the smallest was in Public Admin and Defence (no change). To estimate the fall in output across CPCA we have applied national ONS estimates of Q2 output loss to CPCA's sector mix. The next pages use these estimates to assess the £ impact on CPCA's sectors and economy.

Sector GVA, Employment and estimated modelled Q2 output loss (right axis) for CPCA
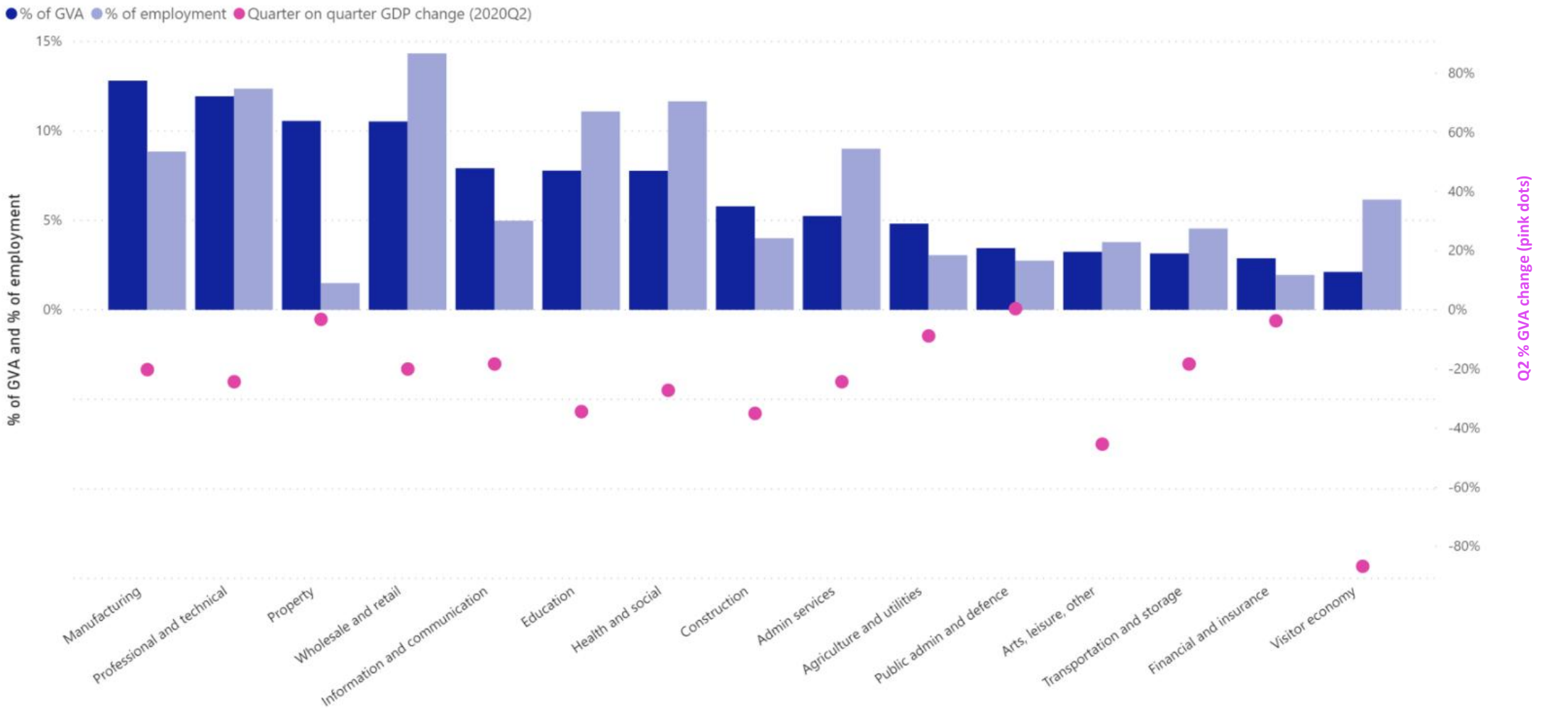
● % of GVA ● % of employment ● Quarter on quarter GDP change (2020Q2)

Source: Metro Dynamics analysis of ONS BRES data; modelled estimates of ONS GDP quarterly estimates

CPCA's output decline was driven by large falls in key industries: the Professional, Scientific & Technical, Education and Manufacturing sectors

Building on the last page, this chart applies our modelled estimates of output decline across sectors to CPCA's total GVA, to produce estimates of the absolute £ decline across sectors. In total, our modelling suggests that across CPCA output declined by £1.39bn in Q2.

Estimated modelled output loss for CPCA in Q2 by sector (£m)
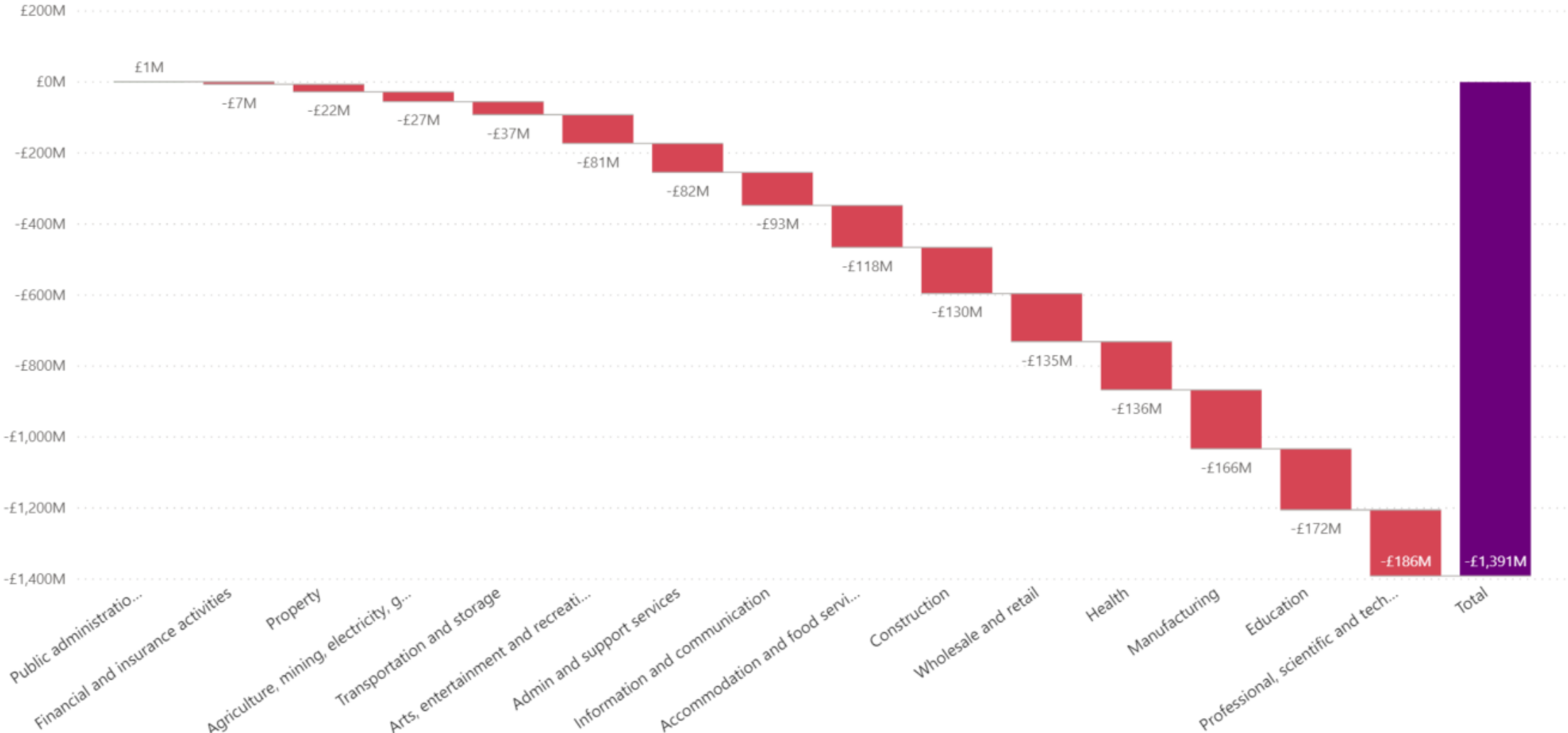
Source: Metro Dynamics analysis of ONS BRES data; modelled estimates of ONS GDP quarterly estimates

Although still historically significant, Q2's decline in output was less than what was anticipated by OBR modelling in April this year

In April 2020 the Office of Budget Responsibility (OBR) released forecasts of potential output decline across sectors for Q2 (shown by the purple dots, below). Our modelled estimates of (national) Q2 data suggest the actual falls in output across most sectors (blue bars) were not as significant as first feared, but were still very substantial. The OBR forecast pointed to a -£3.7bn reduction in CPCA's output, compared to the -£1.39bn reduction in output our modelling estimates.

Actual Q2 sector output fall vs OBR forecast Q2 fall

Source: Metro Dynamics analysis of ONS BRES data; modelled estimates of ONS GDP quarterly estimates; OBR April 2020 forecasts
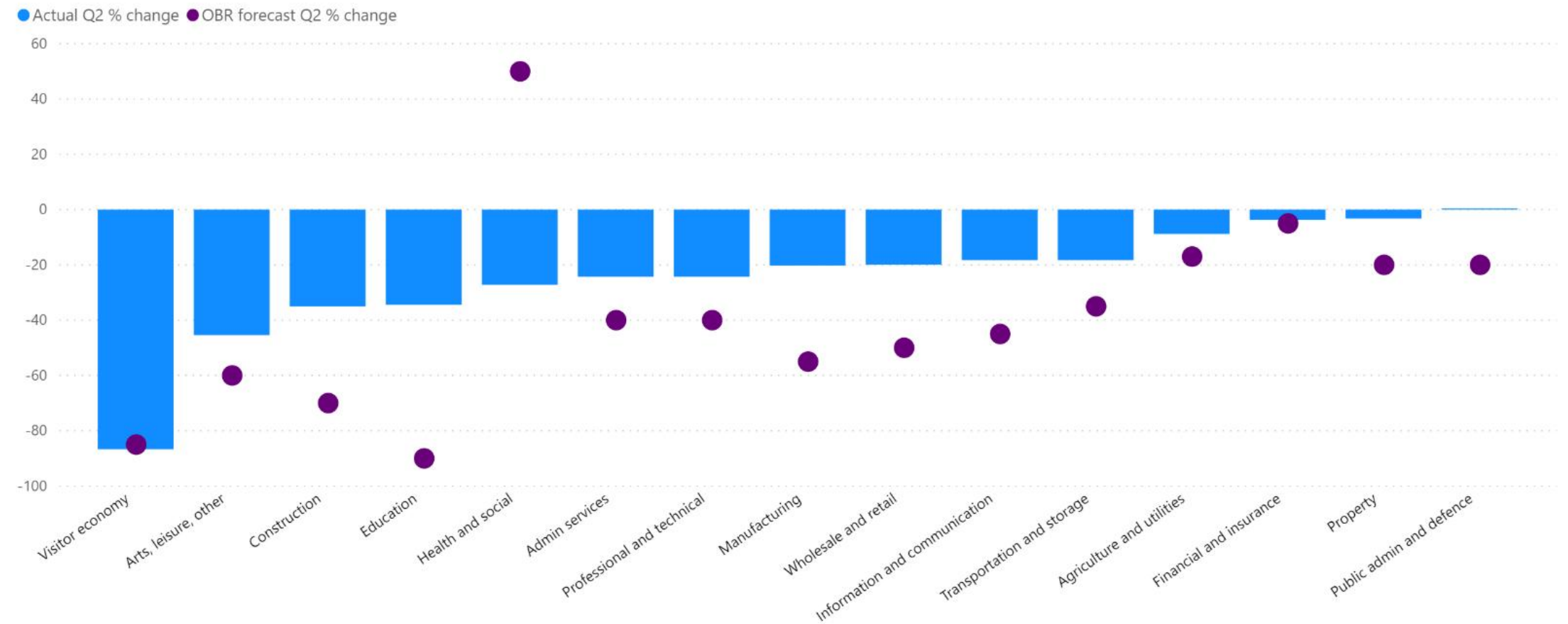
CPCA's -22% annualised decline in GVA is matched by similar falls in comparator places

This chart shows our modelled estimates of Q2 falls in output across sectors for SEM LEP, New Anglia LEP, CPCA and Oxfordshire LEP. Values are our estimates (in £m) of output lost per sector. We have applied national data on Q2 sector output falls to the sectoral composition of each place in order to estimate total output loss. This approach indicates that across the places total output fell at an annualised rate of between -21.1% in SEM LEP and -22.5% in Oxfordshire LEP.
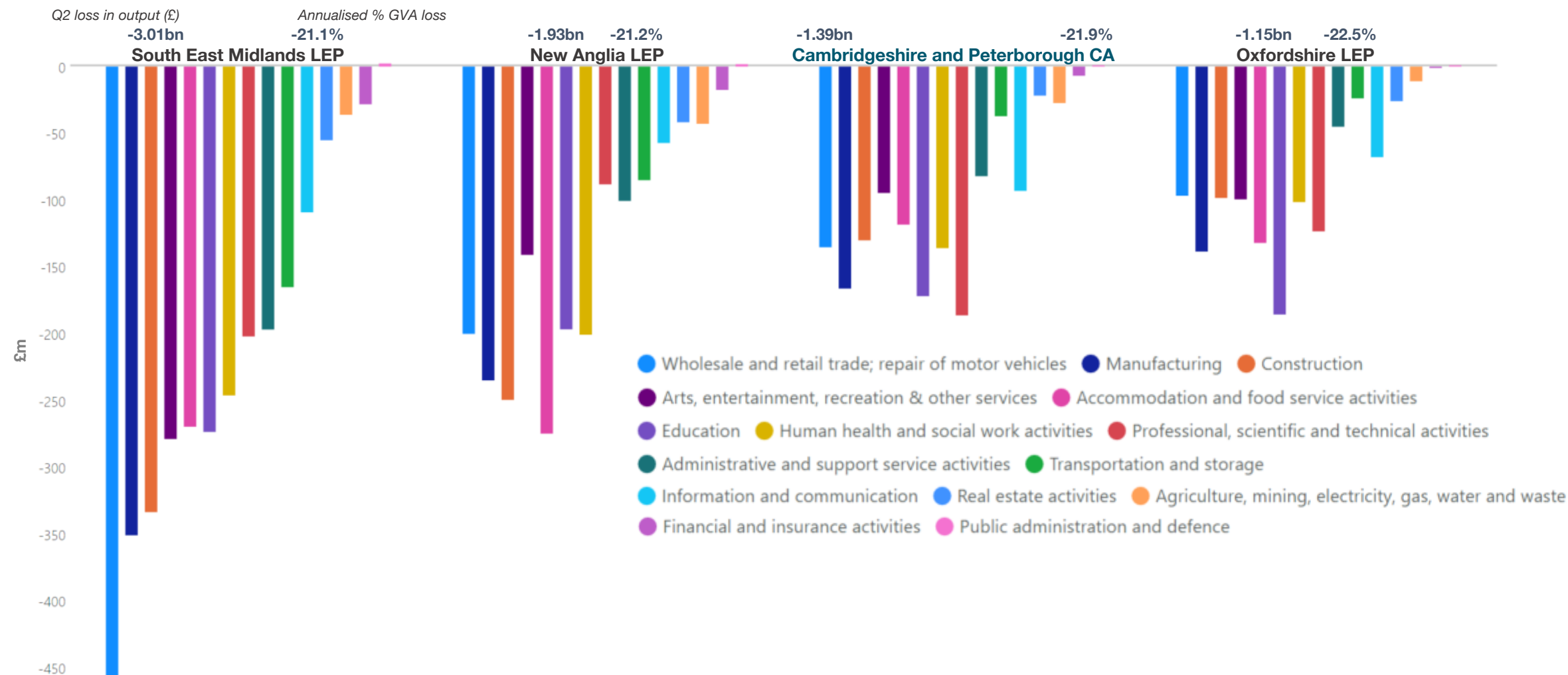
Source: Metro Dynamics analysis of ONS BRES data; modelled estimates of ONS GDP quarterly estimates

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The decline in output across CPCA stands out against comparators because it is driven by losses in the Professional, Scientific & Technical sector

This chart shows our modelled estimates of Q2 falls in output across sectors for SEM LEP, New Anglia LEP, CPCA, Oxfordshire LEP and East of England. We have applied national data on Q2 sector output falls to the sectoral composition of each place. The values show GVA loss in that sector as a proportion of that place's total GVA (using 2018 GVA figures). The larger the sector in that place, and the larger the national decline in that sector's output across Q2, the greater the impact will be. This analysis shows that different sectors led the decline in GVA across places. Professional, Scientific and Technical activities led the decline in CPCA, which stands out from comparators, where the largest losses were typically concentrated in the sectors that were most impacted by the lockdown, such as retail trade.

