



# CPCA Economic Update

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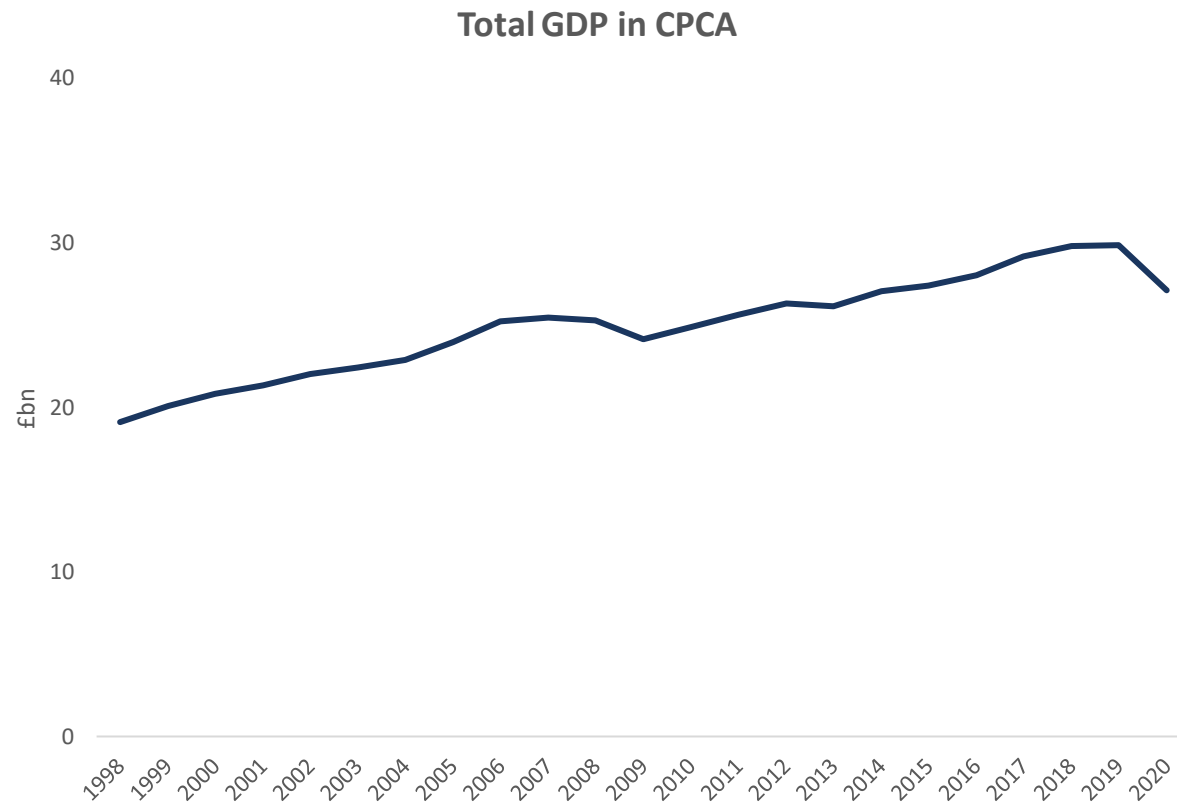




# Economy Overview

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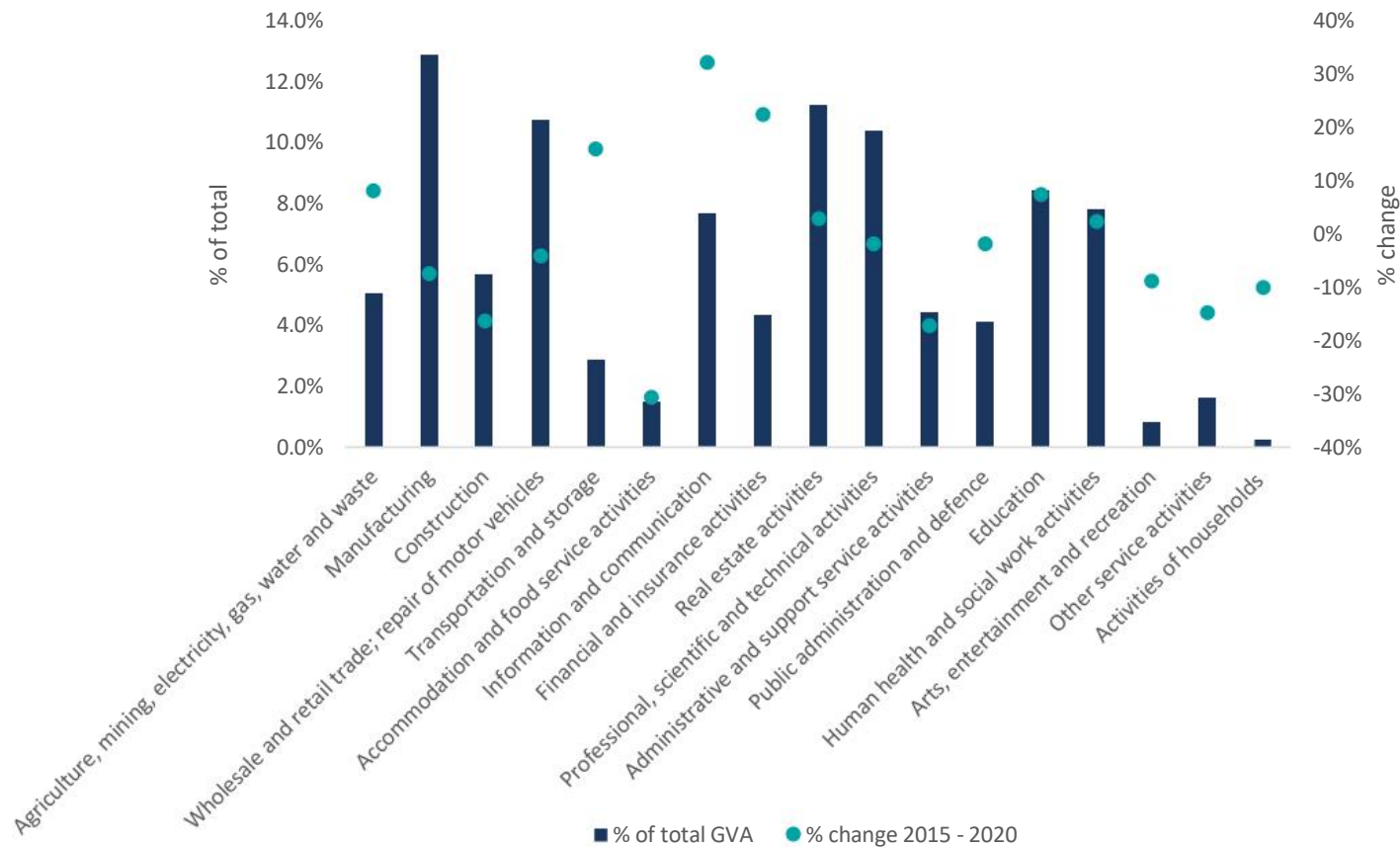
# Economy: size and growth



- In the most recent year of data (2020), GDP was £27.1bn. However, this value was depressed due to the Covid-19 pandemic and associated lockdowns
- The true value for 2022 is likely to be close to the pre-Covid figure (£29.9bn) given national trends.
- It is noteworthy that CPCA's economy barely grew at all between 2018 and 2019 – with only £9m more GDP (equivalent to 0.03% growth). Peterborough's economy actually contracted between 2018 and 2019.
- The national economy is almost certainly heading into recession. This is likely to make the target of doubling economic output in CPCA more challenging to achieve

Source: ONS dataset Regional gross domestic product: all ITL regions

# Sectors: size and growth (GVA)

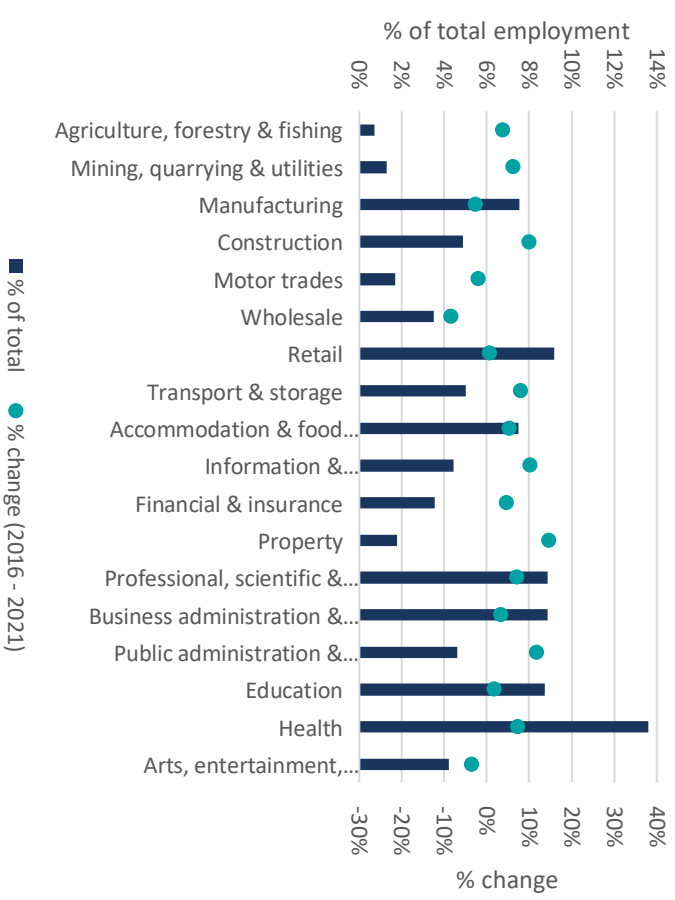
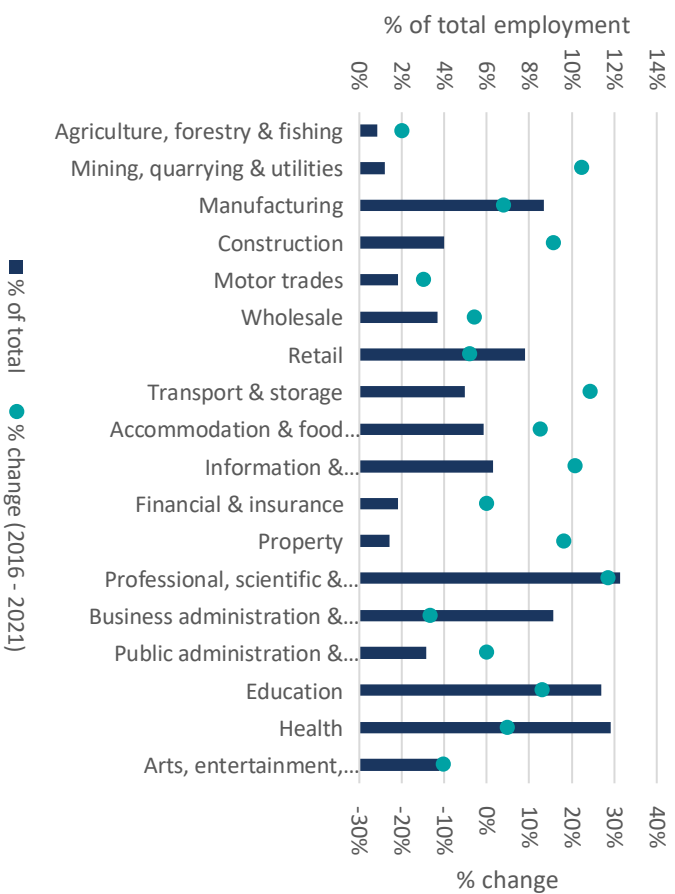


- Manufacturing, wholesale and retail trade, real estate and professional, scientific and technical activities are CPCA’s largest sectors by GVA, accounting for a combined 45.3% of GVA in 2020.
- A number of CPCA’s sectors shrank between 2015 and 2020, of those that did construction was the most economically important for CPCA, followed by administrative and support service activities.
- Future data releases will allow the recovery from the pandemic and the impacts of inflation for sectoral GVA to be considered.

Source: ONS dataset Regional GVA by industry

# Sectors: size and growth (Employment)

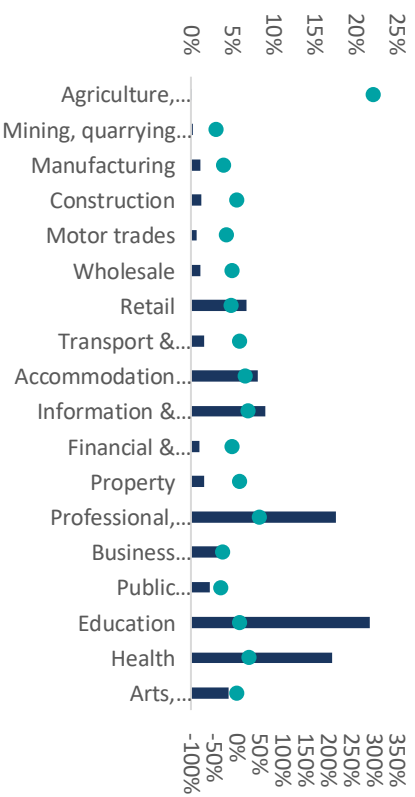
- The largest sector by employment in CPCA is professional, scientific and technical activities. This sector has grown over the last number of years, with employment increasing by 28% in CPCA between 2016 and 2021 (compared to a 7% increase nationally).
- Employment shrank in sectors including the arts, business administration, retail, wholesale and motor trades and with the exception of wholesale the decrease in CPCA was greater than any national decrease in employment.



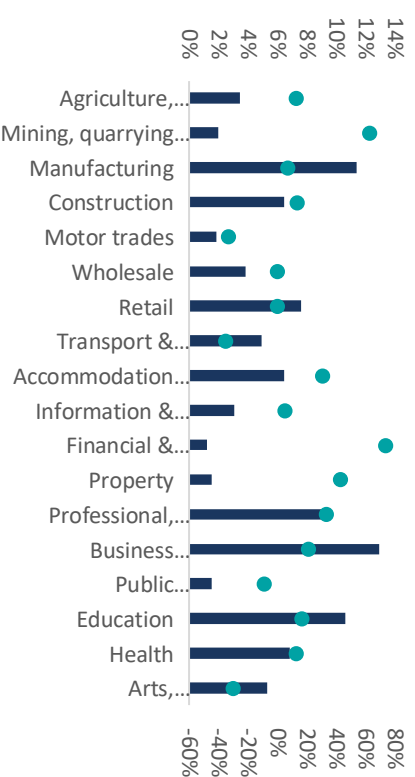
Source: ONS, Business Register and Employment Survey

# Sectors: size and growth (Employment)

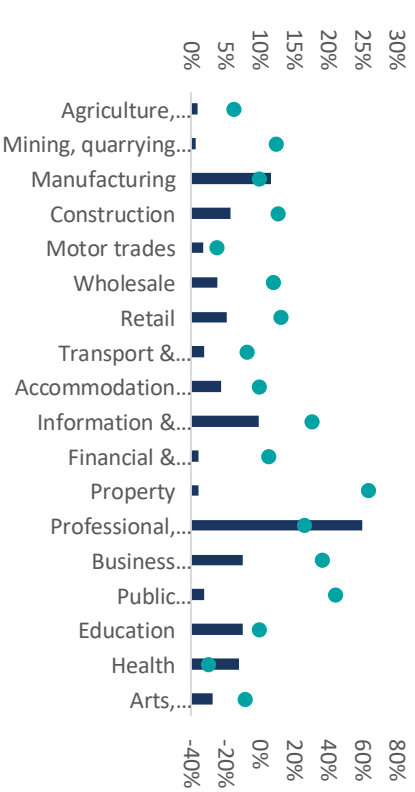
## Cambridge



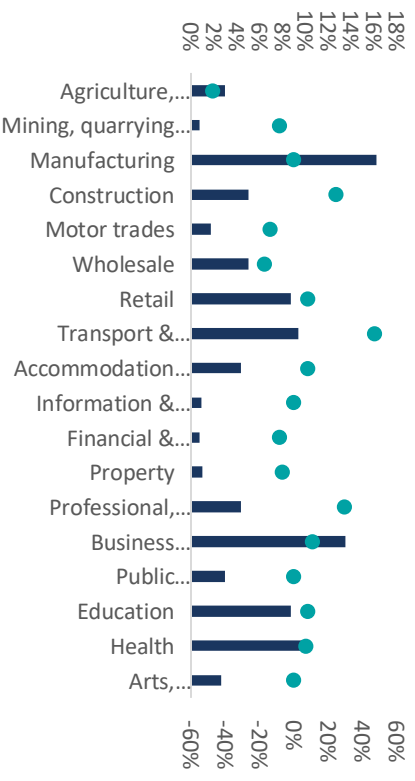
## East Cambridgeshire



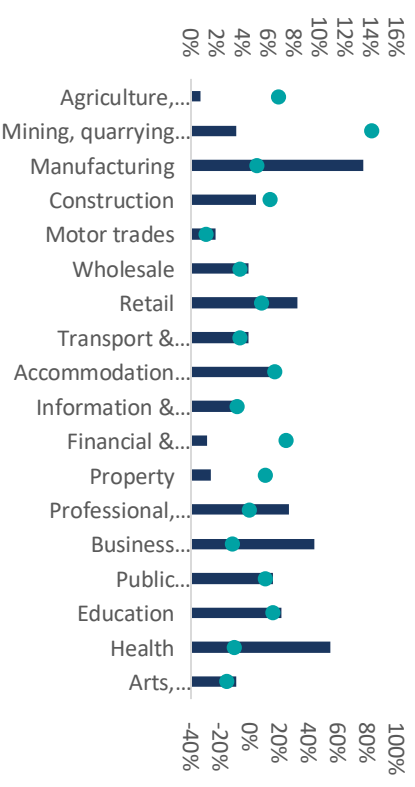
## South Cambridgeshire



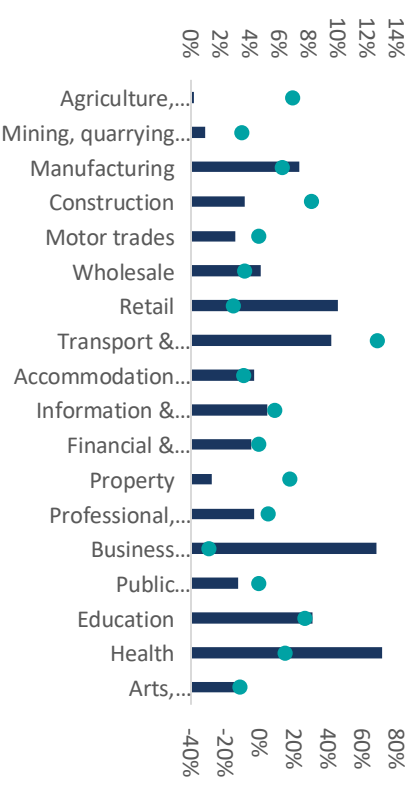
## Fenland



## Huntingdonshire

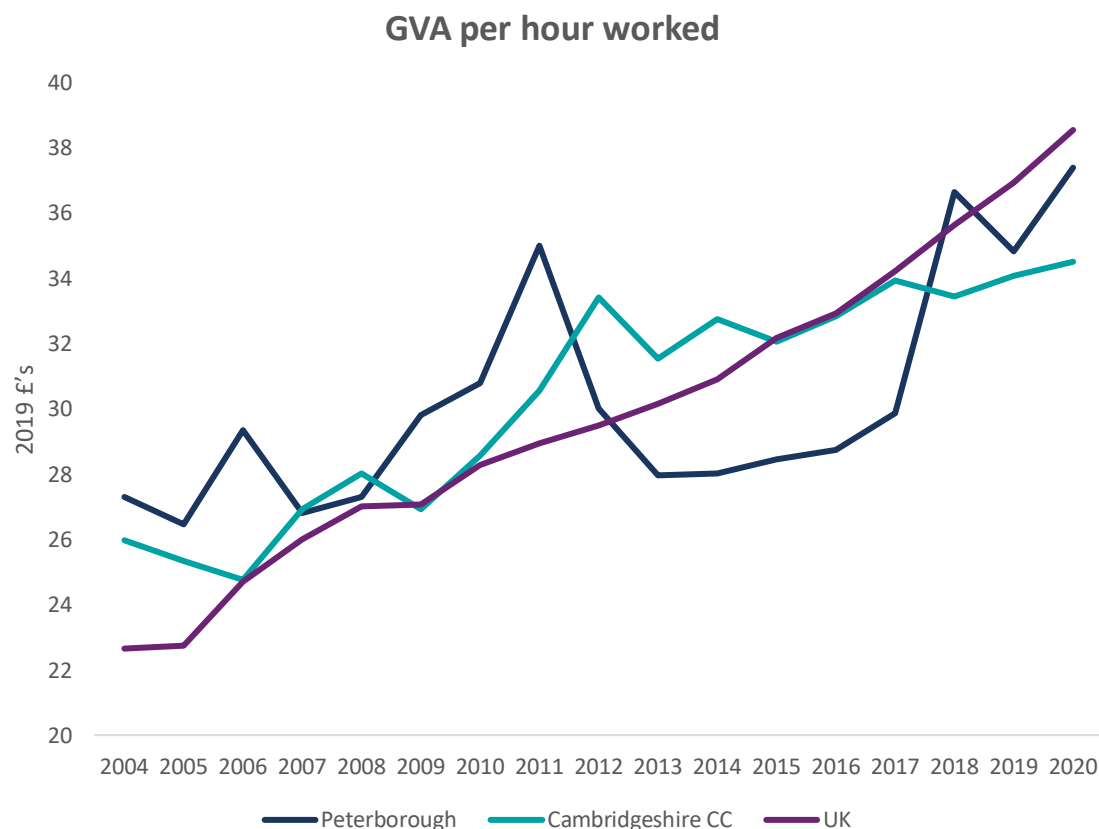


## Peterborough



Source: ONS, Business Register and Employment Survey

# Productivity (overall)



- GVA per hour worked was below the UK average in each district in 2020.
- There is substantial variation across the districts; GVA per hour worked is £8.9 lower in Fenland than in South Cambridgeshire.
- This has been the case for the last number of years; after 2011 productivity growth in Cambridgeshire was greatly reduced while in Peterborough it declined and took 7 years to recover to its 2011 level.

Area	GVA per hour worked, 2020
UK	£37.7
Cambridge	£34.8
East Cambridgeshire	£33.1
Fenland	£27.7
Huntingdonshire	£36.2
Peterborough	£35.7
South Cambridgeshire	£36.6

Source: ONS. Subregional productivity: labour productivity indices by UK ITL2 and ITL3 subregions.