Source: Metro Dynamics analysis of ONS BRES data; modelled estimates of ONS GDP quarterly estimates

19
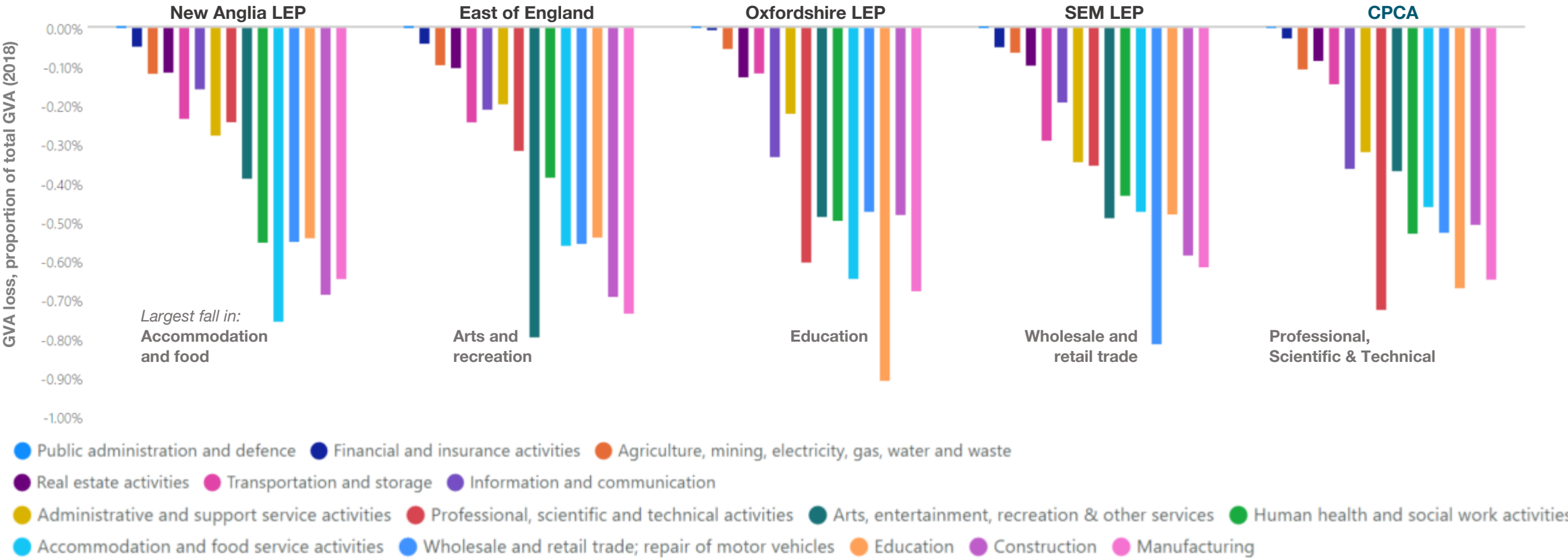
The rise in Universal Credit claims across CPCA is broadly in line with the increases seen in comparator geographies

This chart shows the cumulative number of Universal Credit claimants per 10,000 residents in CPCA and comparator geographies. From March to July all places experienced a rapid increase in the number of Universal Credit claimants, from a 79% increase in New Anglia LEP to a 111% increase in SEM LEP, with CPCA in between at 97%. Although the most substantial increase in claimants occurred in April and May, numbers continued to increase over the summer to the end of July. Across CPCA there are now more than 700 Universal Credit claimants per 10,000 head of population.

Universal Credit claimants per 10,000 residents, CPCA and comparators, May 2019 – July 2020

Geography ● East of England ● CPCA ● New Anglia ● Oxfordshire ● South East Midlands

South East Midlands
139,396 claimants (July 2020)
111% increase (March to July)

East of England
468,196 claimants
97% increase

New Anglia
121,079 claimants
79% increase

CPCA
60,911 claimants
98% increase

Oxfordshire
40,847 claimants
97% increase
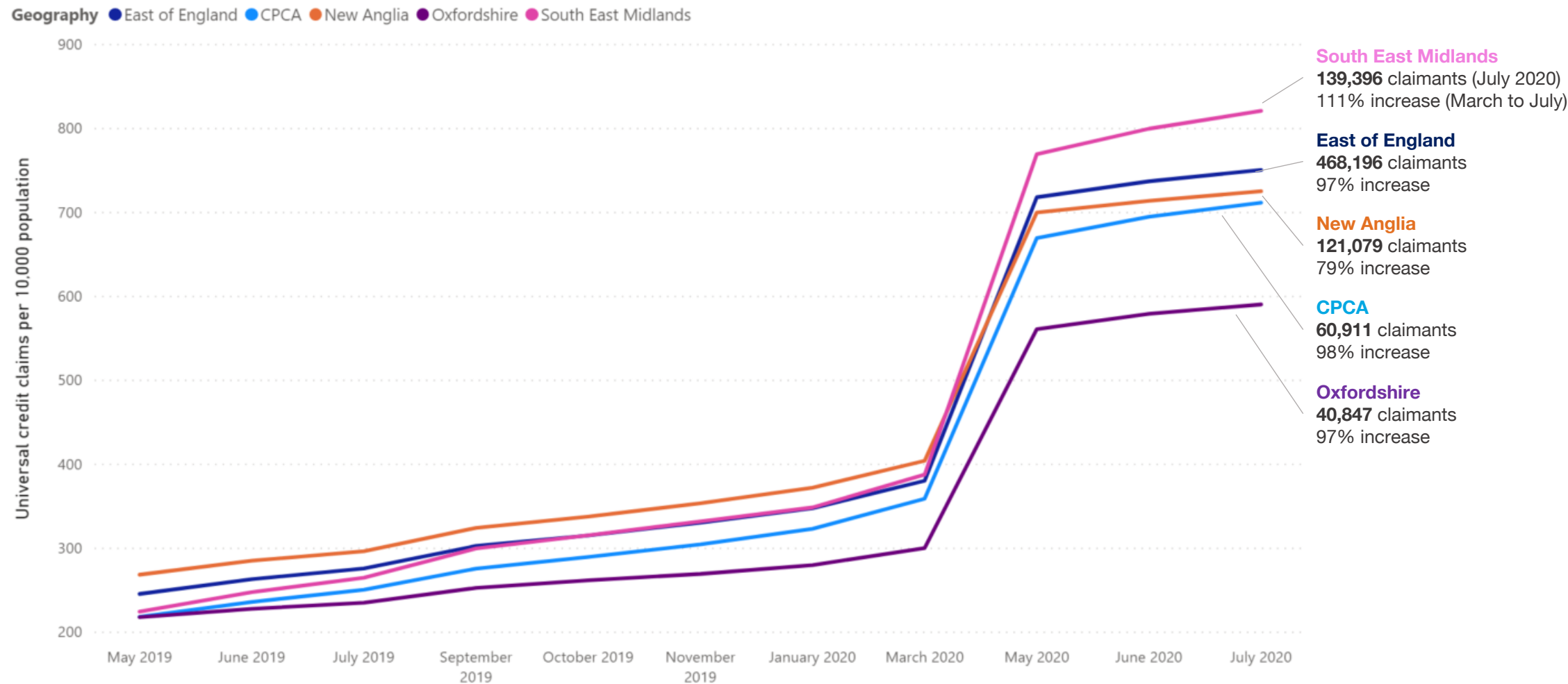
Source: Metro Dynamics analysis of DWP data

Impacts across CPCA

01

Sectors & Businesses

Sector output loss

Trading status

Cash reserves

Turnover vs operating costs

Take up of government support

Use of the furlough scheme

Commercial property vacancy rates

02

Labour Markets

Universal credit claimants

Jobseekers Allowance claimants

Furloughed workers

New job postings

Average salaries by industry

Key workers

Working from home

Parents in the workforce

Sectors and Business Headline Findings

Across CPCA

Sector Output

- Q2 output declined for all sectors except Public Administration. The fall in output across CPCA was led by the Professional, Scientific and Technical (PST) sector and Education.
- Manufacturing was the single largest source of decline across four out of six of CPCA's local authorities.

Business Recovery

- Most businesses across most sectors have now reopened, although recovery has been slower in sectors more affected by the lockdown.
- On the whole, business cash reserves are improving, but the stubbornly high number of cash-poor businesses points to a fragile recovery.
- Many businesses are yet to return to profitability, though there are some early signs of success.

Use of Government Support

- Since peaks in March and April, business take up of most government support schemes has been steadily declining. Still, approximately 1 in 5 businesses was making use of a government support scheme at the end of July.
- Up to 24,000 CPCA businesses are still using the furlough scheme.

Commercial Property

- Commercial property vacancy rates are rising, particularly for retail property, although increasing vacancy rates are evident across industrial and office property too.

Cambridge	South Cambridgeshire	Peterborough	Huntingdonshire	Fenland	East Cambridgeshire
Q2 output loss: **-£371m**	Q2 output loss: **-£298m**	Q2 output loss: **-£319m**	Q2 output loss: **-£214m**	Q2 output loss: **-£90m**	Q2 output loss: **-£99m**
Largest output fall in: **Professional, Scientific and Technical (PST)**	Largest output fall in: **Manufacturing**	Largest output fall in: **Manufacturing**	Largest output fall in: **Manufacturing**	Largest output fall in: **Manufacturing**	Largest output fall in: **Arts & Entertainment**
Cambridge's high value PST and Education sectors declined substantially in Q2. The fall in Cambridge's PST output accounted for 6% of the total Q2 output loss across CPCA.	An estimated 500 businesses have less than one month of cash reserves, the largest number in CPCA. Property vacancy rates have increased from already high levels relative to other LAs.	Peterborough has the most Wholesale / Retail Trade businesses, employment and GVA in CPCA. Peterborough has avoided the worst of the recession so far, but a slow retail recovery poses a real risk to the region.	The region's strong agrifood industry has helped negate the worst effects, though there were substantial losses of output in manufacturing and construction. Commercial property vacancies have risen.	One third of lost output was in just two sectors: manufacturing and retail trade. Overall output declined by 5.5% of Fenland's 2018 GVA, mirroring the 5.4% decline across all of CPCA.	The region's strong agrifood industry has helped negate the worst effects of the recession. Q2's output loss was equivalent to 4.9% of EC's 2018 GVA – the smallest percentage loss of output across CPCA.

Greater Cambridge   **Greater Peterborough**   **The Fens**

Q2 output declined for all of CPCA's local authorities, with largest absolute losses in Cambridge (-£370m) and Peterborough (-£319m)

Based on the modelled estimates of Q2 output loss presented on previous pages, this chart shows our modelled estimates of output fall by sector across CPCA's local authorities. From left to right, the industries are ordered by the total size of that industry's decline across CPCA. The scale of output decline within a local authority is driven by its sectoral composition. Output decline in the manufacturing sector was the largest single cause of output decline in four out of six local authorities. Cambridge's Professional, Scientific and Technical sector and Education sector experienced the largest declines overall.

Modelled estimates of Q2 output loss by sector for local authorities
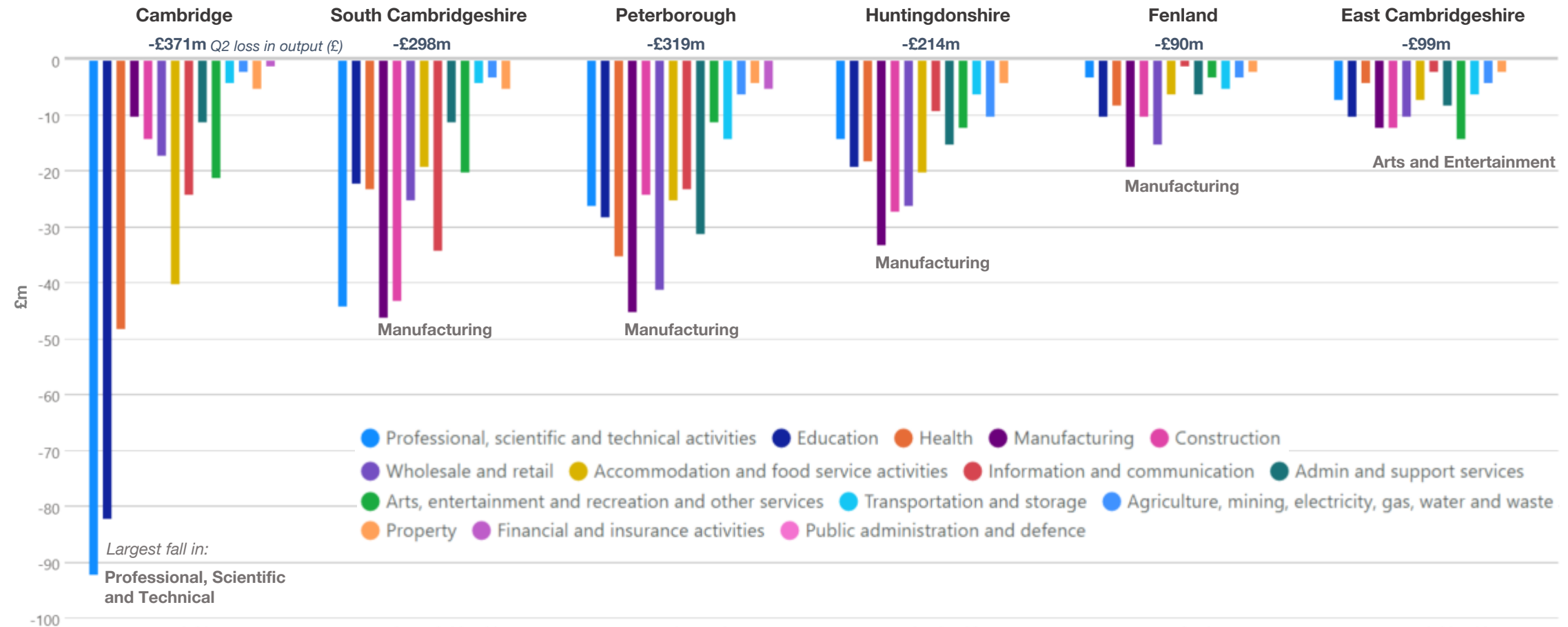
Source: Metro Dynamics analysis of ONS BRES data; modelled estimates of ONS GDP quarterly estimates

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Most businesses across most sectors have now reopened, although recovery has been slower in sectors more affected by the lockdown

The charts below track businesses reopening across sectors based on responses to the ONS Business Impacts of Coronavirus Survey (BICS). The numbers in the bubbles are our estimates of the number of businesses across CPCA that are now trading again. After extended shutdowns in some industries, a steady upward trend in the number of businesses trading can now be seen.

Proportion of businesses open for trade, UK, March 23 – July 26

(1.4k) = modelled estimates of the number of CPCA businesses who are trading, from 13 July – 26 July

Accommodation And Food Service Activities — 1.4K

Administrative And Support Service Activities — 2.6K

Arts, Entertainment And Recreation — 0.5K

Construction — 4.4K

Education — 0.7K

Human Health And Social Work Activities — 1.3K

Information And Communication — 3.0K

Manufacturing — 2.2K

Professional, Scientific And Technical Activities — 5.9K

Real Estate Activities — 1.3K

Transportation And Storage — 1.9K

Wholesale And Retail Trade; Repair Of Motor … — 4.6K

23 March — 26 July

Some businesses, particularly in dining and entertainment, are yet to reopen

This chart tracks our modelled estimates of the number of CPCA businesses that are yet to reopen, based on responses to the ONS Business Impacts of Coronavirus Survey (BICS). Businesses have been gradually reopening over time, with an estimated 4,500 businesses that had paused trading at the beginning of April having since reopened. However, our estimates suggest that at the end of July approximately 1,500 businesses across CPCA had still temporarily paused trading.

CPCA businesses that have temporarily paused trading, by industry, March 23 – July 26
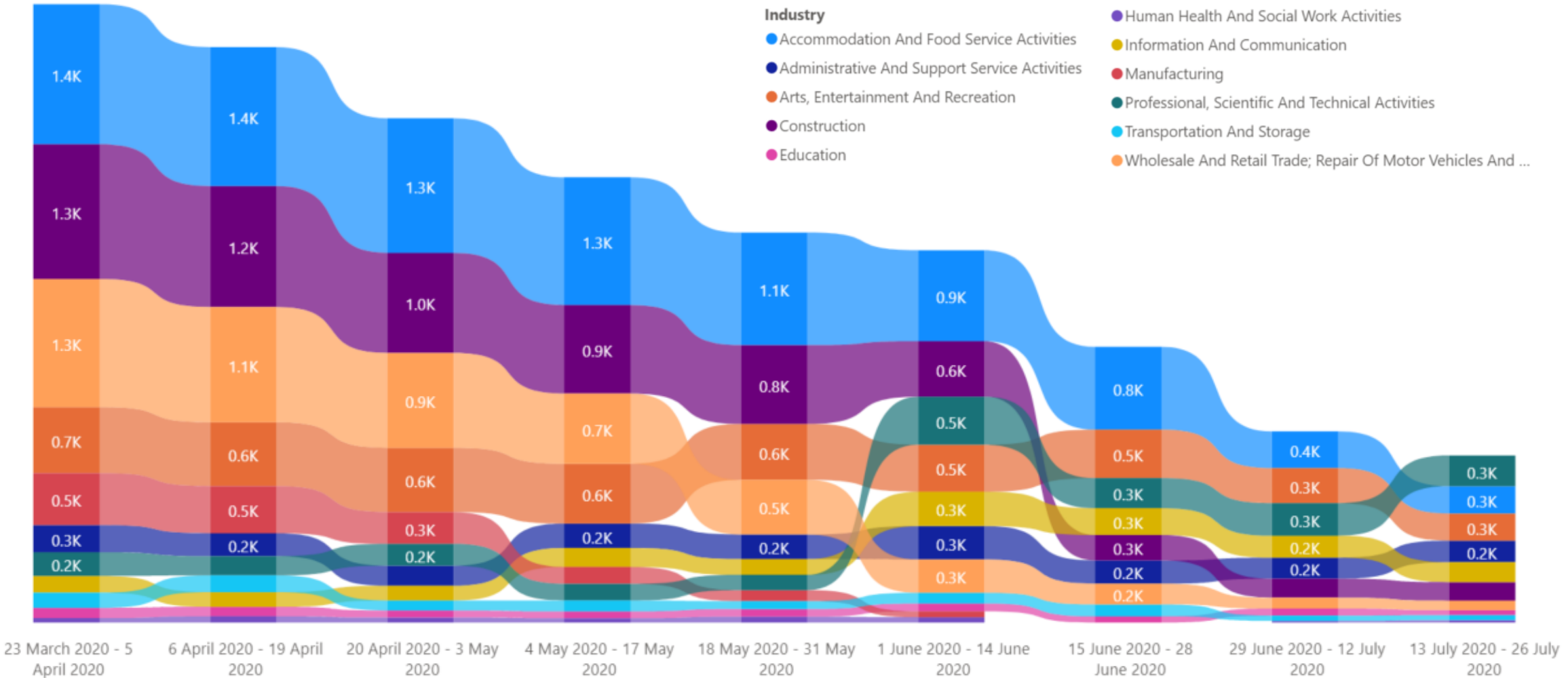
Industry

- Accommodation And Food Service Activities
- Administrative And Support Service Activities
- Arts, Entertainment And Recreation
- Construction
- Education
- Human Health And Social Work Activities
- Information And Communication
- Manufacturing
- Professional, Scientific And Technical Activities
- Transportation And Storage
- Wholesale And Retail Trade; Repair Of Motor Vehicles And …

Source: Metro Dynamics analysis of ONS Business Impacts of Coronavirus Survey (ONS BICS); ONS BRES data for CPCA

Business cash reserves are slowly improving

These charts show the stated cash reserves of businesses across CPCA based on responses to the ONS Business Impacts of Coronavirus Survey (BICS). Gradual improvement can be seen in the cash position of businesses over time, from 29% of businesses reporting having more than 6 months of cash reserves in April compared to 35% at the end of July. Businesses are also becoming more certain of their cash position, as evidenced by the decreasing numbers of businesses saying they are not sure about their cash reserves. Across industries (right-hand chart) there are persistent concerns about the cash reserves of businesses in the Accommodation and Food sector and Arts and Recreation. Analysis over the following pages will pick up on this theme again, noting that businesses in these sectors are less likely to be profitable and are more likely to be making use of government support schemes.