# Productivity (by sector)

Broad sector group	GVA (2019) (£m)	Employment (2019)	GVA per employment (2019)	Compared to region	Compared to GB	% change 2015-19
Agriculture, mining, electricity, gas, water and waste	1,296	14,050	£92,242	Above	Below	+11.6%
Manufacturing	3,547	42,000	£84,452	Similar	Above	-6.8%
Construction	1,633	20,000	£81,650	Below	Similar	-7.5%
Wholesale and retail trade; repair of motor vehicles and motorcycles	2,673	63,000	£42,429	Below	Similar	+7.1%
Transportation and storage	746	20,000	£37,300	Below	Below	-2.6%
Accommodation and food service activities	611	29,000	£21,069	Below	Below	-6.0%
Information and communication	2,056	26,000	£79,077	Similar	Below	+21.4%
Financial and insurance activities	861	9,000	£95,667	Below	Below	-11.9%
Real estate activities	2,878	8,000	£359,750	Below	Below	-6.7%
Professional, scientific and technical activities	2,722	60,000	£45,367	Above	Below	-20.4%
Administrative and support service activities	1,412	41,000	£34,439	Similar	Below	+17.4%
Public administration and defence; compulsory social security	1,025	14,000	£73,214	Similar	Similar	-1.6%
Education	2,406	51,000	£47,176	Above	Above	+9.5%
Human health and social work activities	2,083	53,000	£39,302	Above	Above	+4.2%
Arts, entertainment and recreation	270	10,000	£27,000	Below	Below	-6.1%
Other service activities	556	10,000	£55,600	Above	Above	+30.4%

- We calculate sector productivity using total GVA and total employment. As the most recent GVA data is for 2020 (a year with much reduced employment and GVA) we use 2019.
- There is a mixed picture by sector, though nine sectors have productivity significantly (5%+) below national average, compared to four sectors with productivity significantly above. In CPCA's largest broad sector (manufacturing) productivity is 5.4% above the national figure, though it has declined since 2015
- While Information and communication sector productivity is below national productivity, this is improving fast. The opposite is true for finance and insurance and professional, scientific and technical sectors

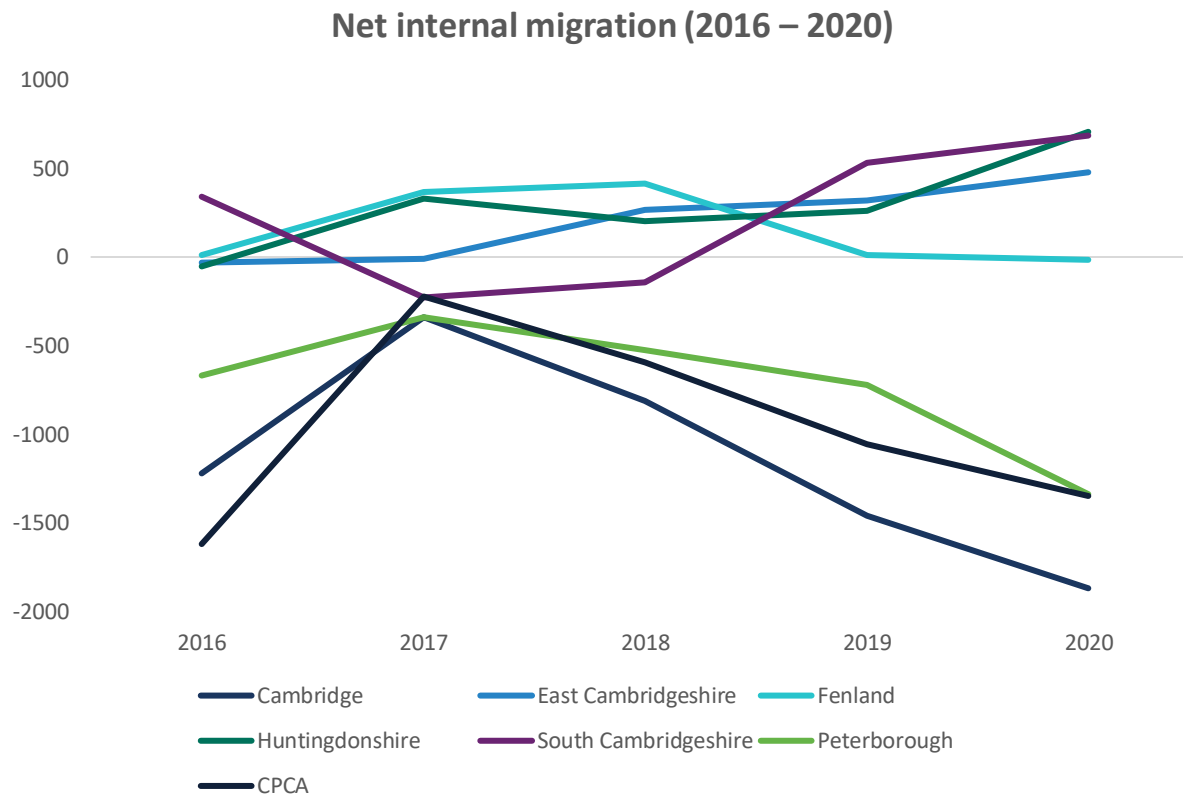
Source: Metro Dynamics analysis of ONS regional GVA datasets and ONS Business Register and Employment Survey. Sectors that are 5% or more greater than comparator are labelled "above", sectors that are 5% or more lower than comparator are labelled "below", and those in between are labelled "similar".



# Labour Market

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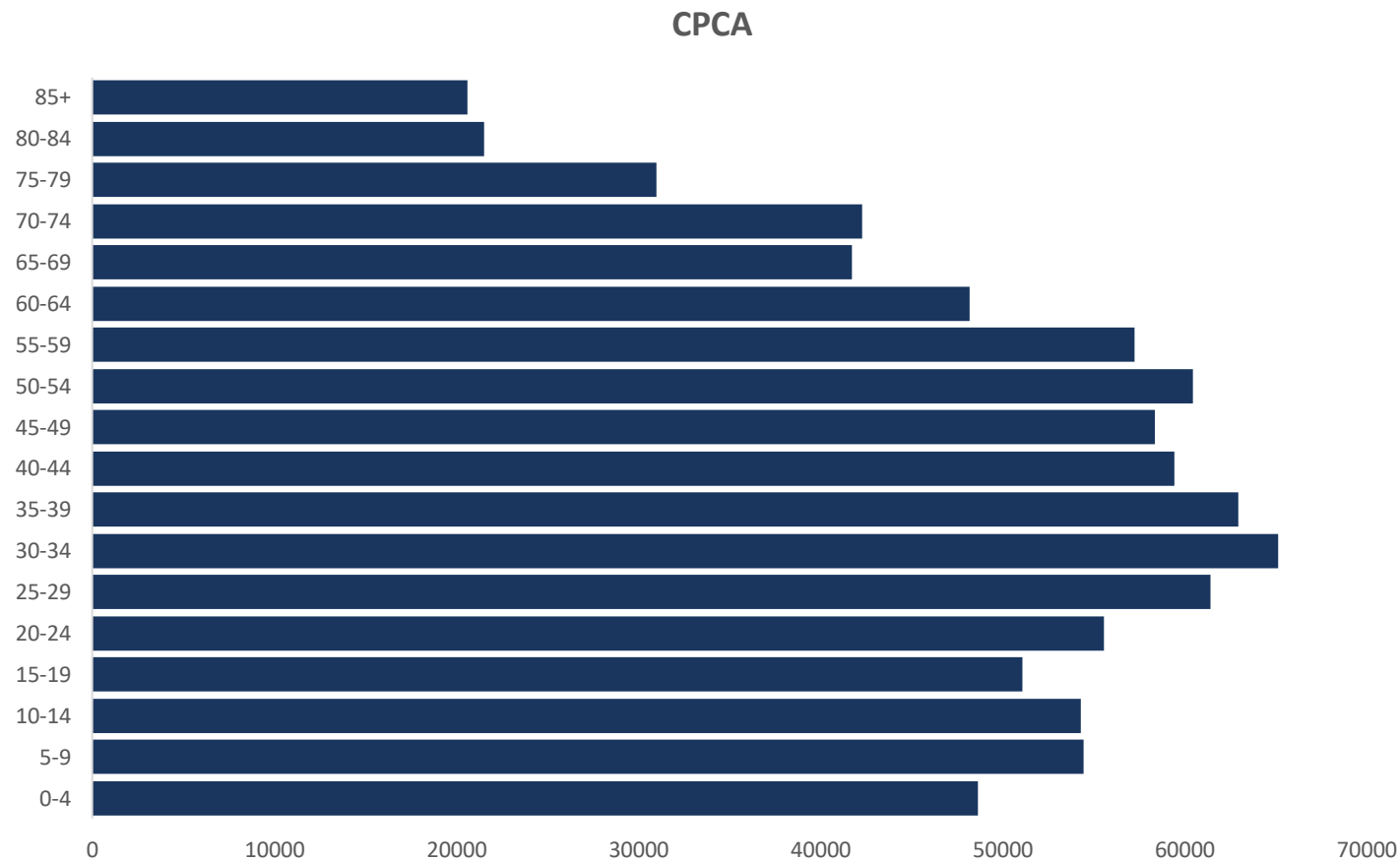
# Internal Migration



Source: ONS. Internal migration: by local authority and region, five-year age group and sex

- Internal migration, which covers movement within the UK, was negative between 2016 and 2020; more people left CPCA to go to other parts of the UK than moved to the area from other parts of the country.
- This was driven by large negative net migration in Cambridge and Peterborough, the other four districts had positive net migration (or, in the case of Fenland, it was effectively zero).

# Population Breakdown

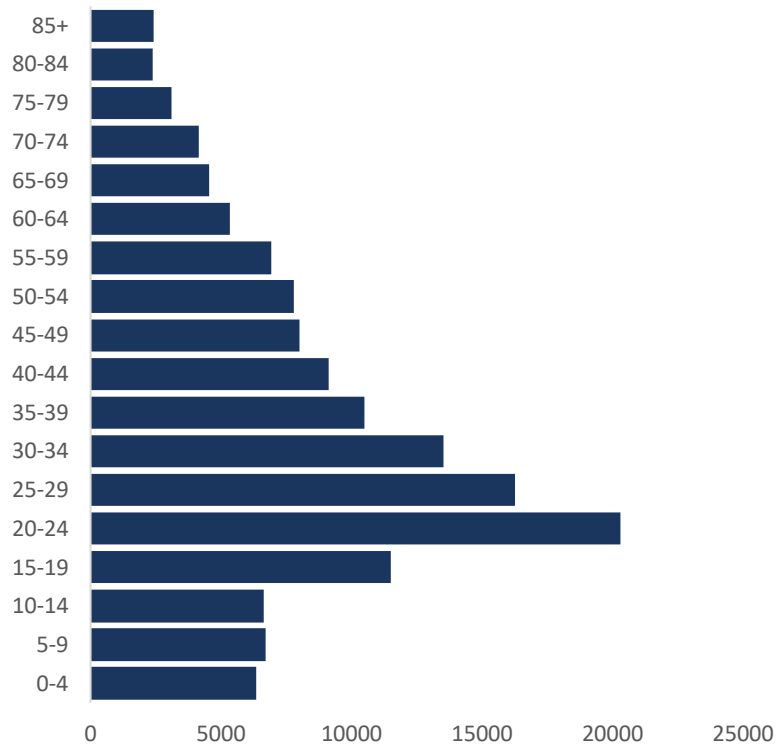


Source: ONS. Census 2021.

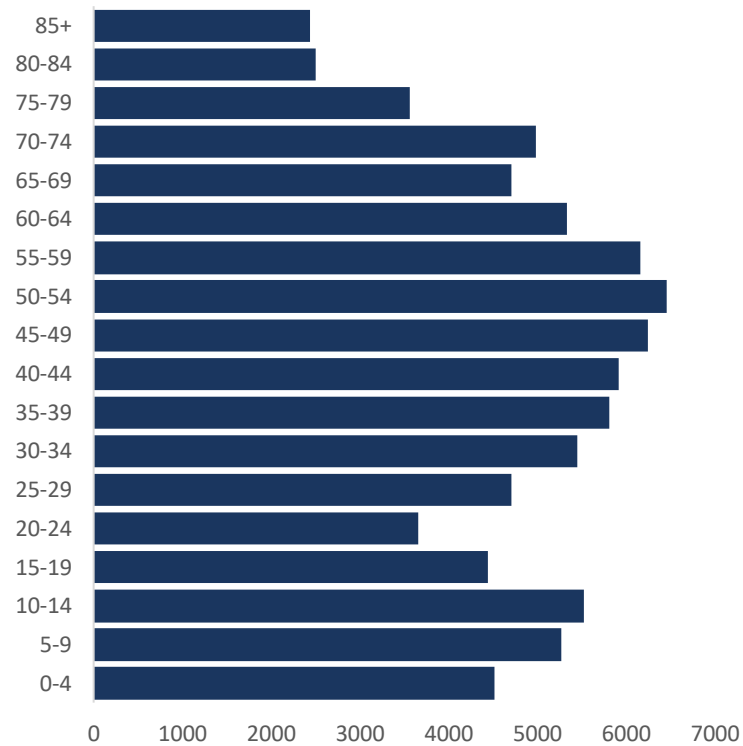
- The population pyramid on the left shows the population of CPCA according to the 2021 census. In 2021 CPCA's total population was 894,519, of which 579,965 (64.8%) were aged between 16 and 64.
- The share of population who are of working age was similar to the national level; 64.2% of England's population fall into this category.
- The following two slides show the population of each district, particular attention should be paid to the axis labels which vary by district.

# District Population Pyramids

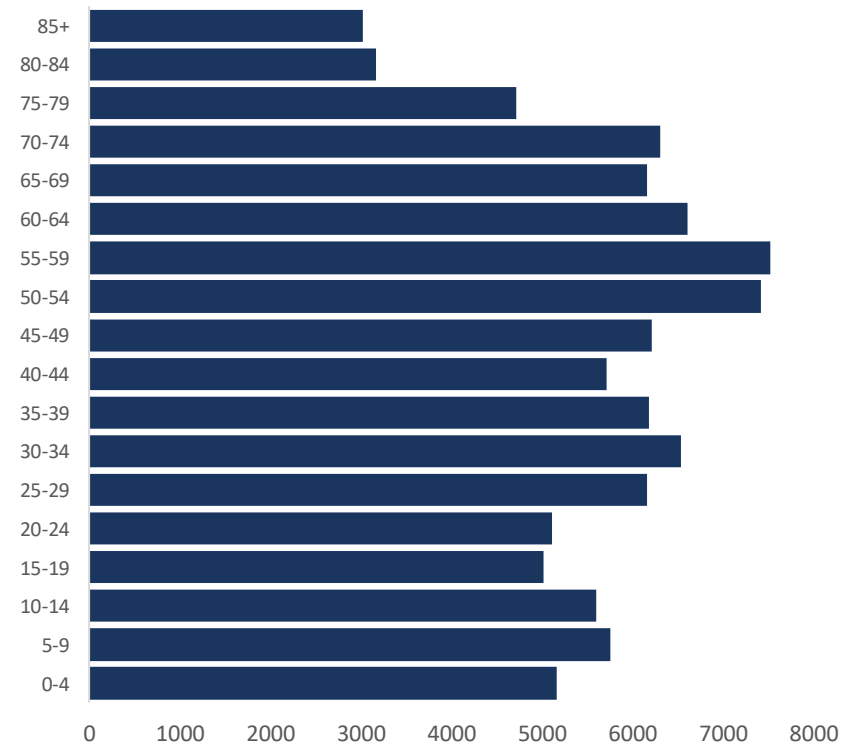
Cambridge



East Cambridgeshire



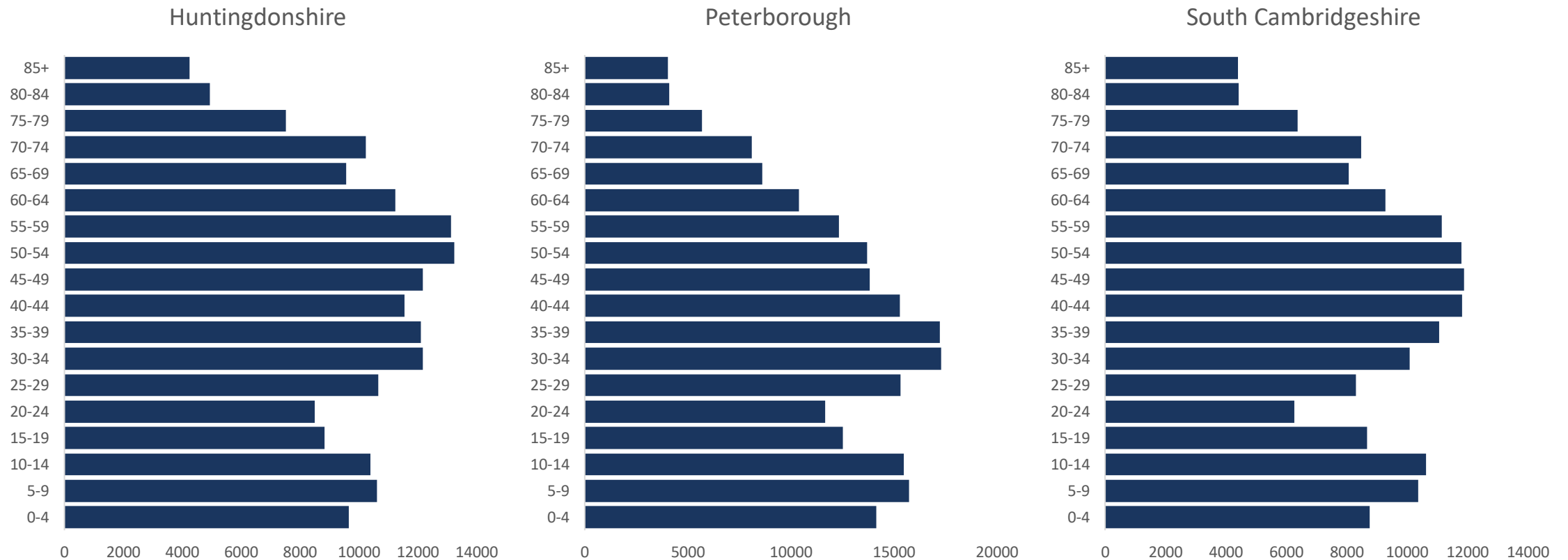
Fenland



Source: ONS. Census 2021.

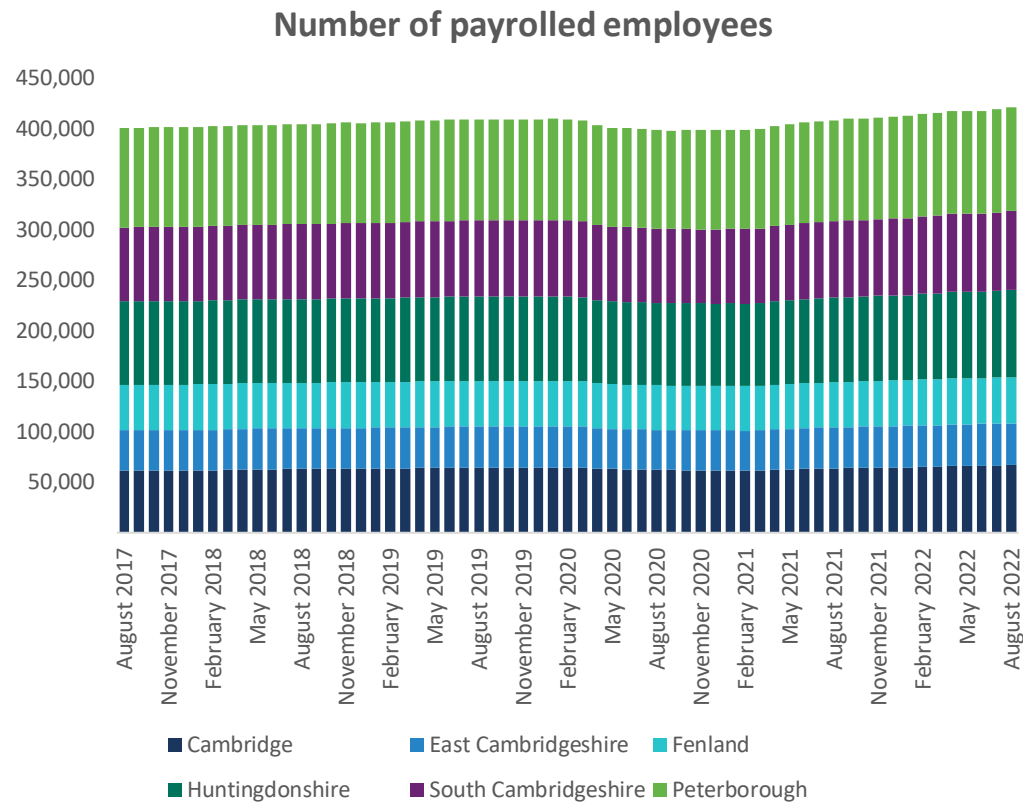


# District Population Pyramids



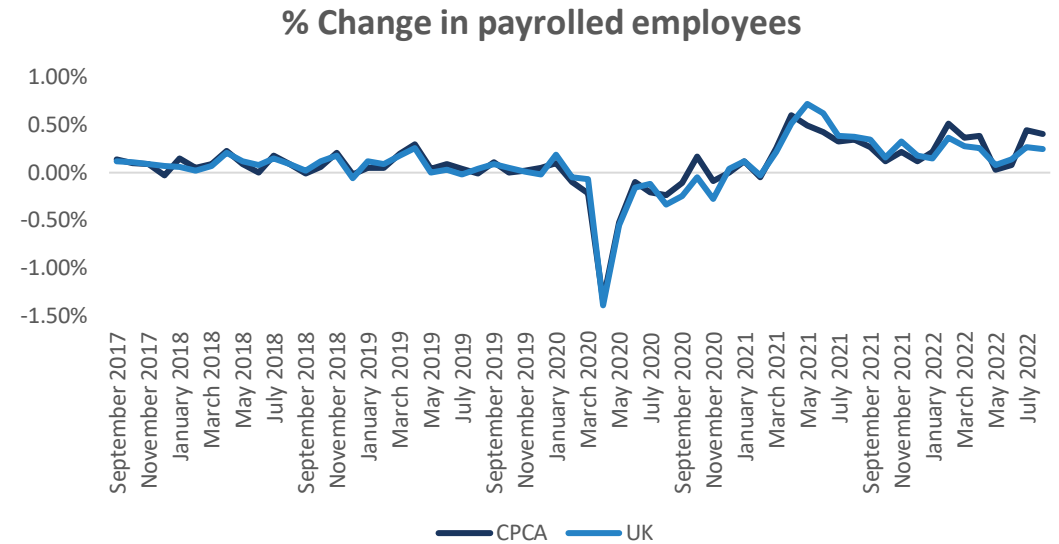
Source: ONS. Census 2021.