Business cash reserves, CPCA, all industries, April 20 – July 26

Business cash reserves by industry, CPCA, July 26

Attribute ● No cash reserves ● Less than 1 month ● 1 to 3 months ● 4 to 6 months ● More than 6 months ● Not sure

Source: Metro Dynamics analysis of ONS Business Impacts of Coronavirus Survey (ONS BICS); ONS BRES data for CPCA

Continued high numbers of cash-poor businesses points to a fragile business recovery

This chart shows our modelled estimates of the number of CPCA businesses reporting having zero cash reserves or less than 1 month of cash reserves, based on responses to the ONS Business Impacts of Coronavirus Survey (BICS). The chart shows that the cash positions of businesses in some sectors are improving more quickly than others. For example, the number of Wholesale / Retail Trade businesses with less than one of cash reserves has decreased over time, while the number of cash-poor businesses in the Professional, Scientific and Technical sector and in Construction has been increasing. Part of the increase in these may be attributed to the possibility that when businesses resume trading they initially do so with low cash reserves, and more businesses in these sectors are beginning to resume trading after early pauses. However, across all sectors the stubbornly high number of businesses reporting low cash reserves points to the ongoing fragility of the recovery.

CPCA businesses with less than 1 month of cash reserves (modelled estimates)

Industry
- Accommodation And Food Service Activities
- Administrative And Support Service Activities
- Arts, Entertainment And Recreation
- Construction
- Education
- Human Health And Social Work Activities
- Information And Communication
- Manufacturing
- Professional, Scientific And Technical Activities
- Transportation And Storage
- Wholesale And Retail Trade; Repair Of Motor Vehicles And ...

Source: Metro Dynamics analysis of ONS Business Impacts of Coronavirus Survey (ONS BICS); ONS BRES data for CPCA

South Cambridgeshire has seen the sharpest increase in businesses with few or no cash reserves

This chart shows our modelled estimates of the number of CPCA businesses reporting having zero cash reserves or less than 1 month of cash reserves, based on responses to the ONS Business Impacts of Coronavirus Survey (BICS). These estimates are based on the sectoral composition of each local authority and do not account for factors within each local authority that may be influencing business' cash positions. The number of cash-poor businesses has increased very slightly since April, and although there has been a slight improvement since the beginning of June the numbers plateaued over July. Based on the sectoral composition of its economy South Cambridgeshire is likely to have the largest number and to have seen the largest increase in businesses with less than one month of cash reserves.

Businesses with less than 1 month of cash reserves, July 13 – 26 (modelled estimates)

LA
- Cambridge
- East Cambridgeshire
- Fenland
- Huntingdonshire
- Peterborough
- South Cambridgeshire

	20 April 2020 - 3 May 2020	4 May 2020 - 17 May 2020	18 May 2020 - 31 May 2020	1 June 2020 - 14 June 2020	15 June 2020 - 28 June 2020	29 June 2020 - 12 July 2020	13 July 2020 - 26 July 2020
South Cambridgeshire	496	483	420	534	481	498	516
Fenland	490	477	416	515	468	484	497
Huntingdonshire	473	458	400	478	440	469	469
Peterborough	309	290	257	343	299	313	314
Cambridge	249	246	215	262	237	243	254
East Cambridgeshire	228	222	194	230	210	216	221

Source: Metro Dynamics analysis of ONS Business Impacts of Coronavirus Survey (ONS BICS); ONS BRES data for CPCA

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Many businesses are yet to return to profitability, though some are succeeding again

This chart shows our modelled estimates of the proportion of CPCA businesses which are profitable (in terms of whether their turnover exceeds operating costs) across industries for the last fortnight of July 2020. Unsurprisingly, the sectors which have been most disrupted by the lockdown are also those where more businesses are yet to return to profitability. Of concern is the proportion of businesses in the education sector (CPCA's fourth largest sector by employment) which are reporting their operating costs exceed turnover: in total for the sector just 40% of businesses are thought to be currently profitable.

CPCA business turnover vs operating costs, July 13 – July 26 (modelled estimates)

Legend: ● Turnover exceeds OPC >50% ● Turnover exceeds OPC 20%-50% ● Turnover exceeds OPC < 20% ● Turnover = OPC ● OPC exceeds Turnover < 20% ● OPC exceeds Turnover 20%-50% ● OPC exceeds Turnover >50%
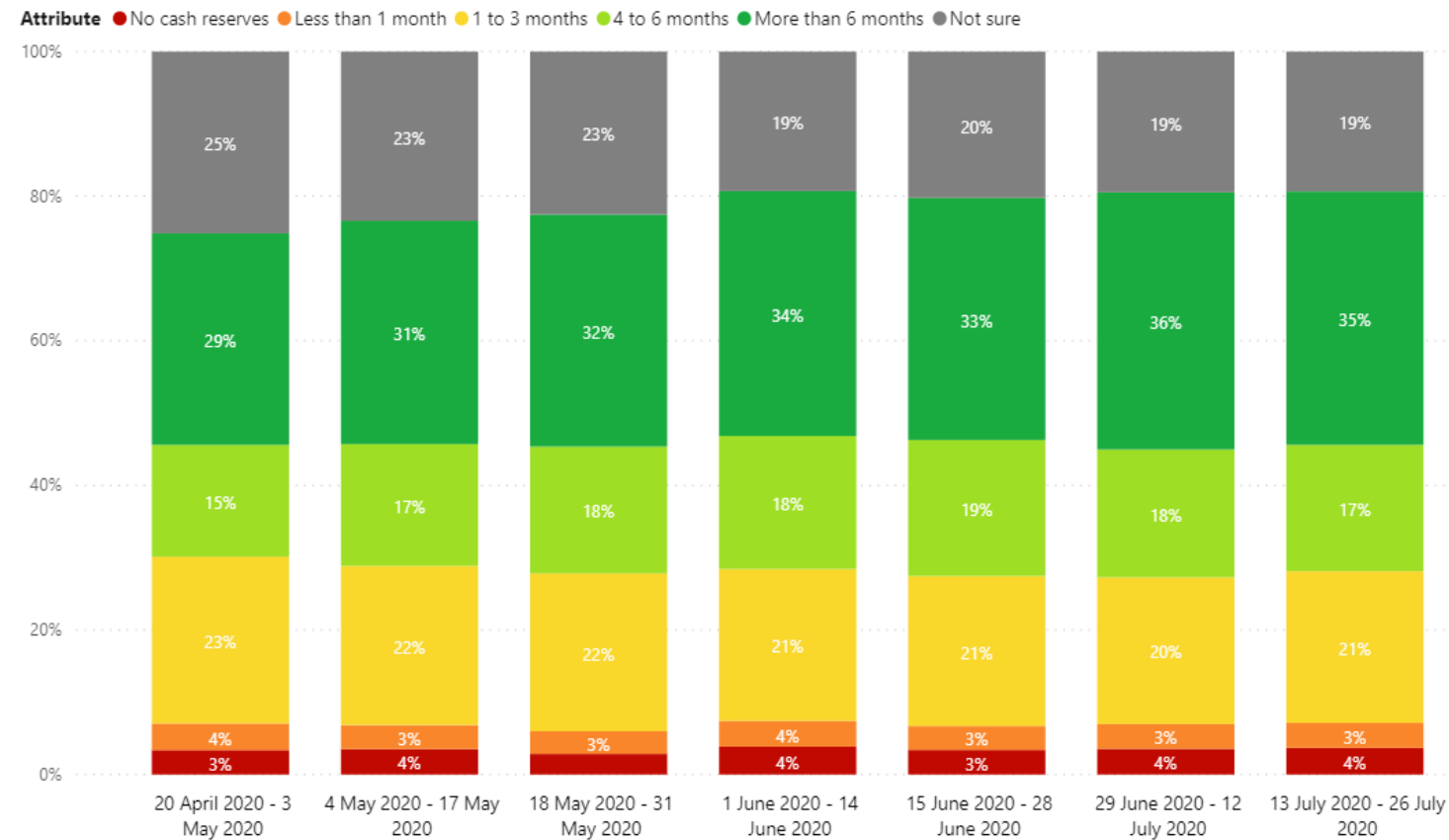
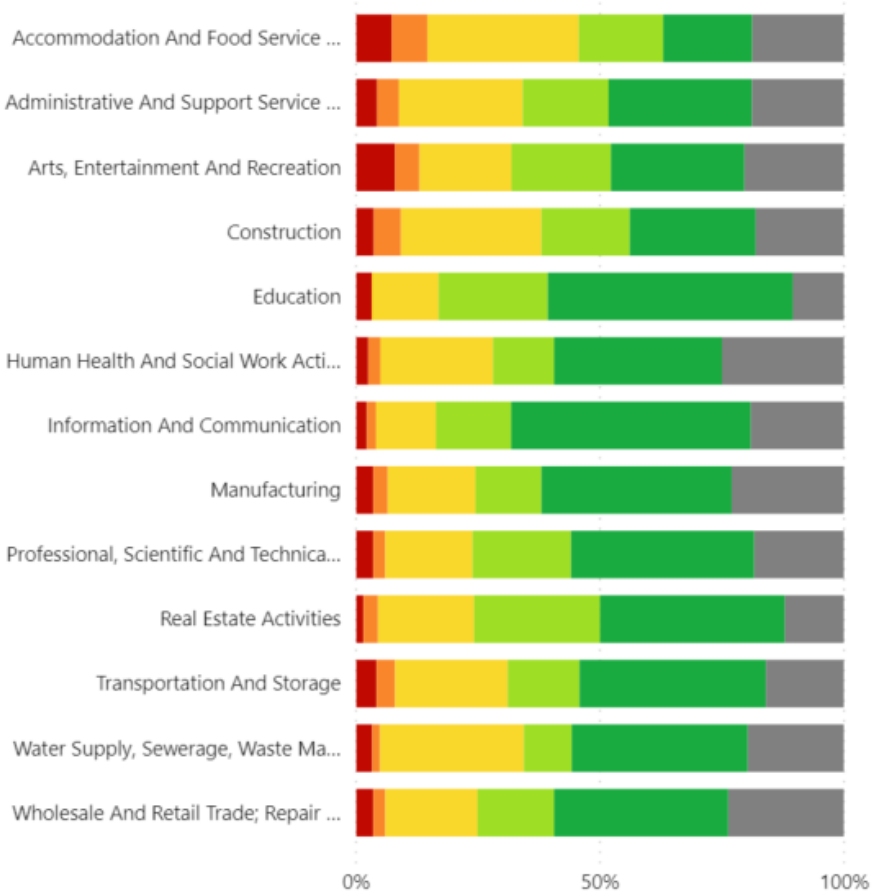*Source: Metro Dynamics analysis of ONS Business Impacts of Coronavirus Survey (ONS BICS); ONS BRES data for CPCA*

Since peaks in March and April, business take up of most government support schemes has been steadily declining

The charts below track national business take-up of government support schemes based on responses to the ONS Business Impacts of Coronavirus Survey (BICS). For most support schemes take-up has been steadily declining since peaks in March and April, however almost 80% of national businesses were still making use of the furlough scheme in some form at the end of July, and across all schemes at least 1 in 5 businesses continue to access support.

1.6k = modelled estimates of the number of CPCA businesses using support scheme from 13 July – 26 July

Business use of support schemes, national, all industries, 23 March – 26 July
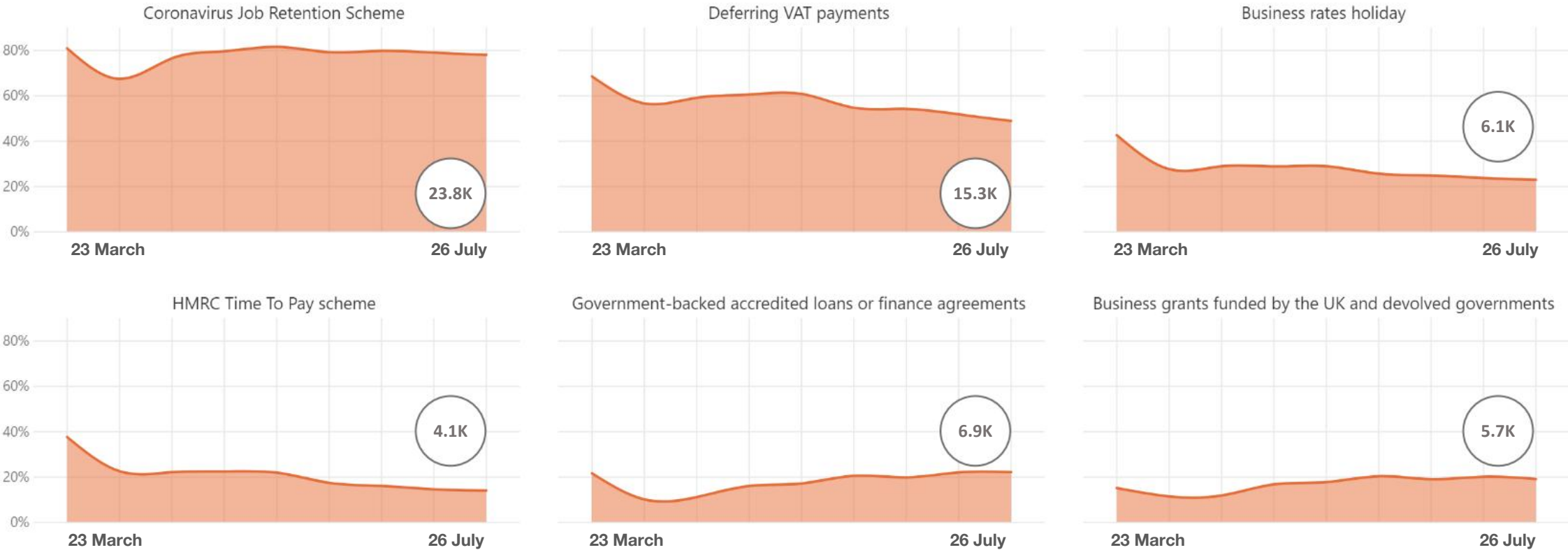
Coronavirus Job Retention Scheme

23.8K

23 March — 26 July

Deferring VAT payments

15.3K

23 March — 26 July

Business rates holiday

6.1K

23 March — 26 July

HMRC Time To Pay scheme

4.1K

23 March — 26 July

Government-backed accredited loans or finance agreements

6.9K

23 March — 26 July

Business grants funded by the UK and devolved governments

5.7K

23 March — 26 July

Source: Metro Dynamics analysis of ONS Business Impacts of Coronavirus Survey (ONS BICS)

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Modelled estimates of business take-up of support schemes provide insight into the number of businesses across local authorities still using government support

The charts below show modelled estimates of the numbers of businesses using government support schemes based on responses to the ONS Business Impacts of Coronavirus Survey (BICS). These estimates are based on the sectoral composition of each local authority and do not account for factors within each local authority that may be influencing business take-up of government support schemes. This chart makes it clear that many businesses across local authorities continue to make use of the furlough scheme as well as deferred VAT payments. Take up of other schemes is reduced but still substantial.