# Total Employees

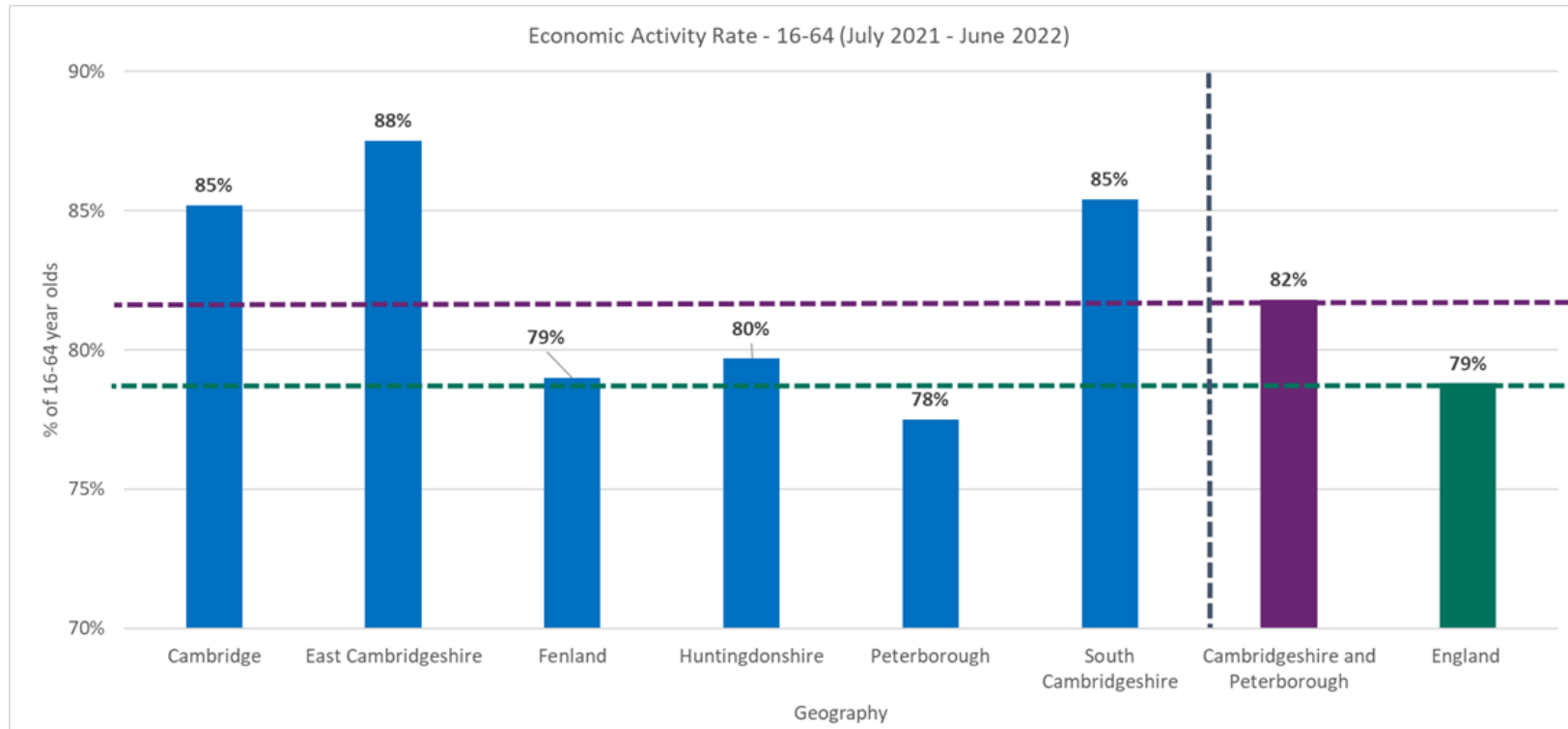


Source: ONS. PAYE Real Time Information. September 2022 release.

- There were 421,496 payrolled employees in CPCA in August 2022, 12,600 (3.1%) more than in August 2019.
- The monthly percentage change in payrolled employees is a volatile measure but has been positive from March 2021 up to August 2022 and CPCA has followed a similar trend to the UK since late 2017.



# Economic activity

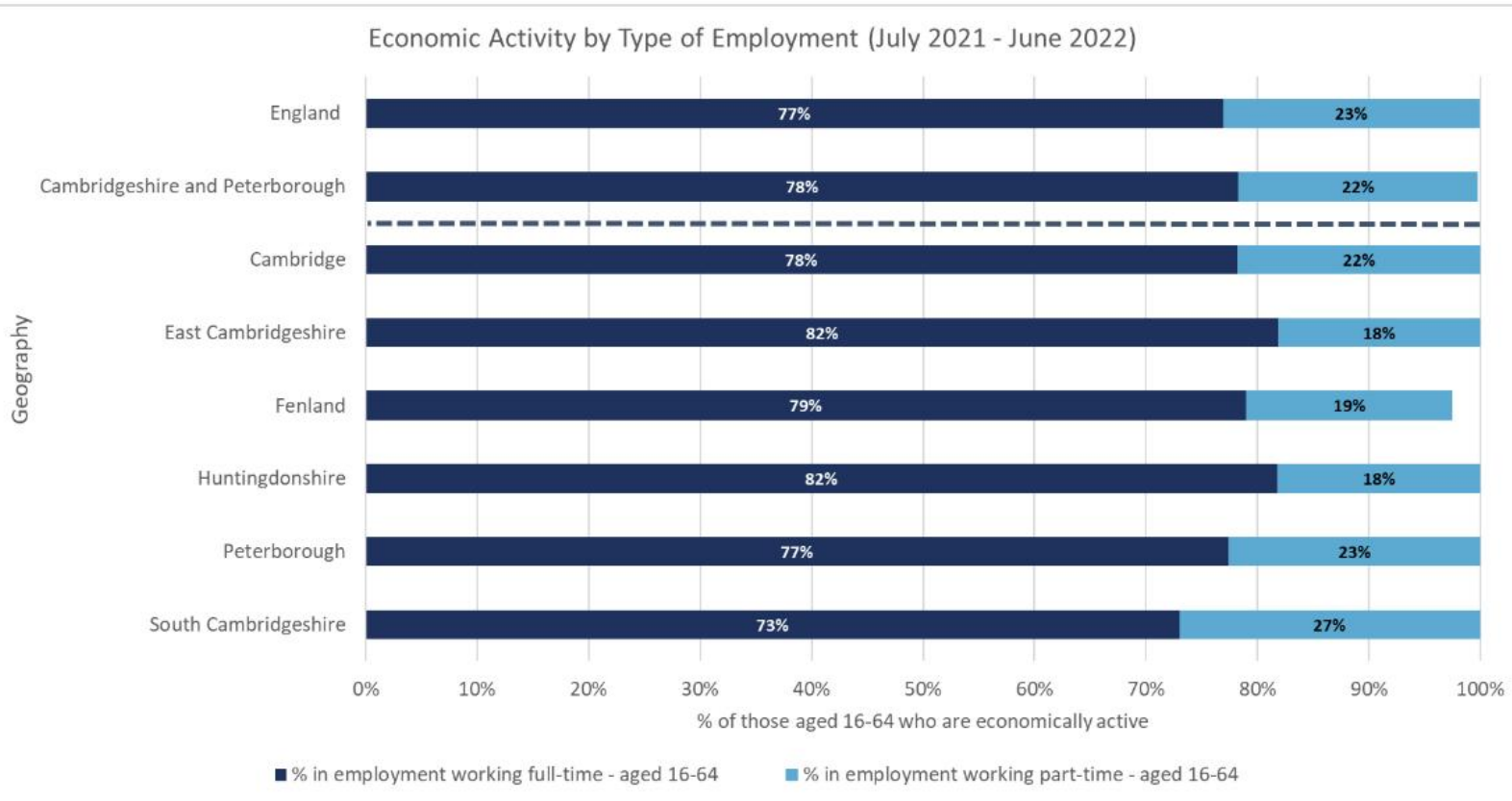


- Cambridgeshire and Peterborough has a larger proportion of the population 'available to work' than the England average.
- Cambridge (85%), East Cambridgeshire (88%) and South Cambridgeshire (85%) all have a higher economic activity rate than Cambridgeshire and Peterborough (82%) and England (79%)
- Peterborough is the only local authority to have an economic activity rate (78%) below both Cambridgeshire and Peterborough (82%) and England (79%)

\*Please note that Annual Population Survey data at local authority level can be unreliable due to small sample sizes. Percentages may not add up to 100% due to rounding

Source – Annual Population Survey (July 2021 – June 2022)

# Economic activity (in employment) by type

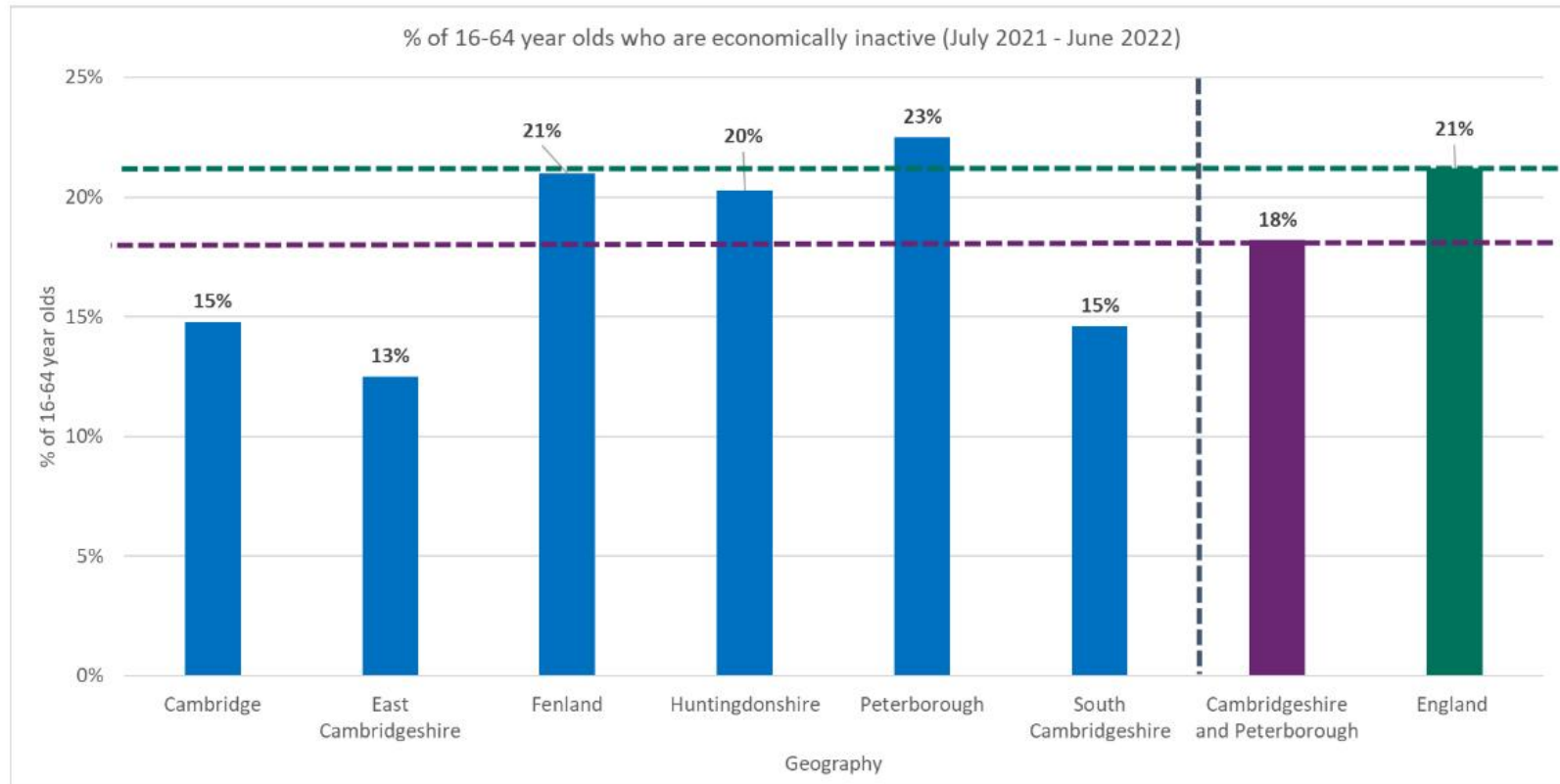


- The majority of those aged 16-64 in employment work full-time.
- Across Cambridgeshire and Peterborough 78% work full time, compared to 77% across England.
- Cambridge, East Cambridgeshire, Fenland and Huntingdonshire all have higher proportions of those in employment working full-time than the England average.
- South Cambridgeshire has the highest proportion of those working part-time (27%), the only district to have a higher proportion working part-time than the England average (23%).