Modelled estimates of business take-up of government support schemes, local authorities, as at 26 July

Legend:
- Coronavirus Job Retention Scheme
- Deferring VAT payments
- Government-backed accredited loans or finance agreements
- Business rates holiday
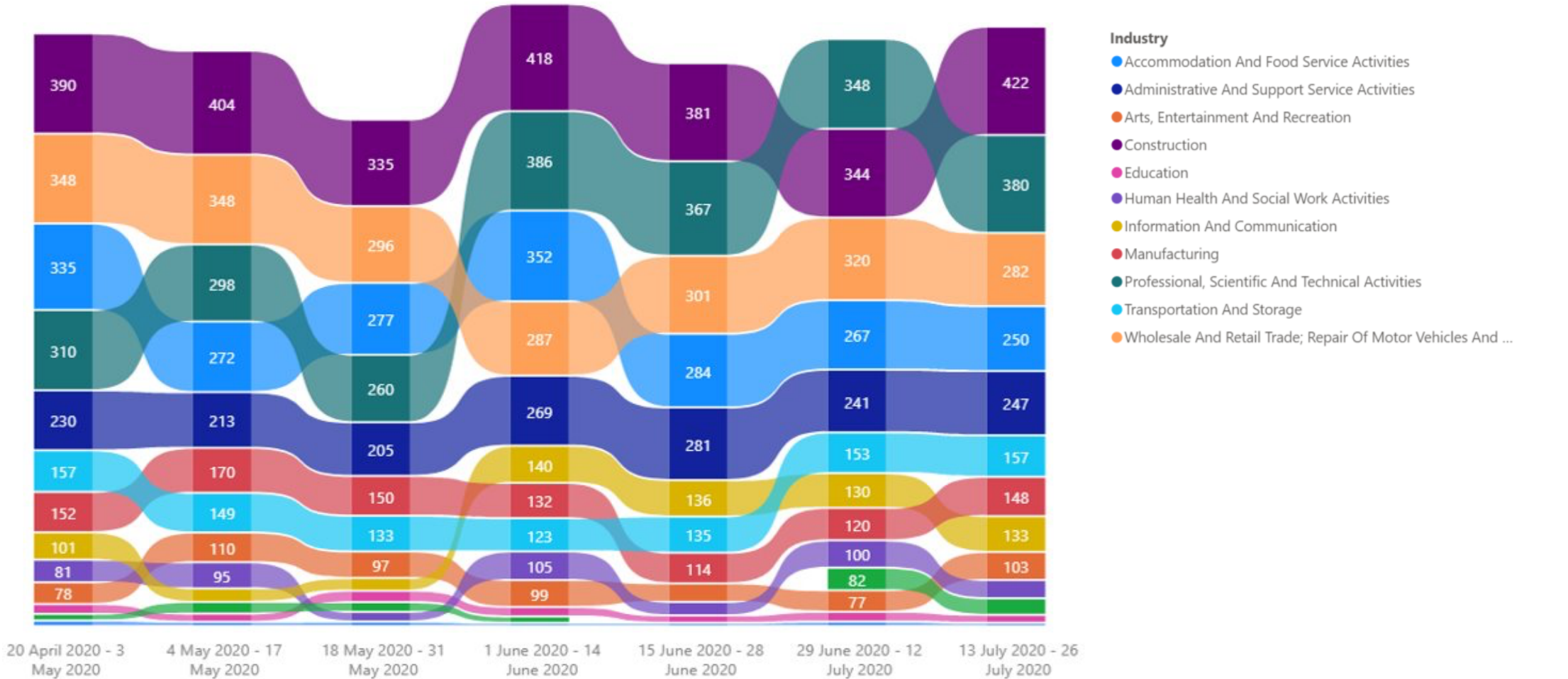- Business grants funded by the UK and devolved governments
- HMRC Time To Pay scheme

Source: Metro Dynamics analysis of ONS Business Impacts of Coronavirus Survey (ONS BICS); ONS BRES data for CPCA

Many businesses across most industries continue to make use of the furlough scheme

The charts below track business' use of the furlough scheme across sectors based on responses to the ONS Business Impacts of Coronavirus Survey (BICS). The numbers in the bubbles are our modelled estimates of how many businesses across CPCA are making use of the furlough scheme (at least one employee furloughed at that time). Many businesses across all sectors have continued to make use of the scheme. As of the end of July no real decline in use is apparent, highlighting the issues facing businesses when the furlough scheme comes to an end in October.

Business use of CJRS (Furlough) scheme, UK (with CPCA estimates), 23 March – 26 July

1.6k = modelled estimates of the number of CPCA businesses using furlough scheme from 13 July – 26 July

Accommodation And Food Service Activities — **1.6K**
Administrative And Support Service Activities — **2.3K**
Arts, Entertainment And Recreation — **0.7K**
Construction — **4.0K**

Education — **0.6k**
Human Health And Social Work Activities — **0.5k**
Information And Communication — **1.5k**
Manufacturing — **1.8K**

Professional, Scientific And Technical Activities — **4.3k**
Transportation And Storage — **1.8k**
Water Supply, Sewerage, Waste Management An... — **0.1k**
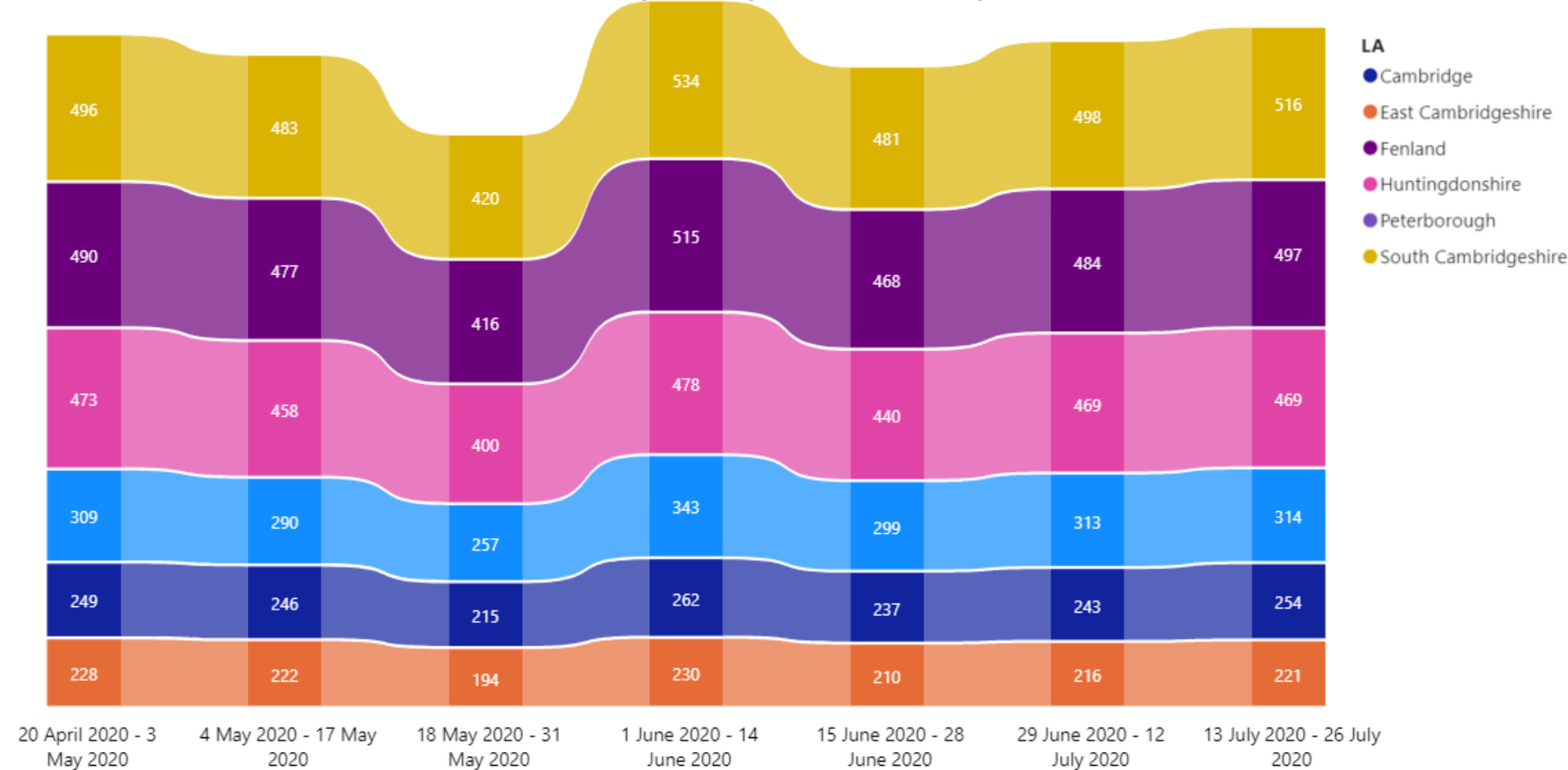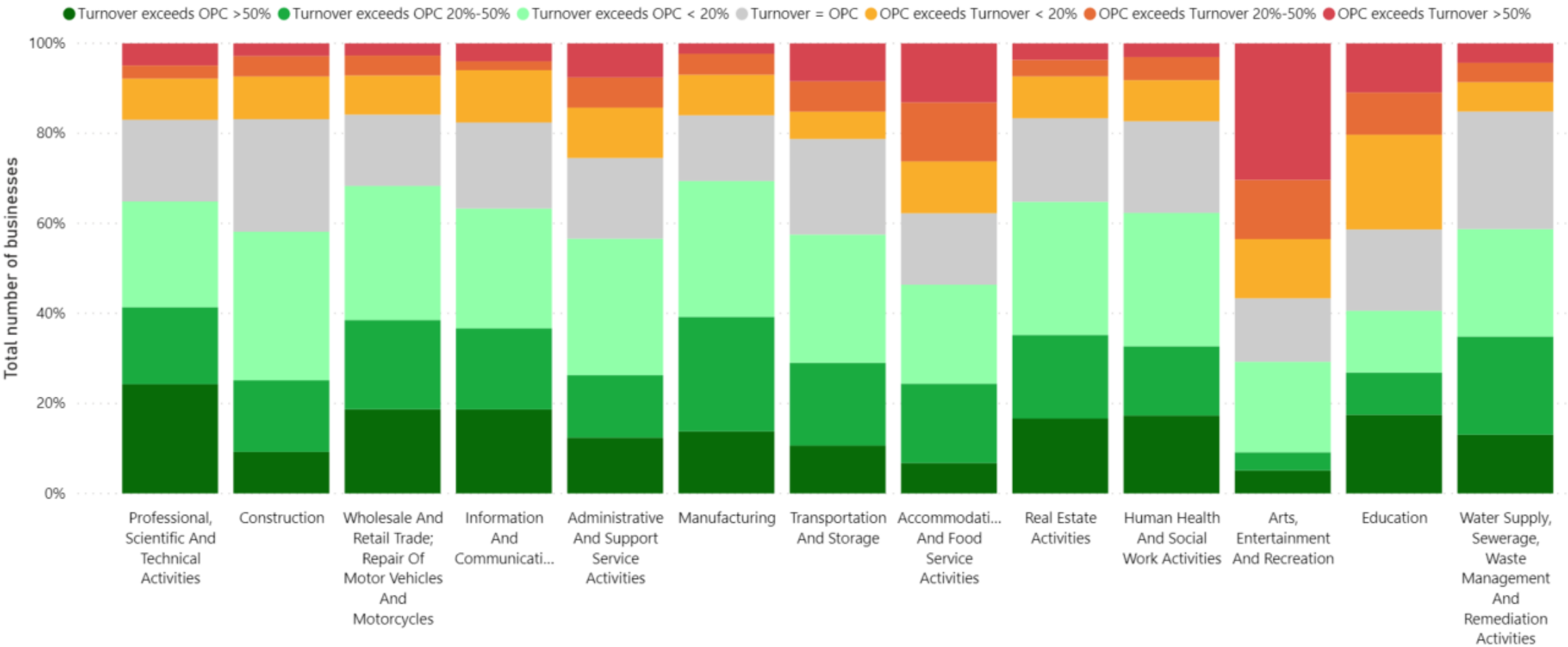Wholesale And Retail Trade; Repair Of Motor Vehi... — **3.7K**

23 March — 26 July

Source: Metro Dynamics analysis of ONS Business Impacts of Coronavirus Survey (ONS BICS); ONS BRES data for CPCA

Metro ——— Dynamics

Commercial property vacancy rates are rising, particularly for retail property

These charts show commercial property vacancy rates across CPCA local authorities for industrial property, office property and retail property. In general, vacancy rates have been increasing since lockdown began in most local authorities and across most property types. Sharper increases can be seen in vacancies in office property in South Cambridgeshire, and for retail property in East Cambridgeshire.

Commercial property (industrial, office, retail) vacancy rates by local authority, 2019 Q1 – 2020 Q3
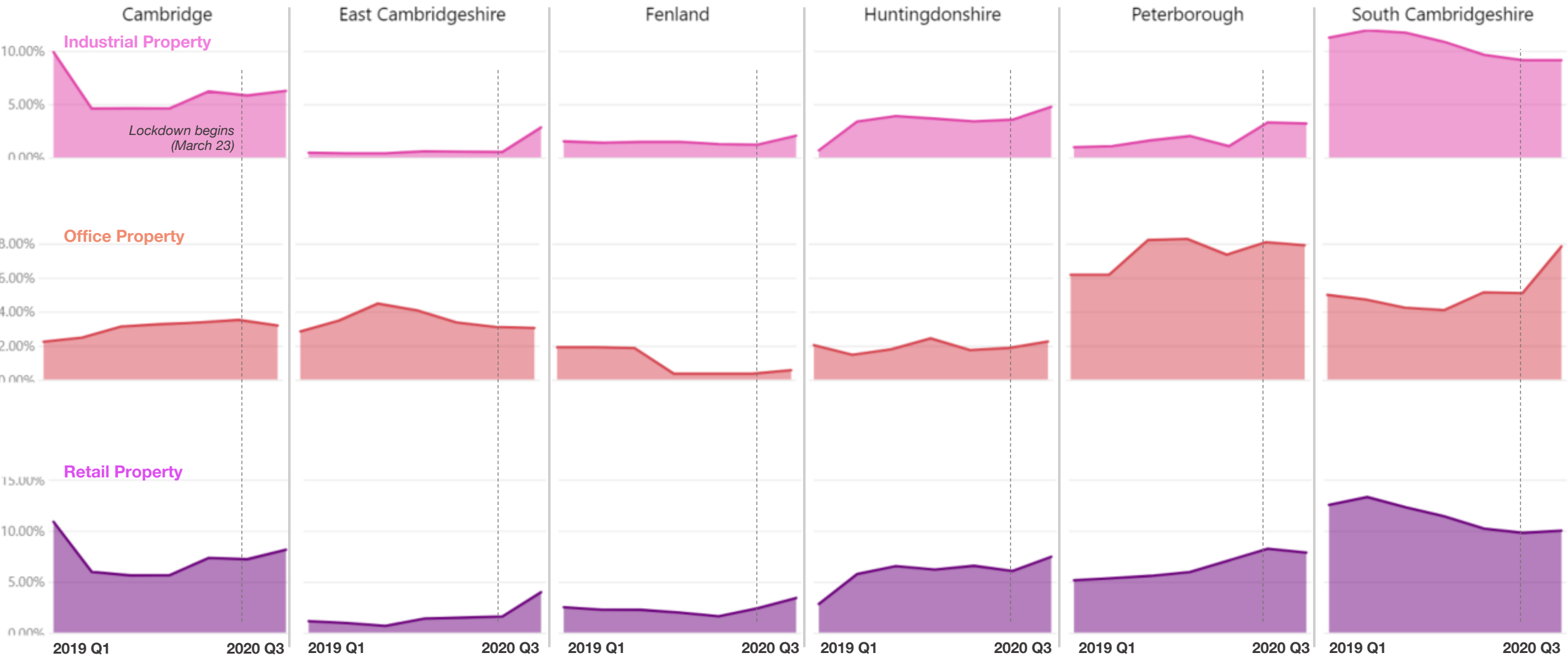
Labour Market Headline Findings

Across CPCA

Universal Credit

- Universal Credit claimants across CPCA exceeded 60,000 in July, and new claims are rising faster in CPCA than nationally.
- Most new Universal Credit claimants are aged 25-49, although all age groups have seen a rapid increase in new claims.

Jobseeker's Allowance

- Jobseeker's Allowance (JSA) claims across CPCA rose past 3,000 in July.
- Workers of all ages have been making claims for JSA, but younger workers have been making new claims at the fastest rate.
- Across all LAs at least 50% of JSA claimants are aged 25 – 49, with the highest proportion of young claimants in East Cambridgeshire and Fenland.

Furloughed workers

- 114,800 employees across CPCA have been furloughed up to 31 July, an increase of 7% since June.
- 30,300 claims have been made to the self-employment income scheme by workers across CPCA up to 31 July, an increase of 2% since June.

Job postings

- New job postings declined significantly in March and April, with only a muted recovery underway since May. The exceptions are job postings in Health Care, which have stayed stable, and Construction, which has seen a recent rebound in new job postings.
- Average salaries across sectors are rising, but that may be a sign that fewer low wage jobs are being advertised.

Cambridge	South Cambridgeshire	Peterborough	Huntingdonshire	Fenland	East Cambridgeshire
UC claimants: **7,205**	UC claimants: **7,126**	UC claimants: **23,592**	UC claimants: **10,099**	UC claimants: **8,482**	UC claimants: **4,406**
% increase in claimants Feb – July: **127%**	% increase in claimants Feb – July: **159%**	% increase in claimants Feb – July: **135%**	% increase in claimants Feb – July: **135%**	% increase in claimants Feb – July: **99%**	% increase in claimants Feb – July: **124%**
JSA claimants: **485**	JSA claimants: **495**	JSA claimants: **835**	JSA claimants: **645**	JSA claimants: **410**	JSA claimants: **275**
% increase in claimants Feb – July: **101%**	% increase in claimants Feb – July: **169%**	% increase in claimants Feb – July: **168%**	% increase in claimants Feb – July: **186%**	% increase in claimants Feb – July: **86%**	% increase in claimants Feb – July: **199%**
Employees furloughed: **16,700**	Employees furloughed: **19,900**	Employees furloughed: **28,400**	Employees furloughed: **25,400**	Employees furloughed: **12,600**	Employees furloughed: **11,900**
Self-employed supported: **3,500**	Self-employed supported: **5,900**	Self-employed supported: **7,100**	Self-employed supported: **6,100**	Self-employed supported: **4,100**	Self-employed supported: **3,700**

Greater Cambridge   **Greater Peterborough**   **The Fens**

Universal Credit claimants across CPCA exceeded 60,000 in July, and new claims are rising faster in CPCA than nationally

This chart shows cumulative Universal Credit claimants by local authority. Across CPCA there was a 107% increase in claimants from February to July 2020, compared to a 90.3% increase in claimants nationally. Since February, all local authorities except Peterborough have seen faster rises in universal credit claimants than the national average.