\*Please note that Annual Population Survey data at local authority level can be unreliable due to small sample sizes. Percentages may not add up to 100% due to rounding

Source – Annual Population Survey (July 2021 – June 2022)

# Economic Inactivity



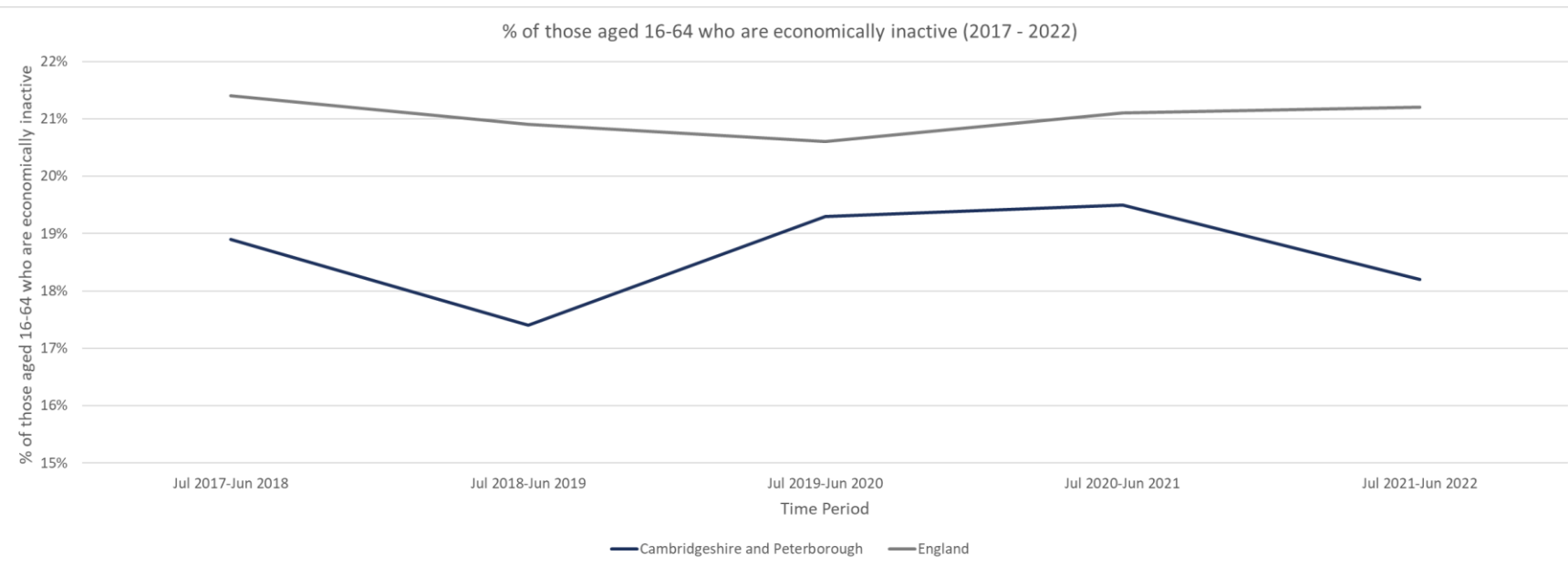
- Cambridgeshire and Peterborough has a lower proportion of the population 'unavailable to work' than the England average.
- 18% of those aged 16-64 in Cambridgeshire and Peterborough are economically inactive. This is lower than the proportion across England as a whole (21%).
- Peterborough is the only local authority with a higher proportion of economically inactive residents (23%) than the England average (21%).
- East Cambridgeshire (13%), Cambridge (15%) and South Cambridgeshire (15%) all have lower proportions of economically inactive residents than the England average (21%).

\*Please note that Annual Population Survey data at local authority level can be unreliable due to small sample sizes. Percentages may not add up to 100% due to rounding

Source – Annual Population Survey (July 2021 – June 2022)



# Economic Inactivity – Over Time



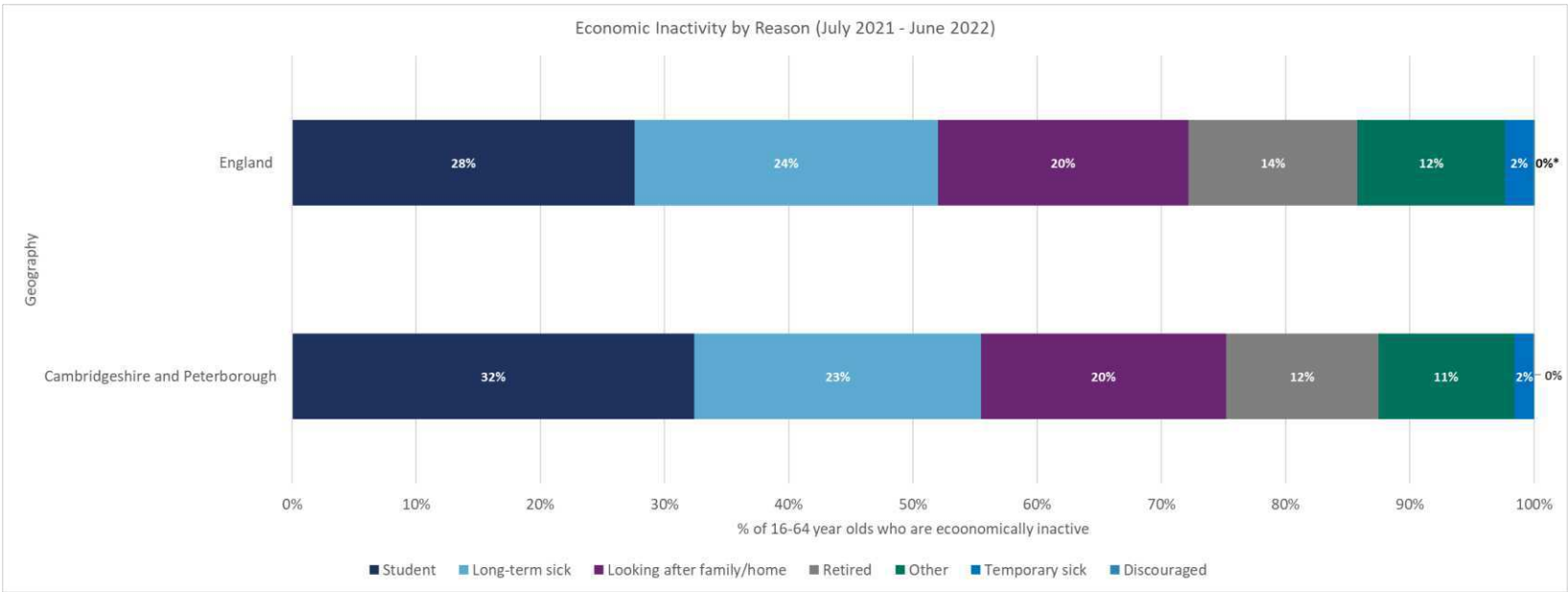
- Although the proportion of the population economically inactive increased during the pandemic, there has been a noticeable decrease in the latest year.
- The percentage of those aged 16-64 who are economically inactive across Cambridgeshire and Peterborough has been consistently below the proportion seen at the England average over the past 5 years.

\*Please note that Annual Population Survey data at local authority level can be unreliable due to small sample sizes. Percentages may not add up to 100% due to rounding

Source – Annual Population Survey (July 2021 – June 2022)

*Note: further analysis in development - economic inactivity by reason at the district level.*

# Economic Inactivity by reason

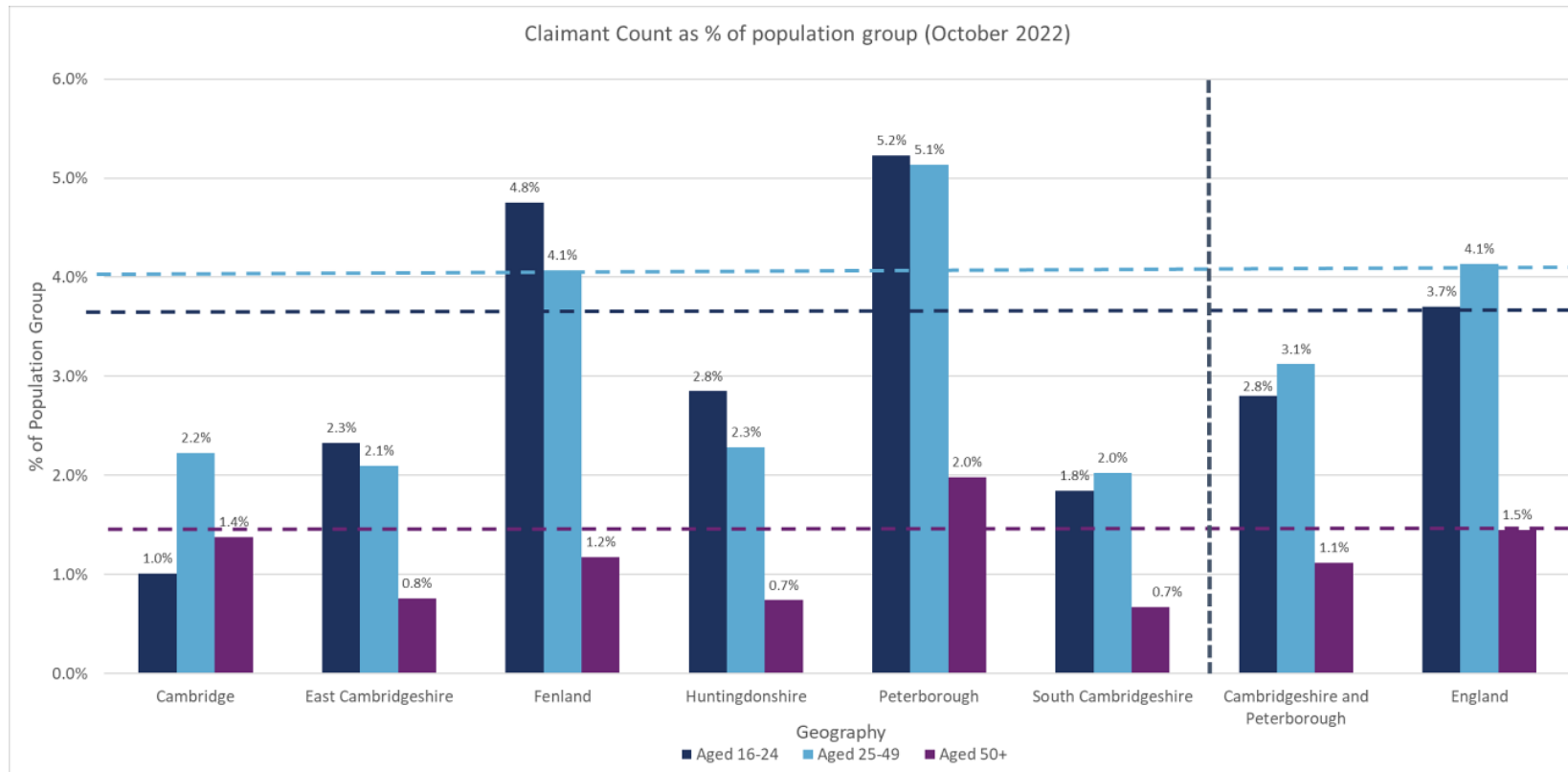


- Across Cambridgeshire and Peterborough the main reason (32%) for economic inactivity is being a student. This proportion is +4pp higher than the England average (28%).
- Cambridgeshire and Peterborough is mainly in line with the England average when looking at the other reasons for economic inactivity.

\*Please note that data is not available for discouraged across Cambridgeshire and Peterborough due to group sample size being zero or disclosive (0-2).