Universal Credit claimants by local authority, May 2019 – July 2020

Geography ● Cambridge ● East Cambridgeshire ● Fenland ● Huntingdonshire ● Peterborough ● South Cambridgeshire

South Cambridgeshire
7,126 claimants (July 2020)
159% increase (Feb to July)

Peterborough
23,592 claimants
81% increase

Huntingdonshire
10,099 claimants
135% increase

Fenland
8,482 claimants
99% increase

East Cambridgeshire
4,406 claimants
124% increase

Cambridge
7,205 claimants
127% increase
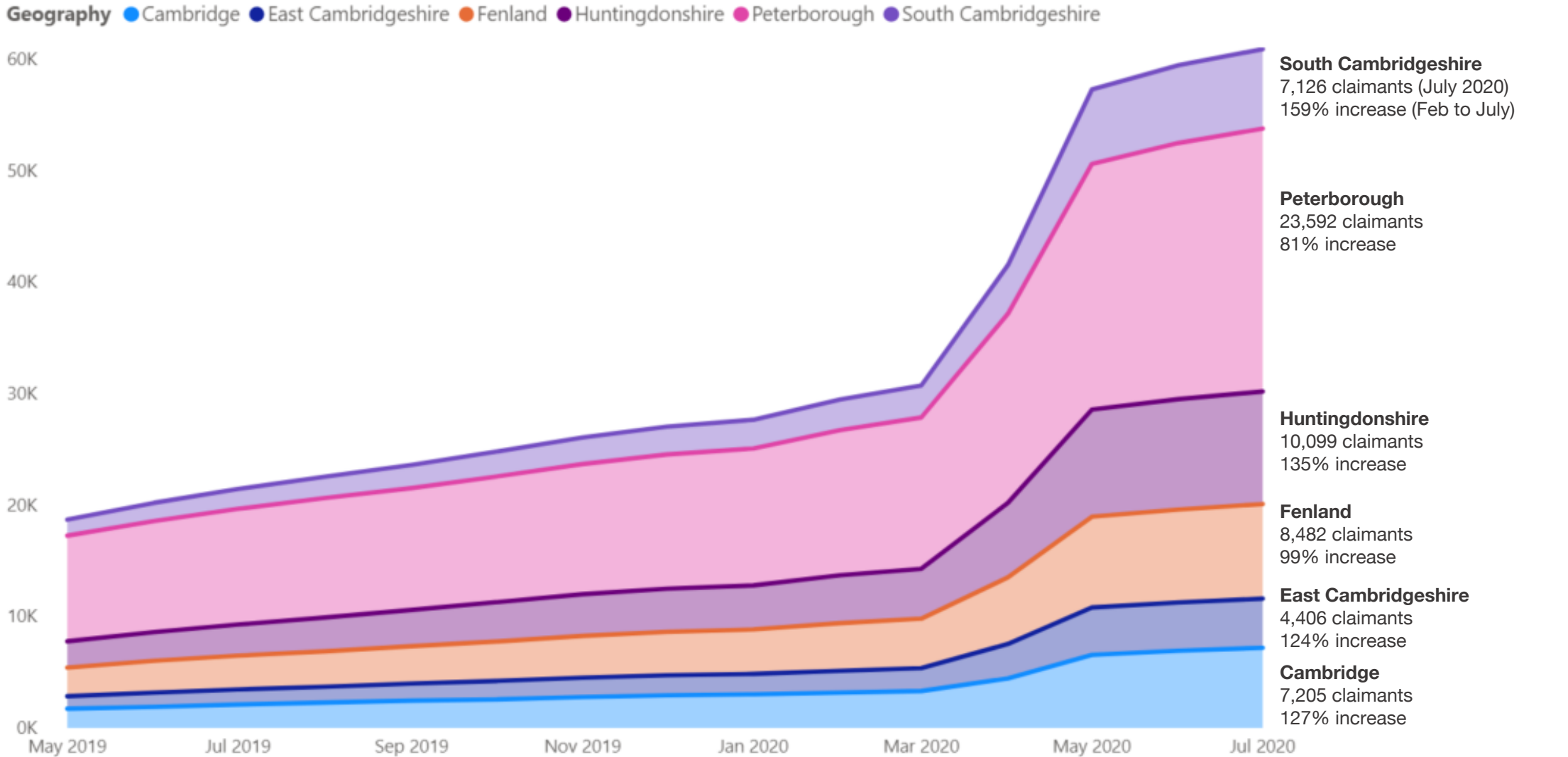
Source: Metro Dynamics analysis of DWP data

Most new Universal Credit claimants are aged 25-49

This chart shows Universal Credit claimants by age bracket across CPCA. All age brackets have seen substantial increases in universal credit claims, both nationally and for CPCA. In particular, the increase in universal credit claims across CPCA is driven by a 105% increase in claimants aged 25 – 49. As of July 1, there were 39,352 claimants in this age group.

Universal Credit claimants by age bracket, CPCA, May 2019 – July 2020

Age group ●Aged 16-24 ●Aged 25-49 ●Aged 50-65 ●Over 65+

65+
192 claimants (July 2020)
220% increase (Feb to July for CPCA)
332% increase (Feb to July national)

Aged 50 - 65
11,400 claimants
112% increase (CPCA)
90.5% increase (national)

Aged 25 - 49
39,352 claimants
105% increase (CPCA)
88.9% increase (national)

Aged 16 - 24
9,918 claimants
105% increase (CPCA)
93.6% increase (national)
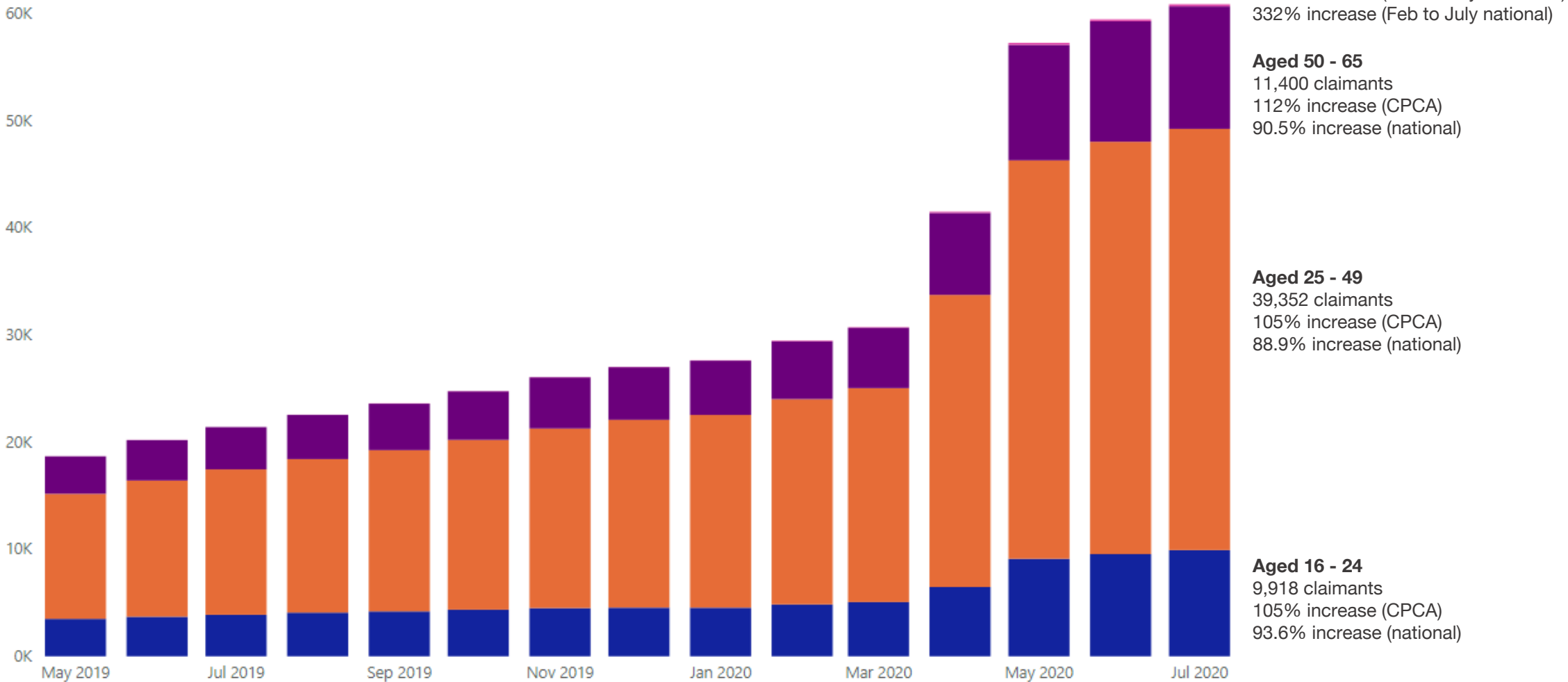
Source: Metro Dynamics analysis of DWP data

Consistent patterns emerge across CPCA's local authorities in the age distribution of Universal Credit claimants

This chart shows Universal Credit claimants by age bracket across local authorities in CPCA at 30 July 2020. All local authorities show a similar proportion of claimants in each age bracket, indicating that across CPCA there are no substantial differences in the ages of residents applying for Universal Credit.

Universal Credit claimants by Age Group, by local authority, 30 July 2020

● Aged 16-24 ● Aged 25-49 ● Aged 50-65

Cambridge — 7K
- 1K (17%)
- 1K (18%)
- 5K (65%)
- 7K

East Cambridgeshire — 4K
- 1K (15%)
- 1K (22%)
- 3K (63%)
- 4K

Fenland — 8K
- 1K (17%)
- 2K (20%)
- 5K (62%)
- 8K

Huntingdonshire — 10K
- 2K (16%)
- 2K (19%)
- 7K (65%)
- 10K

Peterborough — 24K
- 4K (17%)
- 4K (18%)
- 16K (66%)
- 24K

South Cambridgeshire — 7K
- 1K (15%)
- 1K (20%)
- 5K (65%)
- 7K
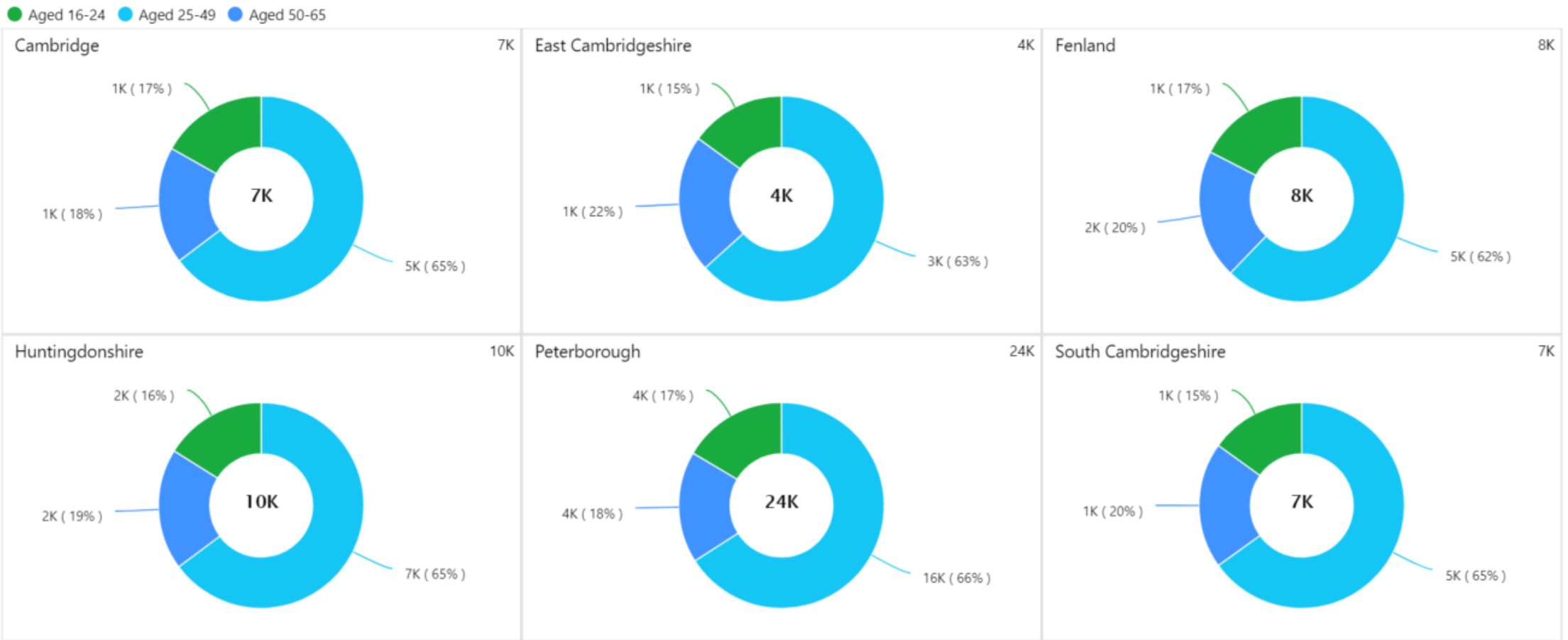
Source: Metro Dynamics analysis of DWP data

Jobseeker's Allowance (JSA) claims across CPCA rose past 3,000 in July

This chart shows cumulative Jobseeker's Allowance claimants by local authority. Across CPCA there was a 147% increase in claimants from February to July 2020 (an extra 1,800 claimants in total), compared to a 86% increase in claimants nationally. All local authorities have experienced a sharp increase in JSA claimants since February. The relatively low numbers of claimants should be kept in mind when considering the size of the percentage increases.

Jobseeker's Allowance (JSA) claimants by local authority, May 2019 – July 2020

LA_name ● Cambridge ● East Cambridgeshire ● Fenland ● Huntingdonshire ● Peterborough ● South Cambridgeshire

South Cambridgeshire
495 claimants (July 2020)
169% increase (Feb to July)

Peterborough
835 claimants
168% increase

Huntingdonshire
645 claimants
186% increase

Fenland
410 claimants
86% increase

East Cambridgeshire
275 claimants
199% increase

Cambridge
485 claimants
101% increase

Source: Metro Dynamics analysis of DWP data

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Workers of all ages have been making new JSA claims, but younger workers have been making new claims at the fastest rate

This chart shows JSA claimants by age bracket across CPCA. All age brackets have seen substantial increases in JSA claims, both nationally and for CPCA. Similar to the figures for Universal Credit, the increase in Jobseeker's Allowance claimants is driven by large increases in new claimants in the age 25 – 49 bracket. However, nationally and within CPCA it is workers aged 16 – 24 who are making most new claims for JSA, reflecting their precarious position in the jobs market and their relative exposure to shutdown sectors.

Jobseeker's Allowance (JSA) claimants by age bracket, CPCA, May 2019 – July 2020
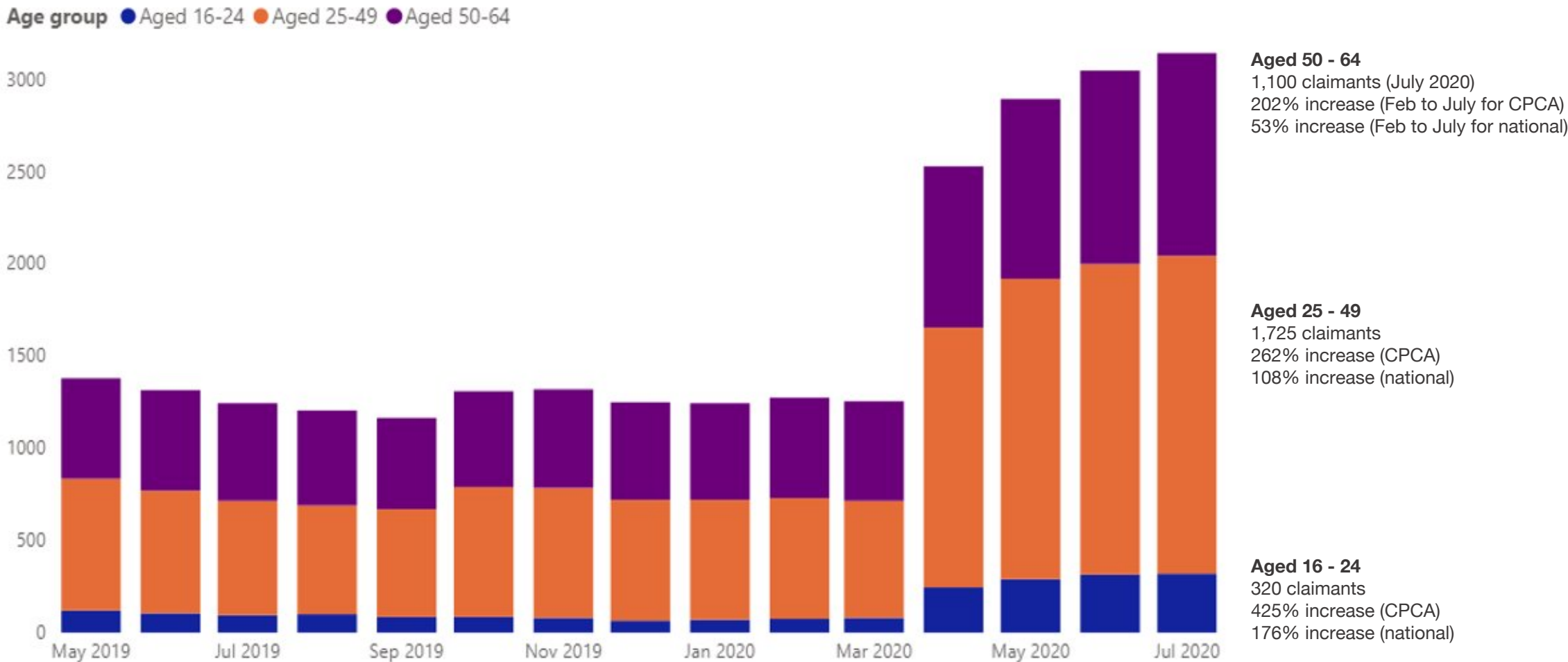
Age group ● Aged 16-24 ● Aged 25-49 ● Aged 50-64

Aged 50 - 64
1,100 claimants (July 2020)
202% increase (Feb to July for CPCA)
53% increase (Feb to July for national)

Aged 25 - 49
1,725 claimants
262% increase (CPCA)
108% increase (national)

Aged 16 - 24
320 claimants
425% increase (CPCA)
176% increase (national)

Source: Metro Dynamics analysis of DWP data

Across all LAs at least 50% of JSA claimants are aged 25 – 49, with the highest proportion of young claimants in East Cambridgeshire and Fenland

This chart shows JSA claimants by age bracket across local authorities in CPCA for July 2020. When viewed at an LA level, Cambridge stands out for the relatively lower proportions of younger (aged 16 – 24) and older (age 50+) claimants compared to other local authorities.

Jobseeker's Allowance (JSA) claimants by Age Group, by local authority, 30 July 2020

● Aged 16-24   ● Aged 25-49   ● Aged 50-64

Cambridge — 485
- 35 (7%)
- 140 (29%)
- 310 (64%)
- 485

East Cambridgeshire — 275
- 35 (13%)
- 95 (35%)
- 145 (53%)
- 275

Fenland — 410
- 50 (12%)
- 155 (38%)
- 205 (50%)
- 410

Huntingdonshire — 645
- 60 (9%)
- 260 (40%)
- 325 (50%)
- 645

Peterborough — 835
- 90 (11%)
- 255 (31%)
- 490 (59%)
- 835

South Cambridgeshire — 495
- 50 (10%)
- 195 (39%)
- 250 (51%)
- 495

Source: Metro Dynamics analysis of DWP data

114,800 employees across CPCA have been furloughed up to 31 July, an increase of 7% since June
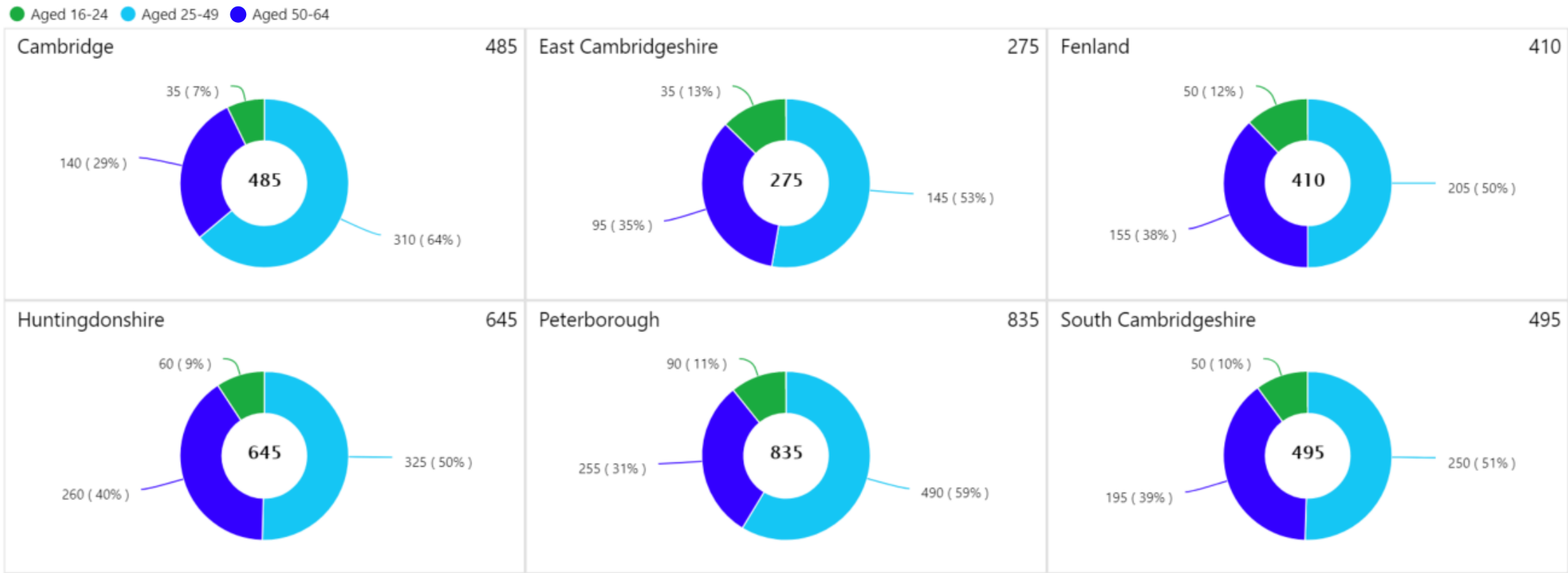
This information, produced by Cambridgeshire Insights, tracks take up of the Coronavirus Job Retention Scheme (furlough). The data covers CJRS claims submitted by employers from the start of the Scheme (1 March 2020) up to 31st July 2020.

114,800

increase of +7% since June 2020 figures.

employments have been supported through the national job retention scheme across Cambridgeshire and Peterborough up to 31st July 2020.

representing...

32%

overall of Cambridgeshire and Peterborough employees aged 16-64 [1].

compared to 36% across England as a whole

Peterborough
28,400

Cambridgeshire
86,400

District Data

Number of employments furloughed (July 2020)

District	Number	District	Number
Peterborough	28,400	East Cambridgeshire	11,900
Cambridge City	16,700	South Cambridgeshire	19,900
Huntingdonshire	25,400	Fenland	12,600

- Peterborough has the highest number of furloughed employments with 28,400, representing 34% of employees aged 16-64.

- East Cambridgeshire has the lowest number of furloughed employments with 11,900, representing 31% of employees aged 16-64.

- Cambridge has the lowest percentage of employees aged 16-64 furloughed at 27% and Huntingdonshire the highest at 35%.

Source: Cambridgeshire Insights analysis of ONS data

30,300 claims have been made to the self-employment income scheme by workers across CPCA up to 31 July, an increase of 2% since June

This information, produced by Cambridgeshire Insights, tracks take up of the Self-Employment Income Support Scheme. The data covers claims submitted to the scheme from the start of the Scheme (13 May 2020) up to 31st July 2020.

30,300

increase of +2% since June 2020 figures.

claims made to the self employment income support scheme across Cambridgeshire and Peterborough up to 31st July 2020.

totalling.... **£93 million**

- 41,300 self-empoyed individuals were identified by HMRC as potentially eligible for the scheme [2], giving a estimated take-up rate of 73%, slightly lower than the 76% estimated nationally.

Self employment claims — Cambridgeshire and Peterborough

- to 31st May 2020: 27,700
- to 30th June 2020: 29,600 (+7% increase)
- to 31st July 2020: 30,300 (+2% increase)

District Data

District Data	Number of claims	Value of claims
Peterborough	7,100	£19.2 million
Cambridge City	3,500	£10.5 million
Huntingdonshire	6,100	£19.5 million
East Cambridgeshire	3,700	£12.2 million
South Cambridgeshire	5,900	£19.1 million
Fenland	4,100	£12.5million

- Peterborough had the highest number of claims to the scheme at 7,100. However, it had the lowest average value per claim (£2,700 per claim), so did not receive the highest claim value.

- Huntingdonshire had the highest claim value at £19.5 million across 6,100 claims, giving a higher average claim value of £3,200 per claim.

- Cambridge City had both the lowest number (3,500) and value (£10.5 million) of claims, with an average of £3,000 per claim.

- East Cambridgeshire and South Cambridgeshire both had the highest average at £3,300 per claim.

Source: Cambridgeshire Insights analysis of ONS data

New job postings declined significantly in March and April, with only a muted recovery underway since May

This chart shows the total number of job vacancies across CPCA for all industries, based on Adzuna data of new job postings. Vacancies declined across both counties in March and, while the downward trend has been arrested since May, there are few signs of recovery. The next pages provide detail on vacancy rates by sector.

Total number of job vacancies, Cambridgeshire and Peterborough, all industries, Sep 2019 – July 2020
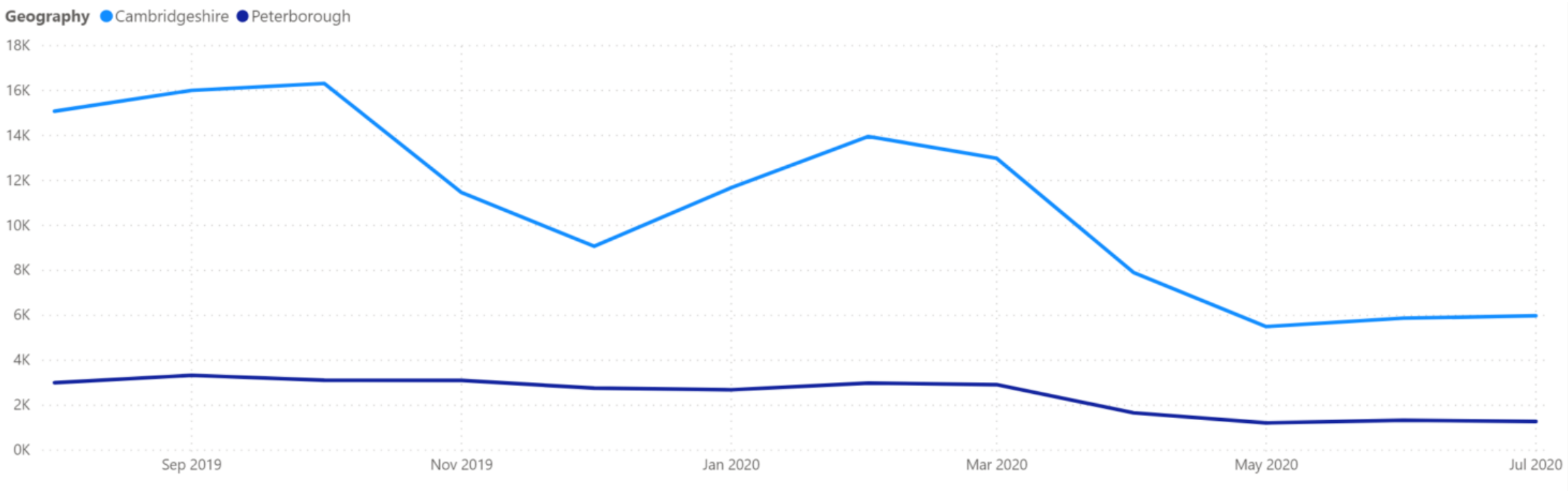
Source: Metro Dynamics analysis of Adzuna data for Cambridgeshire and Peterborough

New job postings have fallen across most sectors since March, with only the Healthcare sector bucking the trend

This information, produced by Cambridgeshire Insights, tracks the number of job postings by sector across the CPCA area using Burning Glass data.

Job vacancies by sector for CPCA, Jan 2018 – July 2020
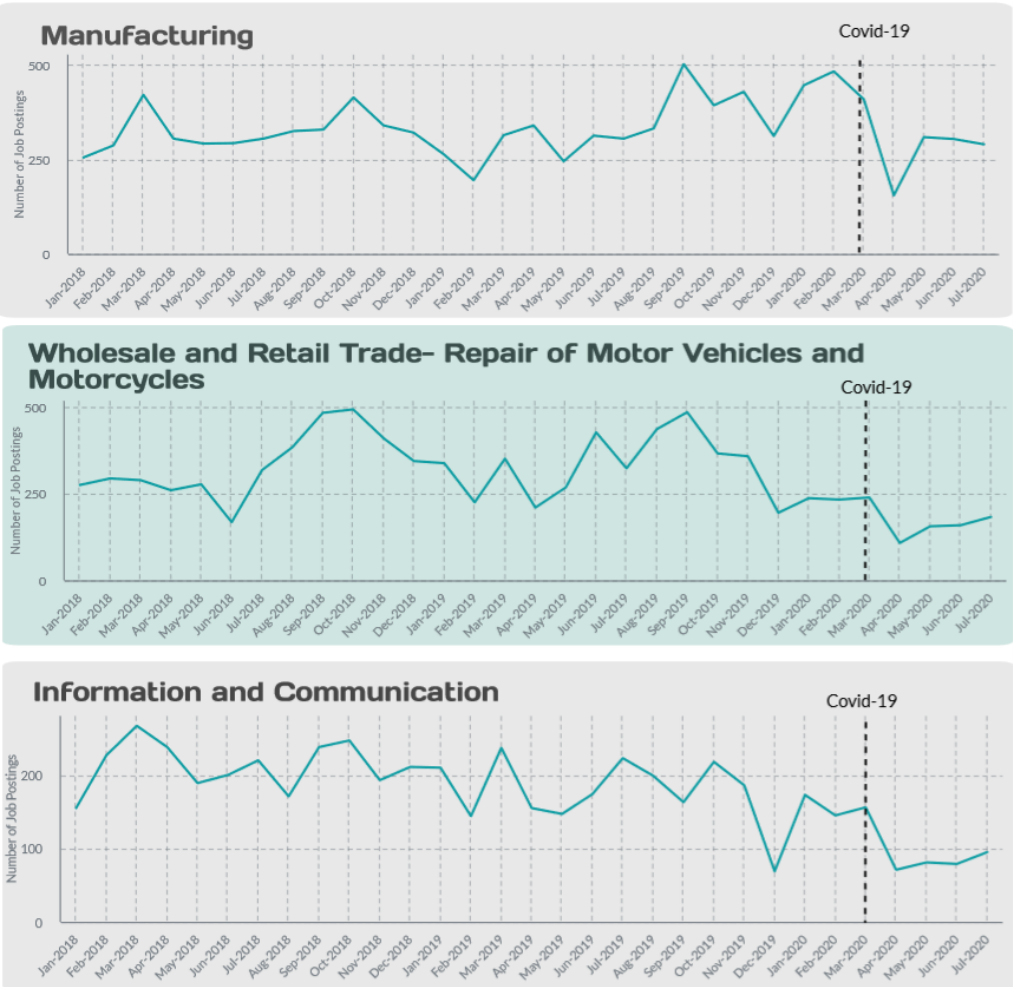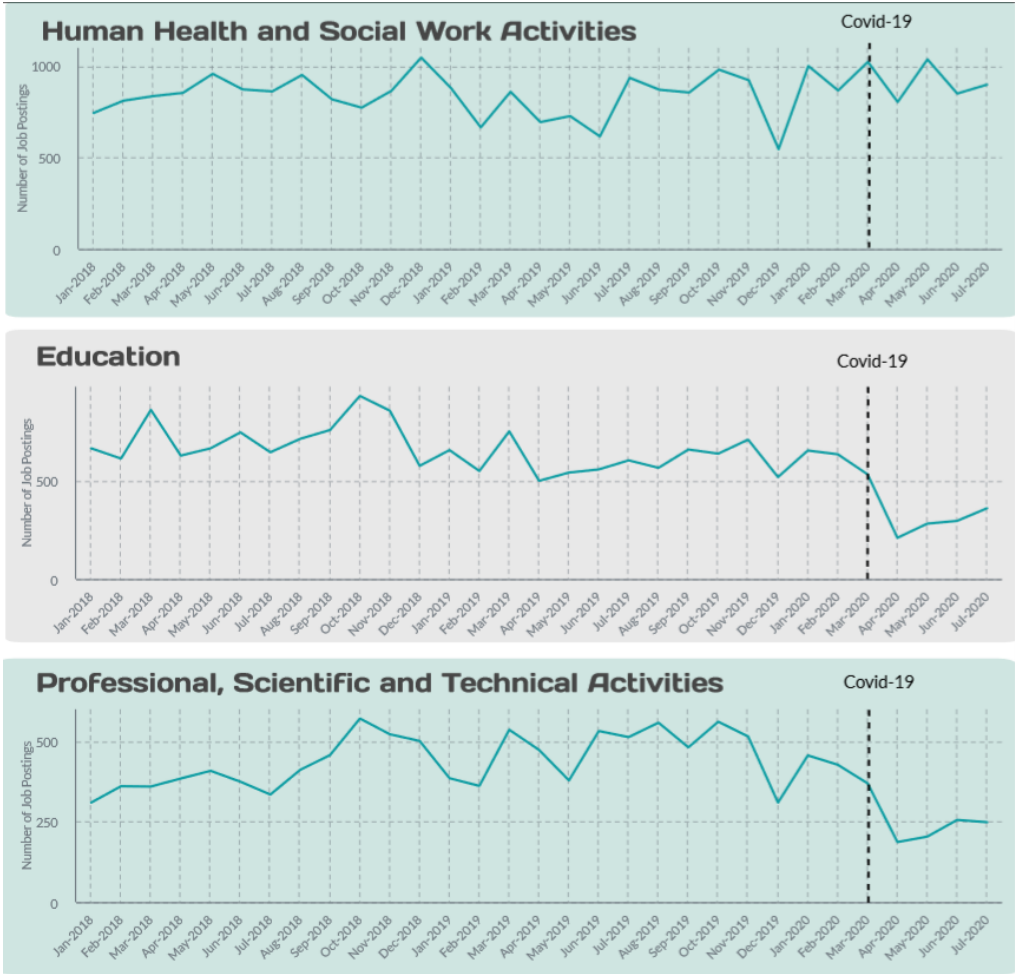
Source: Cambridgeshire Insights analysis of Burning Glass data for C&P

New job postings have fallen across most sectors since March, although a rebound in activity is evident in the construction sector

This information, produced by Cambridgeshire Insights, tracks the number of job postings by sector across the CPCA area using Burning Glass data.