Source – Annual Population Survey (July 2021 – June 2022)

# Claimant count\* by age

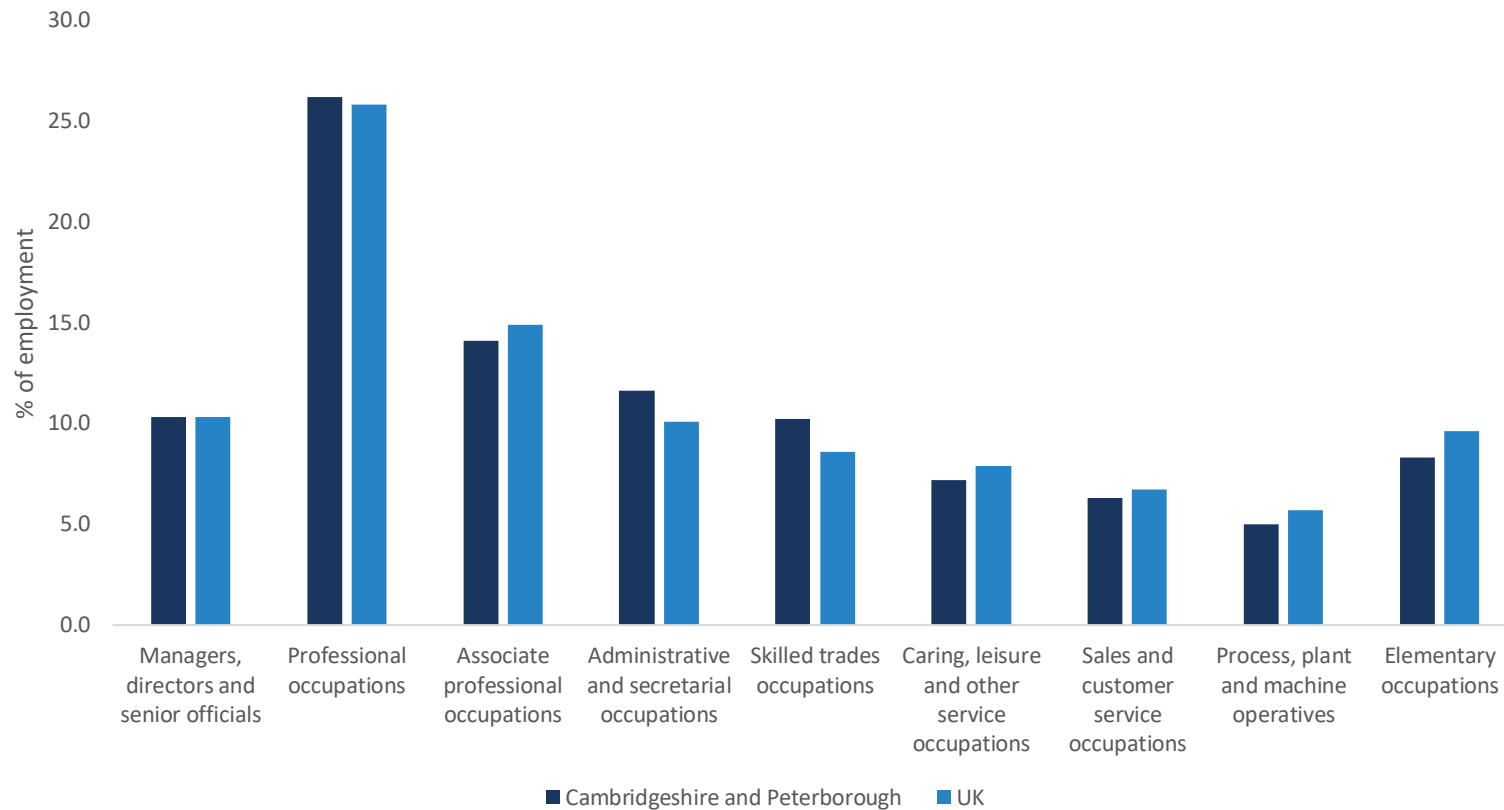


- Peterborough and Fenland have the highest claimant rate across those aged 16-24 and 25-49 with Peterborough having a higher claimant rate than both the Cambridgeshire and Peterborough and England average for these age groups. Fenland has a higher claimant rate than Cambridgeshire and Peterborough for both age groups and England for those aged 16-24 but is in line with England for those aged 25-49

\*the number of people claiming benefits principally for the reason of being unemployed

Source – Claimant Count by Sex and Age, ONS , October 2022 – Accessed via Nomis

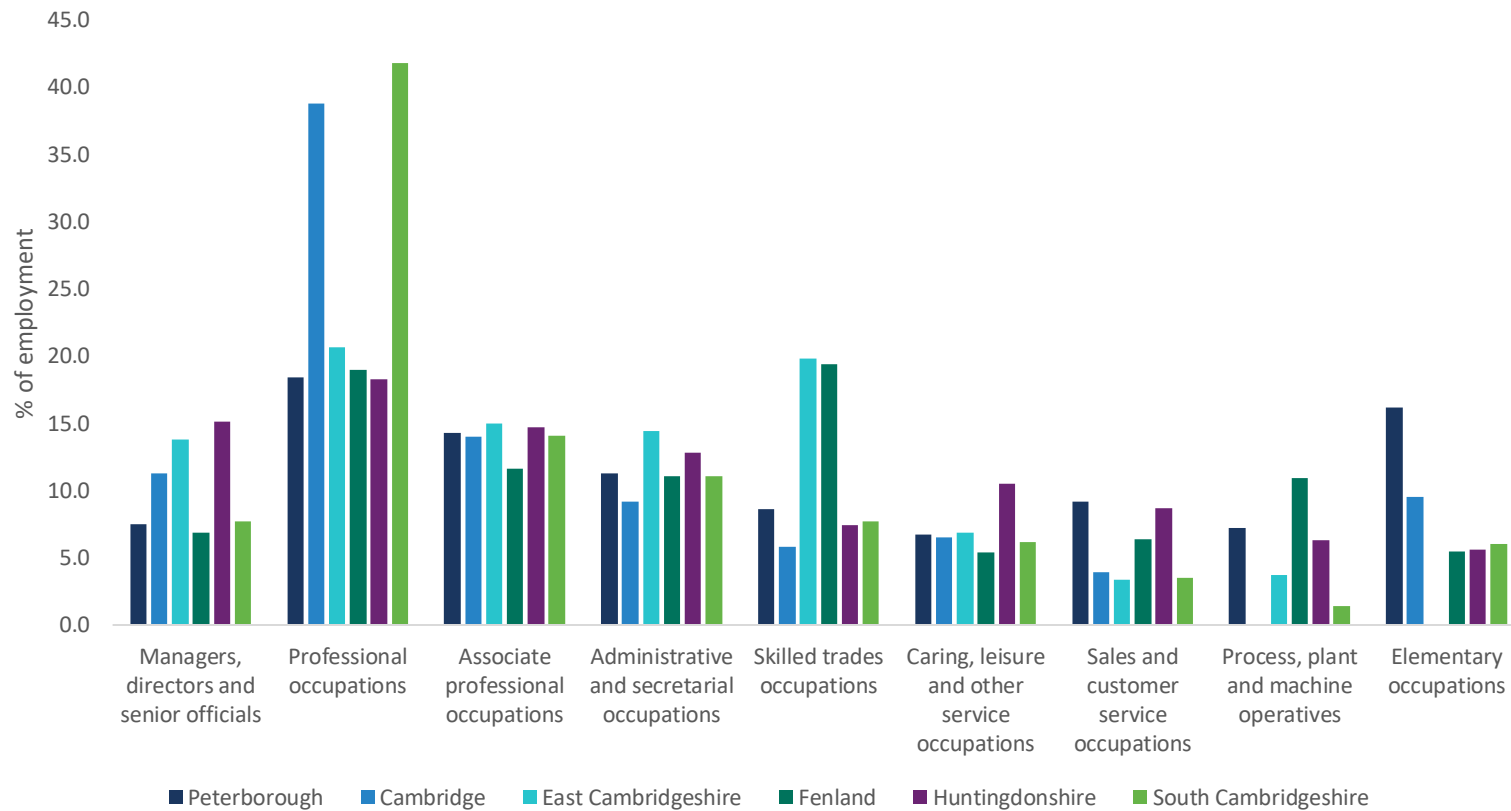
# Employment by occupation



- We do not see large differences in the share of employment in each occupation between CPCA and the UK.
- Compared to the UK, CPCA has a slightly higher share of employment in professional occupations, administrative and secretarial occupations and skilled trades occupations.

Source: ONS. Annual Population Survey. (Jul 2021 – Jun 2022)

# Employment by occupation

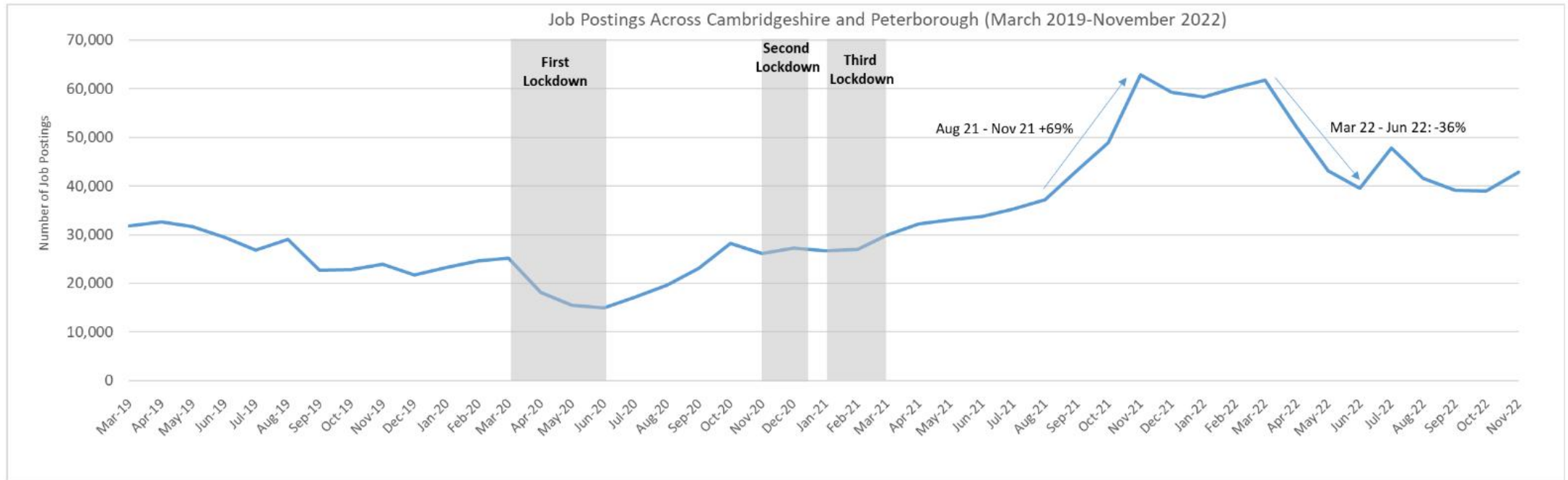


- There is considerable variation between districts.
- Cambridge and Peterborough have very high proportions employed in professional occupations compared to the other districts (and the UK average of 25.8%).
- Skilled trade occupations make up a large share of employment in East Cambridgeshire and Fenland at 19.8 and 19.4% respectively compared to 8.6% nationally.