Job vacancies by sector for CPCA, Jan 2018 – July 2020
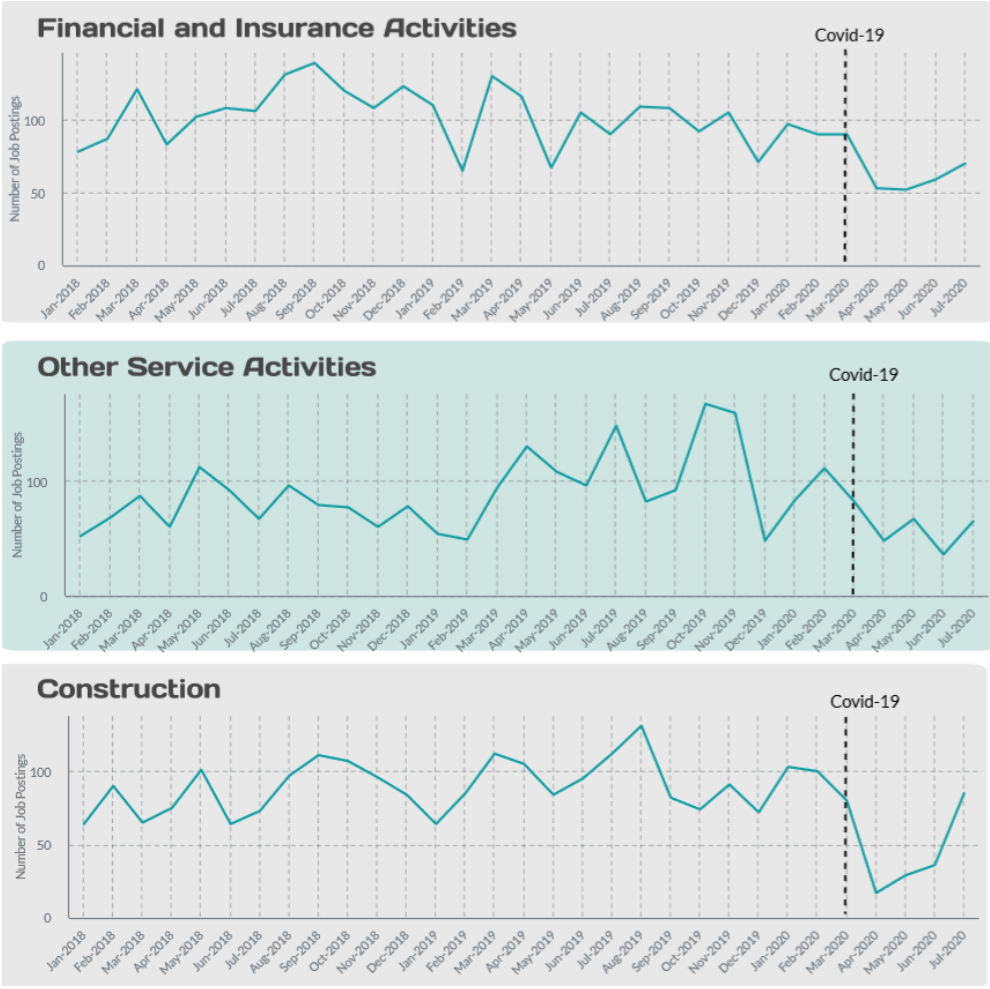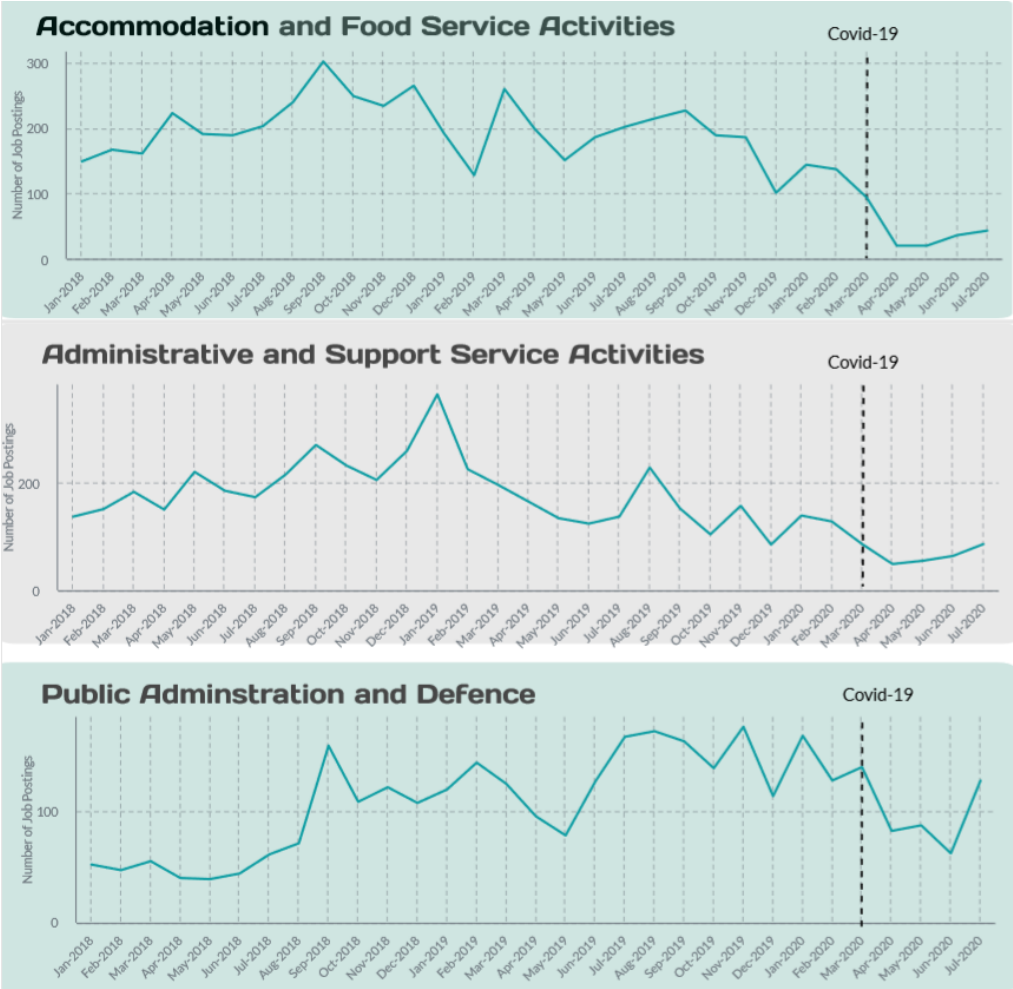
Source: Cambridgeshire Insights analysis of Burning Glass data for C&P

Average salaries across sectors are rising, but that may be a sign that fewer low wage jobs are being advertised

This chart shows average salaries by sector for CPCA, based on Adzuna data which tracks average salaries for new job postings. Since March 2020 volatility has increased in the average salary for new job postings, and in most sectors the average salary appears to have risen. However, one cause for this apparent rise in average salary may be that there are fewer new job postings in lower-wage roles while recruitment for more senior positions continues (though at a subdued level), meaning the average salary of new job postings rises overall.

Average salaries by sector for CPCA, October 2019 – July 2020
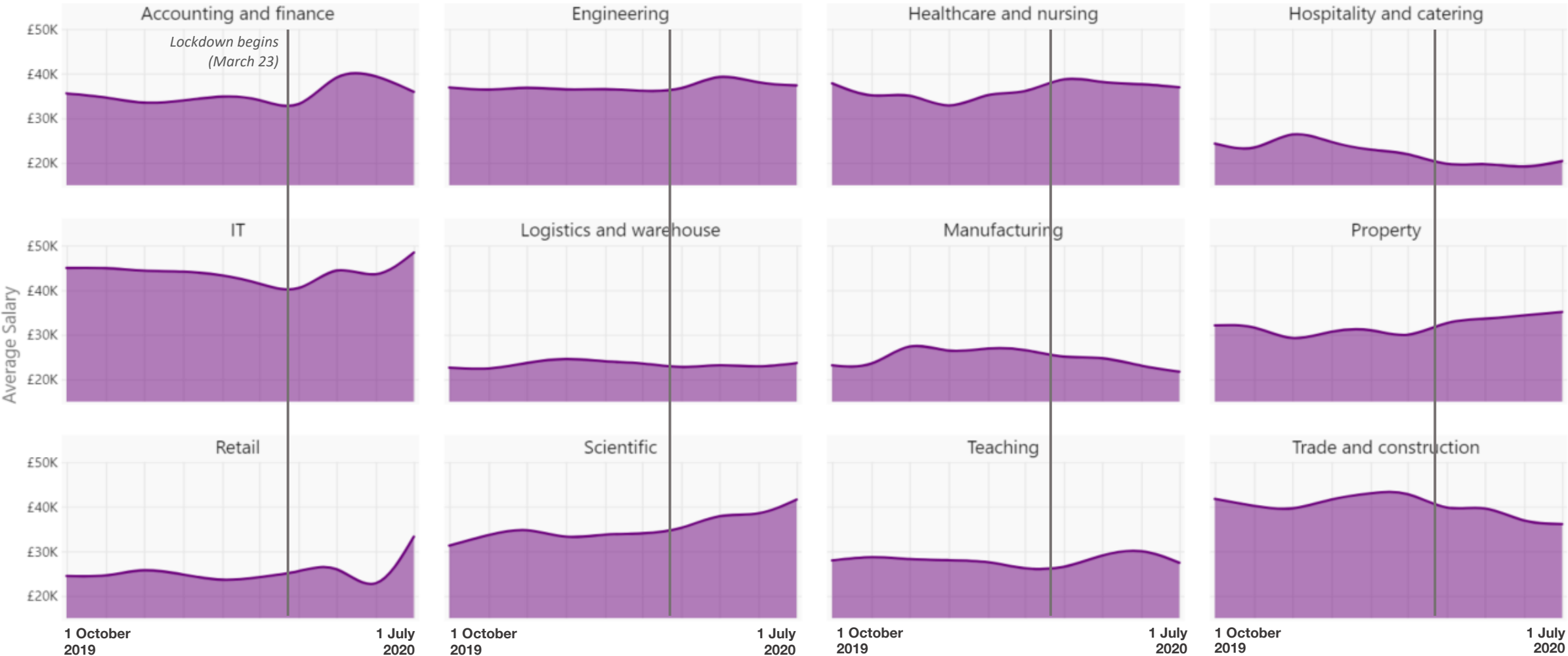
Source: Metro Dynamics analysis of Adzuna data for Cambridgeshire and Peterborough

Nearly one in three workers across CPCA is employed in a 'key worker' occupation

These charts show the proportion of employment in 'key worker' occupations across CPCA and in total by local authority. Key worker employment across CPCA is similar to the national picture, though a slightly higher proportion of workers are employed in utilities and communication occupations. Across local authorities, the highest proportion of employment in key worker occupations is in East Cambridgeshire, at 35%.

% of workers that are 'key workers' by CPCA local authority
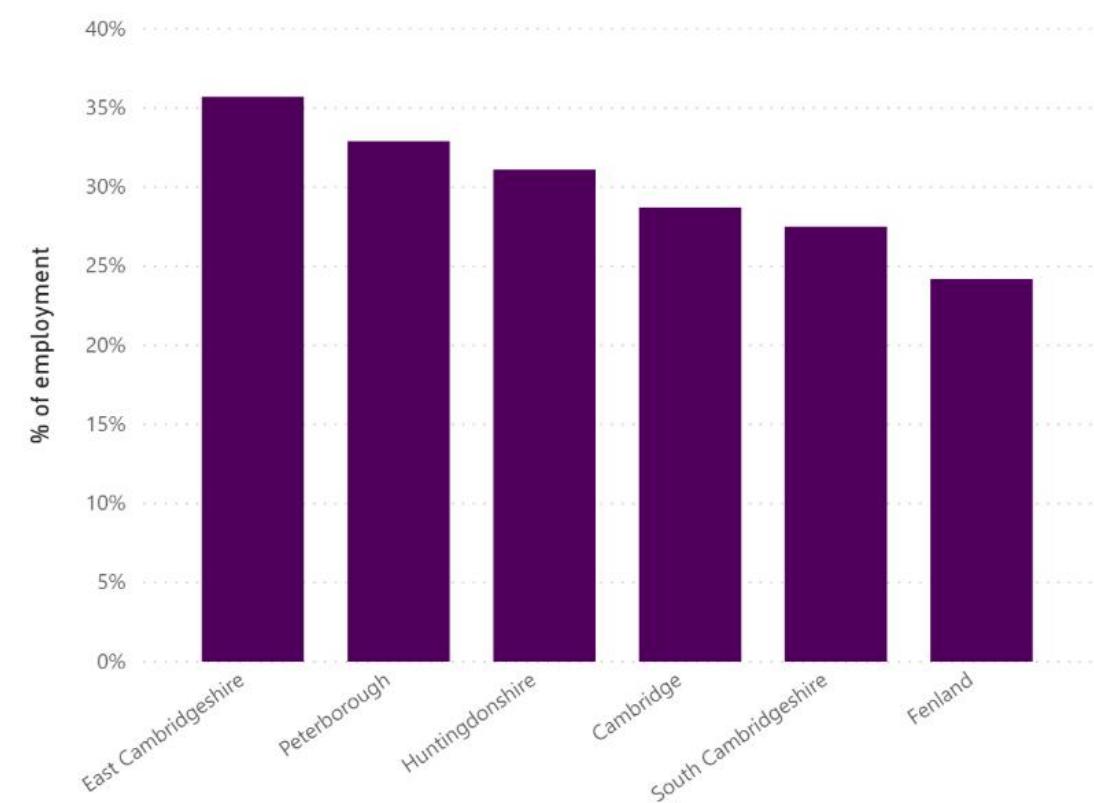
Key workers by sector, CPCA and the UK
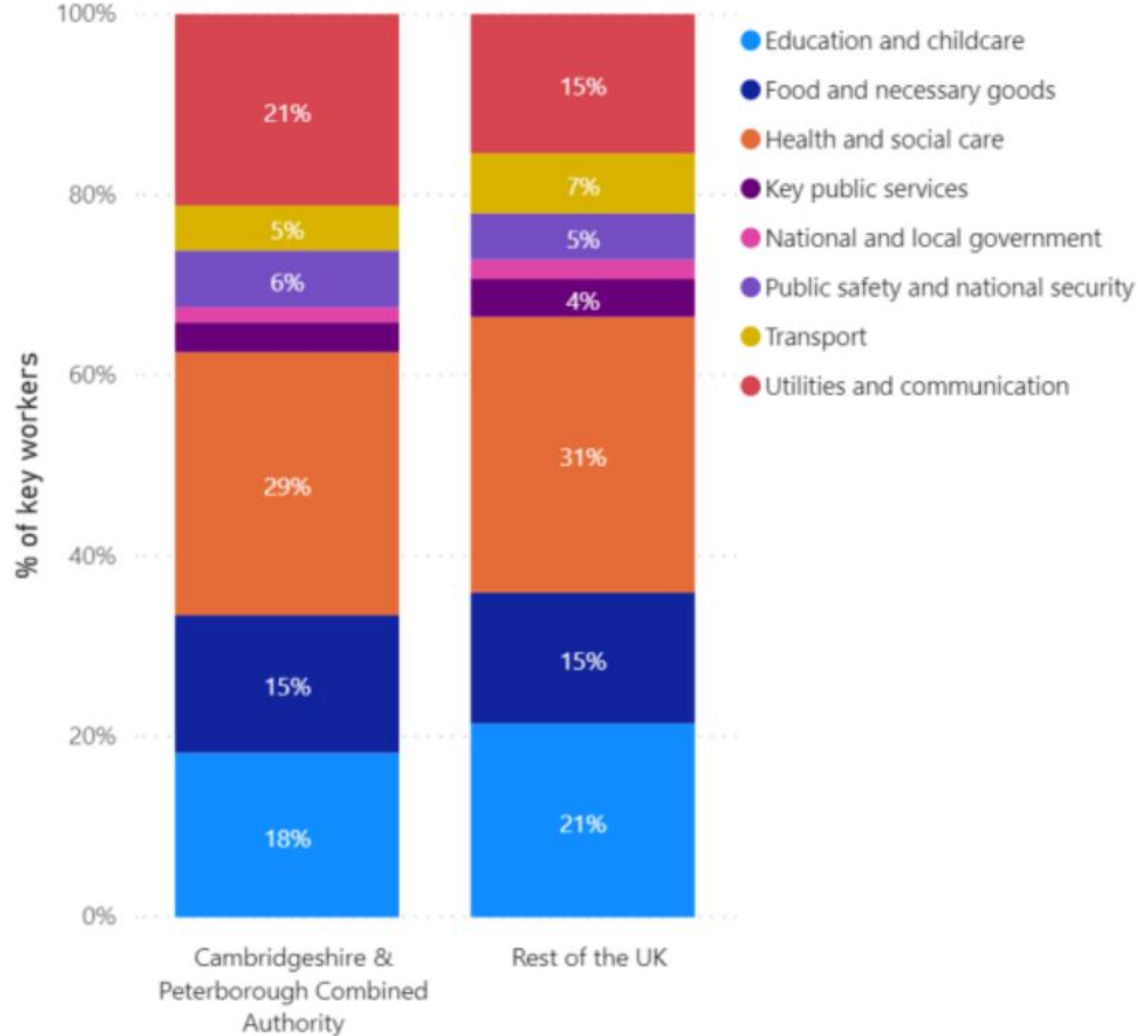
Source: Metro Dynamics analysis of ONS data

Working from home

This chart shows, by sector, the proportion of workers who responded to a 2019 survey saying they had previously worked from home. We have overlaid this survey data on CPCA's sector mix. Each bubble's position on the x-axis shows the size of the sector by gross value added (GVA), on the y-axis the growth in GVA of the sector over 5 years, and the size of the bubble indicates the amount of people employed in that sector in 2018. Workers in some of CPCA's highest growth-potential sectors, including ICT and Professional, Scientific and Technical Activities, had previously worked from home, which may have helped smooth the transition into lockdown for workers in those sectors.

Working from home in UK sectors, by local GVA, GVA growth, and employment

% of employees saying they had previously worked from home in 2019

10%   53%

◯ = amount of employment
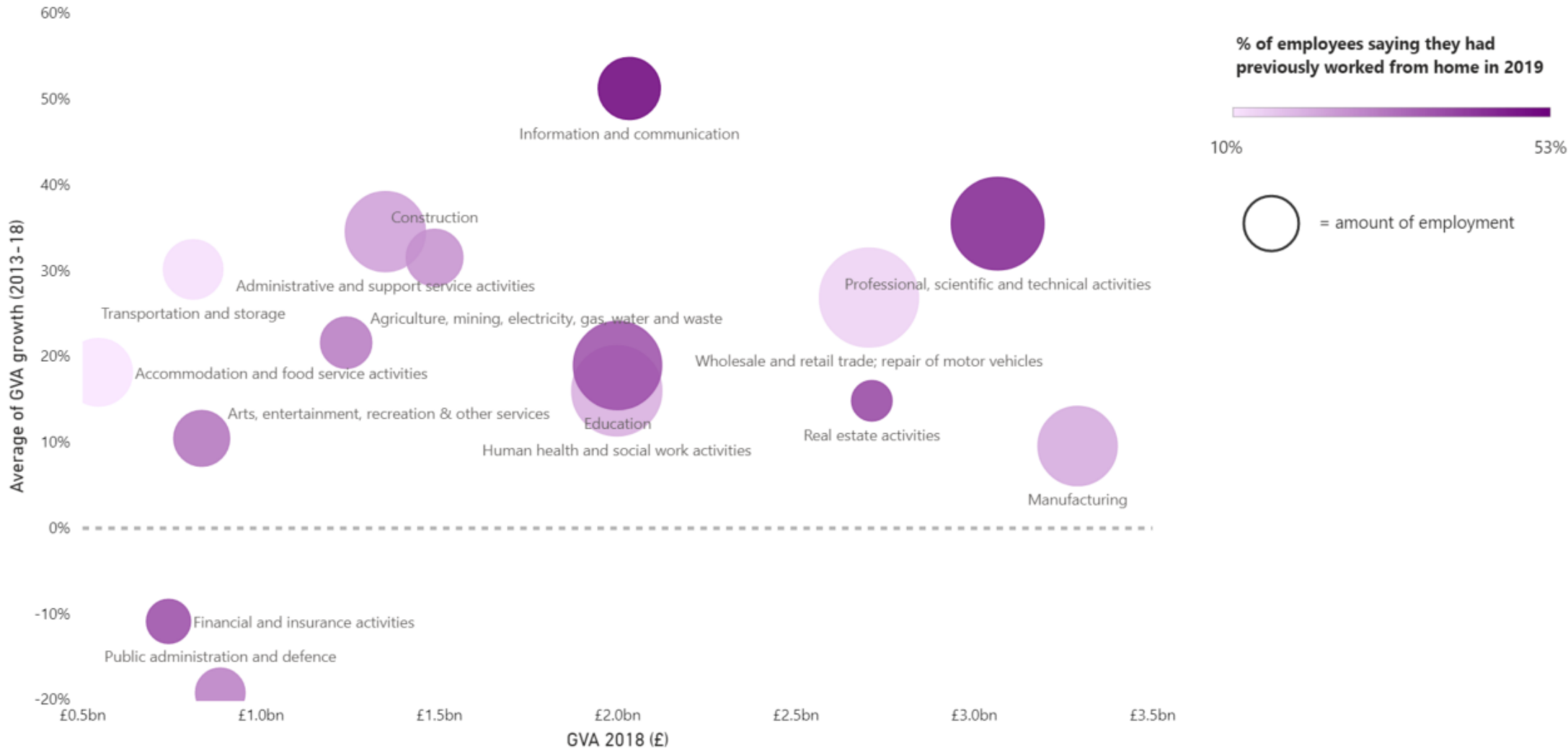
Source: Metro Dynamics analysis of ONS dataset Coronavirus and homeworking in the UK labour market: 2019; ONS Regional Accounts; ONS Business Register and Employment Survey

Parents in the workforce

This chart shows, by sector, the percentage of employed households within that sector which are parents of dependents, as a proxy for the impact of homeschooling during lockdown on economic activity. We have overlaid this survey data on CPCA's sector mix. Each bubble's position on the x-axis shows the size of the sector by gross value added (GVA), on the y-axis the growth in GVA of the sector over 5 years, and the size of the bubble indicates the amount of people employed in that sector in 2018. Workers in the education sector are particularly likely to be parents, though the proportion of workers who are parents exceeds 35% in all sectors.

Parenting in the workforce in UK sectors, by local GVA, GVA growth, and employment

% of employed households which are parents of dependants

35%   46%

◯ = amount of employment
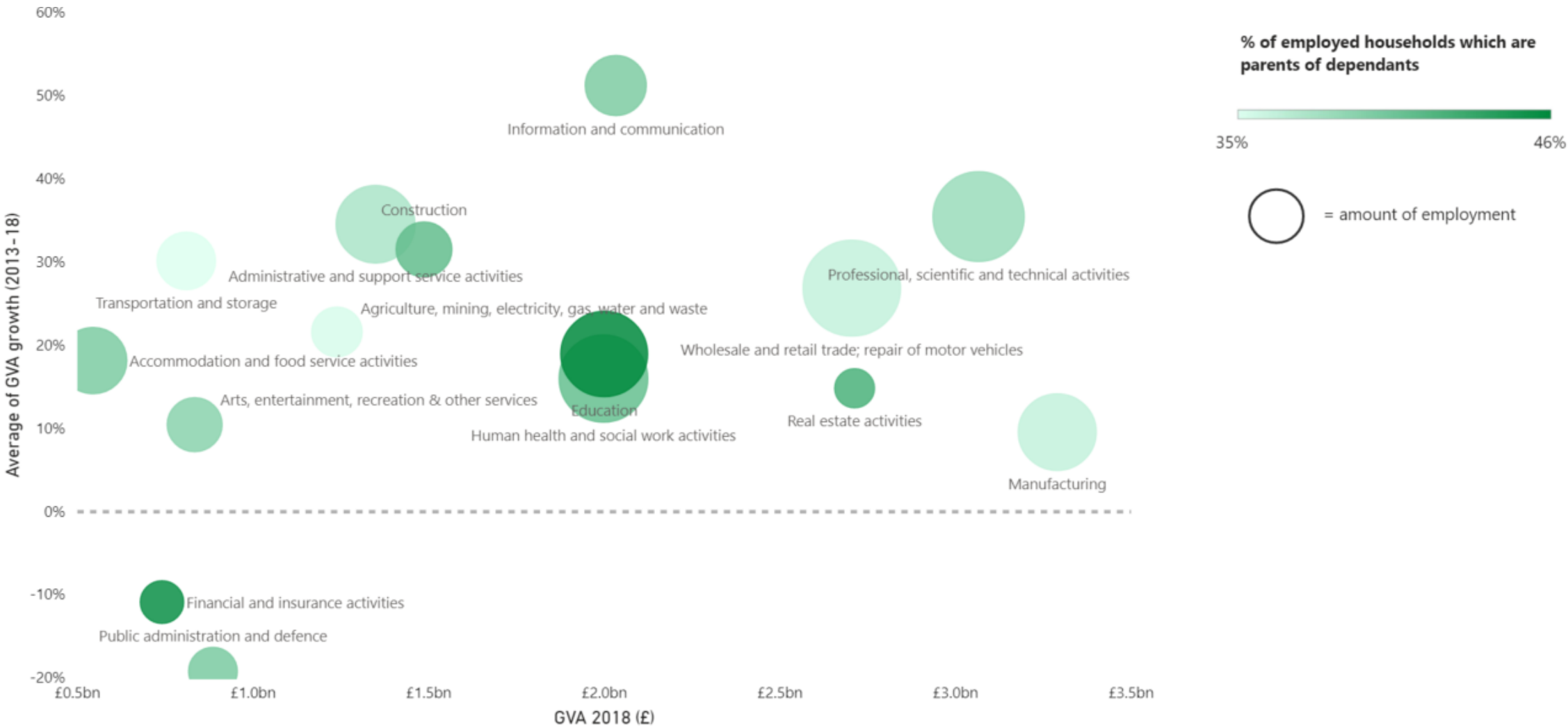
Source: Metro Dynamics analysis of ONS dataset: Coronavirus and employment for parents in the UK; ONS Regional Accounts; ONS Business Register and Employment Survey

Appendix A

01

GVA, Employment and Business Counts

CPCA

Cambridge

East Cambridgeshire

Fenland

Huntingdonshire

Peterborough

South Cambridgeshire

CPCA

Business counts by sector (2019)

Sector	Value
Professional, sc...	6.3K
Wholesale and ...	4.7K
Construction	4.6K
Information an...	3.2K
Administrative ...	2.8K
Manufacturing	2.3K
Agriculture, min...	2.2K
Arts, entertainm...	2.1K
Transportation ...	2.0K
Accommodatio...	1.7K
Human health ...	1.3K
Real estate acti...	1.3K
Education	0.7K
Financial and in...	0.6K
Public administ...	0.2K

Employment by sector (2018)

Sector	Value
Wholesale and r...	66K
Professional, sci...	57K
Human health a...	54K
Education	51K
Administrative a...	42K
Manufacturing	41K
Accommodatio...	29K
Information and...	23K
Transportation a...	21K
Construction	19K
Arts, entertainm...	18K
Agriculture, min...	14K
Public administr...	13K
Financial and in...	9K
Real estate activ...	7K

GVA by sector (2018)

Sector	Value
Manufacturing	£3.3bn
Professional, sci...	£3.1bn
Real estate activ...	£2.7bn
Wholesale and r...	£2.7bn
Information and...	£2.0bn
Education	£2.0bn
Human health a...	£2.0bn
Construction	£1.5bn
Administrative a...	£1.3bn
Agriculture, min...	£1.2bn
Public administr...	£0.9bn
Arts, entertainm...	£0.8bn
Transportation a...	£0.8bn
Financial and in...	£0.7bn
Accommodatio...	£0.5bn

Cambridge

Business counts by sector (2019)

Sector	Value
Professional, sc...	1.2K
Information an...	0.8K
Wholesale and ...	0.4K
Administrative ...	0.4K
Arts, entertainm...	0.4K
Accommodatio...	0.4K
Construction	0.3K
Human health ...	0.3K
Education	0.2K
Manufacturing	0.2K
Real estate acti...	0.2K
Financial and in...	0.1K
Agriculture, min...	0.1K
Transportation ...	0.1K
Public administ...	0.0K

Employment by sector (2018)

Sector	Value
Education	25K
Professional, sci...	18K
Human health a...	16K
Accommodatio...	11K
Wholesale and r...	11K
Information and...	8K
Administrative a...	6K
Arts, entertainm...	5K
Public administr...	2K
Real estate activ...	2K
Manufacturing	2K
Transportation a...	2K
Construction	2K
Financial and in...	1K
Agriculture, min...	1K

GVA by sector (2018)

Sector	Value
Professional, sci...	£1.5bn
Education	£1.0bn
Human health a...	£0.7bn
Real estate activ...	£0.6bn
Information and...	£0.5bn
Wholesale and r...	£0.3bn
Arts, entertainm...	£0.2bn
Manufacturing	£0.2bn
Administrative a...	£0.2bn
Accommodatio...	£0.2bn
Public administr...	£0.2bn
Construction	£0.2bn
Agriculture, min...	£0.1bn
Transportation a...	£0.1bn
Financial and in...	£0.1bn

East Cambridgeshire

Business counts by sector (2019)

Sector	Count
Construction	680
Professional, sc…	630
Wholesale and …	490
Agriculture, min…	480
Administrative …	315
Arts, entertainm…	290
Information an…	255
Manufacturing	230
Accommodatio…	175
Transportation …	165
Real estate acti…	130
Human health …	100
Education	65
Financial and in…	55
Public administ…	30

Employment by sector (2018)

Sector	Employment
Wholesale and r…	4.8K
Manufacturing	3.5K
Education	3.3K
Professional, sci…	3.0K
Agriculture, min…	2.5K
Transportation a…	2.5K
Administrative a…	2.4K
Human health a…	2.4K
Construction	2.3K
Accommodatio…	2.0K
Arts, entertainm…	1.8K
Information and…	1.0K
Public administr…	0.5K
Real estate activ…	0.5K
Financial and in…	0.3K

GVA by sector (2018)

Sector	GVA
Real estate activ…	£0.26bn
Manufacturing	£0.24bn
Wholesale and r…	£0.20bn
Agriculture, min…	£0.20bn
Administrative a…	£0.14bn
Construction	£0.13bn
Arts, entertainm…	£0.13bn
Transportation a…	£0.13bn
Education	£0.12bn
Professional, sci…	£0.11bn
Human health a…	£0.06bn
Information and…	£0.05bn
Accommodatio…	£0.03bn
Public administr…	£0.03bn
Financial and in…	£0.02bn

Fenland

Business counts by sector (2019)

Sector	Count
Construction	640
Wholesale and ...	565
Agriculture, min...	430
Professional, sc...	355
Transportation ...	245
Administrative ...	235
Manufacturing	220
Accommodatio...	200
Arts, entertainm...	190
Information an...	135
Real estate acti...	95
Human health ...	90
Financial and in...	50
Education	30
Public administ...	15

0   500

Employment by sector (2018)

Sector	Employment
Manufacturing	6.5K
Wholesale and r...	6.5K
Human health a...	4.0K
Administrative a...	3.8K
Agriculture, min...	3.2K
Education	3.0K
Transportation a...	2.8K
Construction	1.8K
Professional, sci...	1.6K
Accommodatio...	1.5K
Public administr...	1.1K
Arts, entertainm...	1.0K
Real estate activ...	0.4K
Financial and in...	0.3K
Information and...	0.3K

0K   5K

GVA by sector (2018)

Sector	GVA
Manufacturing	£0.39bn
Wholesale and r...	£0.30bn
Real estate activ...	£0.20bn
Agriculture, min...	£0.13bn
Education	£0.12bn
Human health a...	£0.11bn
Construction	£0.11bn
Transportation a...	£0.10bn
Administrative a...	£0.10bn
Public administr...	£0.08bn
Professional, sci...	£0.05bn
Arts, entertainm...	£0.04bn
Accommodatio...	£0.03bn
Financial and in...	£0.02bn
Information and...	£0.01bn

£0.0bn   £0.2bn   £0.4bn

Huntingdonshire

Business counts by sector (2019)

Sector	Count
Professional, sc...	1.3K
Construction	1.1K
Wholesale and ...	1.0K
Administrative ...	0.7K
Information an...	0.7K
Manufacturing	0.6K
Agriculture, min...	0.5K
Arts, entertainm...	0.5K
Transportation ...	0.4K
Accommodatio...	0.3K
Real estate acti...	0.3K
Human health ...	0.3K
Financial and in...	0.1K
Education	0.1K
Public administ...	0.1K

Employment by sector (2018)

Sector	Employment
Wholesale and r...	13K
Manufacturing	11K
Human health a...	9K
Professional, sci...	7K
Administrative a...	6K
Education	6K
Accommodatio...	5K
Public administr...	4K
Construction	4K
Transportation a...	4K
Agriculture, min...	3K
Arts, entertainm...	3K
Information and...	3K
Real estate activ...	2K
Financial and in...	1K

GVA by sector (2018)

Sector	GVA
Manufacturing	£0.66bn
Real estate activ...	£0.54bn
Wholesale and r...	£0.53bn
Agriculture, min...	£0.44bn
Construction	£0.31bn
Public administr...	£0.29bn
Human health a...	£0.27bn
Administrative a...	£0.24bn
Professional, sci...	£0.24bn
Education	£0.22bn
Information and...	£0.20bn
Transportation a...	£0.13bn
Arts, entertainm...	£0.13bn
Accommodatio...	£0.09bn
Financial and in...	£0.03bn

Peterborough

Business counts by sector (2019)

Sector	Value
Wholesale and ...	1.3K
Professional, sc...	1.0K
Transportation ...	0.9K
Construction	0.8K
Administrative ...	0.5K
Information an...	0.5K
Arts, entertainm...	0.4K
Manufacturing	0.3K
Accommodatio...	0.3K
Real estate acti...	0.3K
Human health ...	0.3K
Education	0.2K
Agriculture, min...	0.2K
Financial and in...	0.1K
Public administ...	0.0K

Employment by sector (2018)

Sector	Value
Wholesale and r...	23K
Administrative a...	19K
Human health a...	14K
Education	9K
Transportation a...	9K
Manufacturing	8K
Professional, sci...	7K
Accommodatio...	6K
Financial and in...	5K
Information and...	5K
Arts, entertainm...	4K
Construction	4K
Public administr...	4K
Agriculture, min...	2K
Real estate activ...	1K

GVA by sector (2018)

Sector	Value
Manufacturing	£0.90bn
Wholesale and r...	£0.83bn
Financial and in...	£0.56bn
Information and...	£0.51bn
Human health a...	£0.51bn
Administrative a...	£0.51bn
Real estate activ...	£0.48bn
Professional, sci...	£0.43bn
Education	£0.33bn
Transportation a...	£0.30bn
Construction	£0.28bn
Agriculture, min...	£0.27bn
Public administr...	£0.25bn
Arts, entertainm...	£0.13bn
Accommodatio...	£0.12bn

South Cambridgeshire

Business counts by sector (2019)

Sector	Value
Professional, sc...	1.8K
Construction	1.1K
Information an...	0.9K
Wholesale and ...	0.9K
Manufacturing	0.7K
Administrative ...	0.7K
Agriculture, min...	0.6K
Arts, entertainm...	0.4K
Human health ...	0.3K
Real estate acti...	0.3K
Accommodatio...	0.3K
Transportation ...	0.2K
Education	0.2K
Financial and in...	0.1K
Public administ...	0.1K

Employment by sector (2018)

Sector	Value
Professional, sci...	22K
Manufacturing	10K
Wholesale and r...	9K
Human health a...	9K
Education	7K
Information and...	6K
Administrative a...	6K
Construction	6K
Accommodatio...	4K
Agriculture, min...	3K
Arts, entertainm...	3K
Transportation a...	2K
Financial and in...	1K
Public administr...	1K
Real estate activ...	1K

GVA by sector (2018)

Sector	Value
Manufacturing	£0.91bn
Information and...	£0.73bn
Professional, sci...	£0.72bn
Real estate activ...	£0.63bn
Wholesale and r...	£0.50bn
Construction	£0.49bn
Human health a...	£0.34bn
Education	£0.25bn
Arts, entertainm...	£0.20bn
Administrative a...	£0.18bn
Agriculture, min...	£0.11bn
Accommodatio...	£0.09bn
Transportation a...	£0.08bn
Public administr...	£0.07bn
Financial and in...	£0.05bn

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