Source: ONS. Annual Population Survey. (Jul 2021 – Jun 2022)



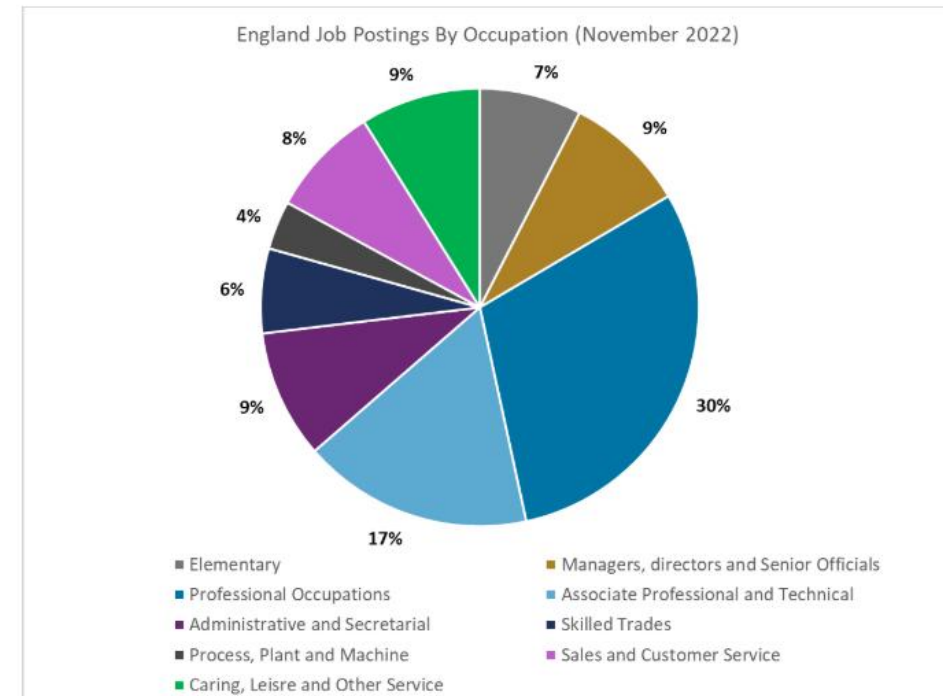
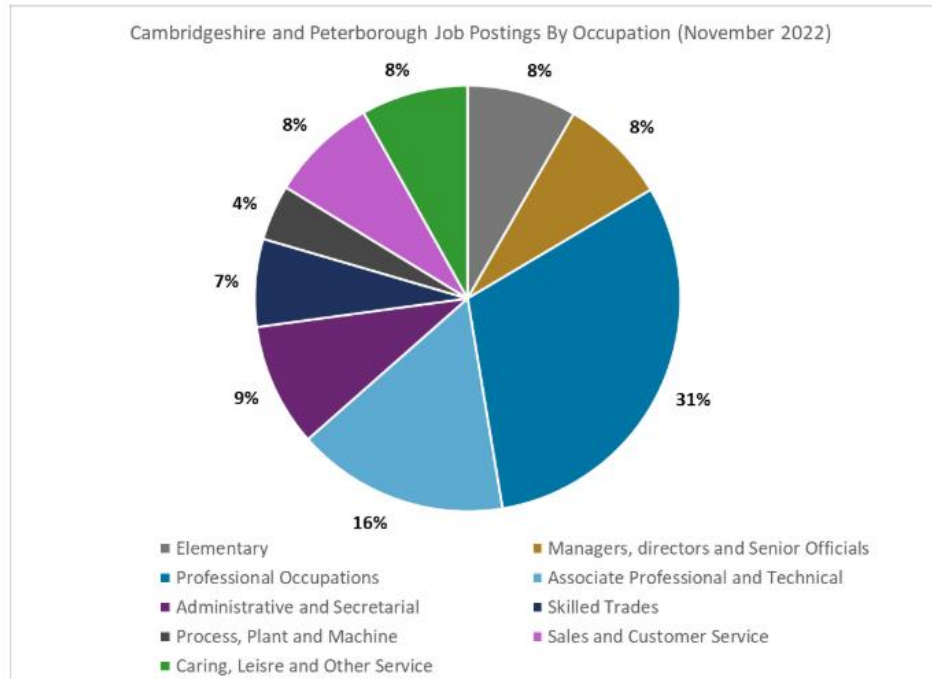
# Jobs vacancies trends



- ▶ The number of vacancies increased in the latter half of 2021, with November 2021 seeing the highest number of vacancies in the past decade (62,858).
- ▶ In November 2022, there were 42,814 vacancies across Cambridgeshire and Peterborough.

Source – Lightcast

# Jobs vacancies by occupation



- Across Cambridgeshire and Peterborough the majority of job postings in November 2022 were for Professional Occupations (31%), this is a slightly higher proportion than the England average (30%).
- Job postings by occupation across Cambridgeshire and Peterborough are generally in line with what is seen across England suggesting similar skills needs.

Source – Lightcast

# Jobs vacancies by sector

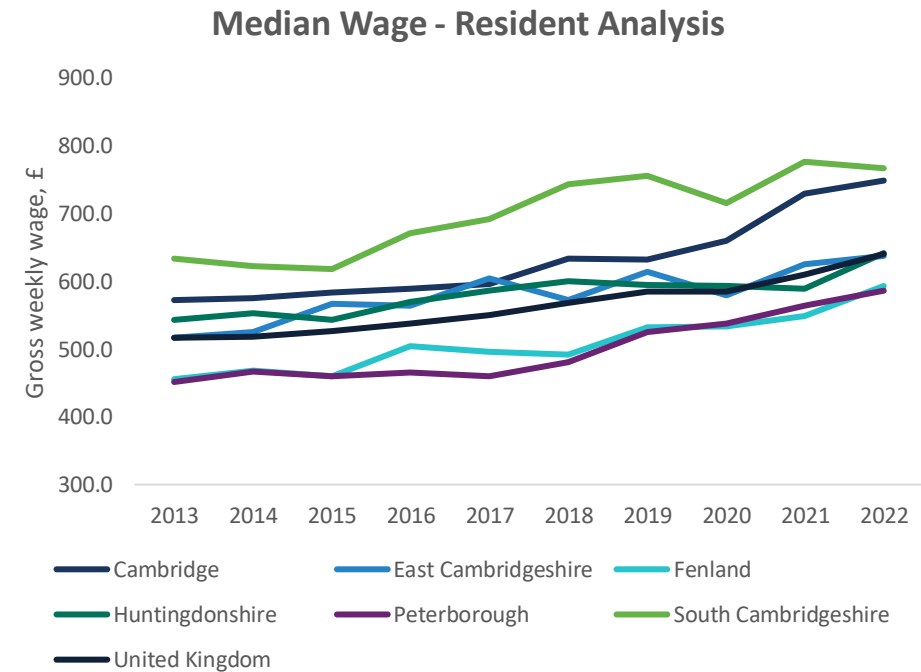
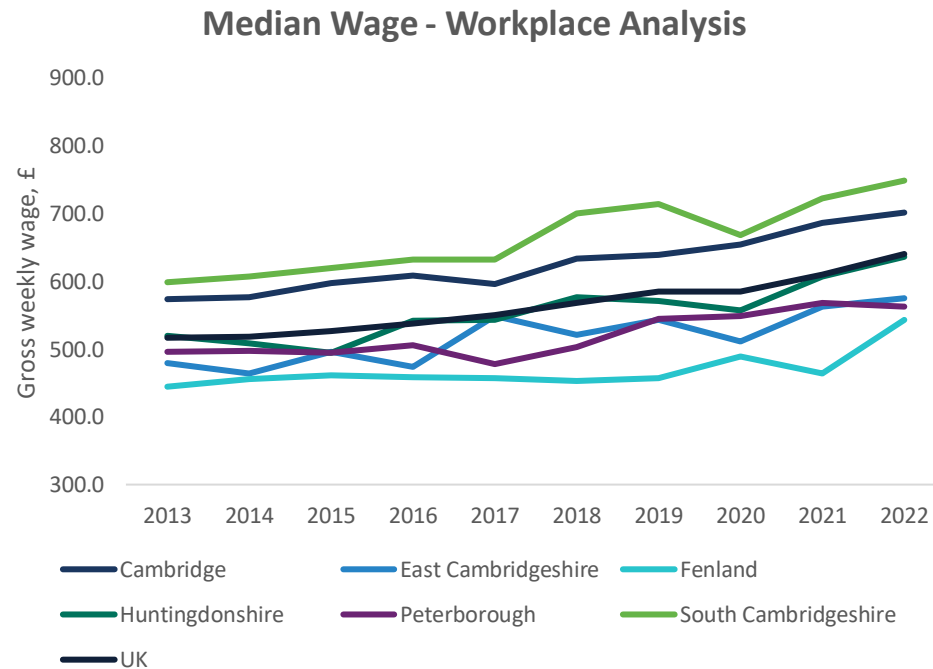
INDUSTRY	Cambridgeshire and Peterborough		England	
	% of Total Job Postings (November 2022)	Raw Number Change from November 2021 to November 2022	% of Total Job Postings (November 2022)	Raw Number Change from November 2021 to November 2022
ACCOMMODATION AND FOOD SERVICE ACTIVITIES	4.9%	↓	4.8%	↓
ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	9.3%	↓	9.3%	↓
AGRICULTURE, FORESTRY AND FISHING	0.2%	↓	0.1%	↓
ARTS, ENTERTAINMENT AND RECREATION	3.8%	↓	3.9%	↓
CONSTRUCTION	4.1%	↓	3.9%	↓
EDUCATION	5.4%	↓	6.7%	↓
FINANCIAL AND INSURANCE ACTIVITIES	3.1%	↓	4.2%	↓
HUMAN HEALTH AND SOCIAL WORK ACTIVITIES	12.3%	↓	13.2%	↓
INFORMATION AND COMMUNICATION	11.9%	↓	10.7%	↓
MANUFACTURING	7.1%	↓	5.6%	↓
MINING AND QUARRYING	3.9%	↓	3.1%	↓
OTHER SERVICE ACTIVITIES	0.4%	↓	0.3%	↓
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	5.8%	↓	7.6%	↓
PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	1.0%	↓	1.0%	↓
REAL ESTATE ACTIVITIES	1.3%	↓	1.3%	↓
TRANSPORTATION AND STORAGE	4.5%	↓	4.7%	↓
WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	3.6%	↓	3.5%	↓

- Vacancies across all sectors have fallen over the past year and are below the levels seen in November 2021. However, it is important to note that November 2021 saw the highest level of vacancies for the past ten years.
- The sectors which account for the largest proportions of job postings are: Human Health and Social Work 5,269 (12.3%) and Information and Communication 5,100 (11.9%). These are the same two sectors which have the largest proportions nationally.

Source – Lightcast

# Workplace and resident median wages

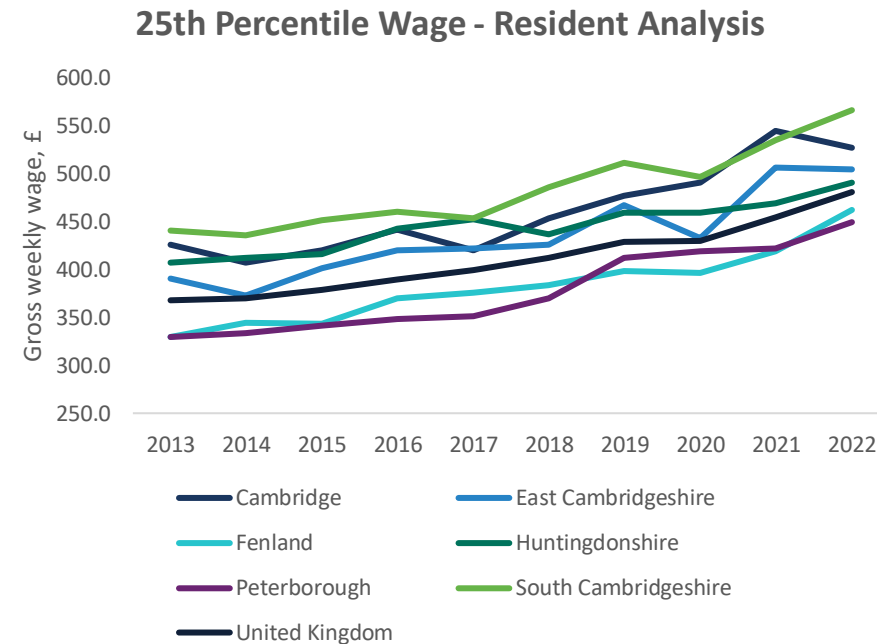
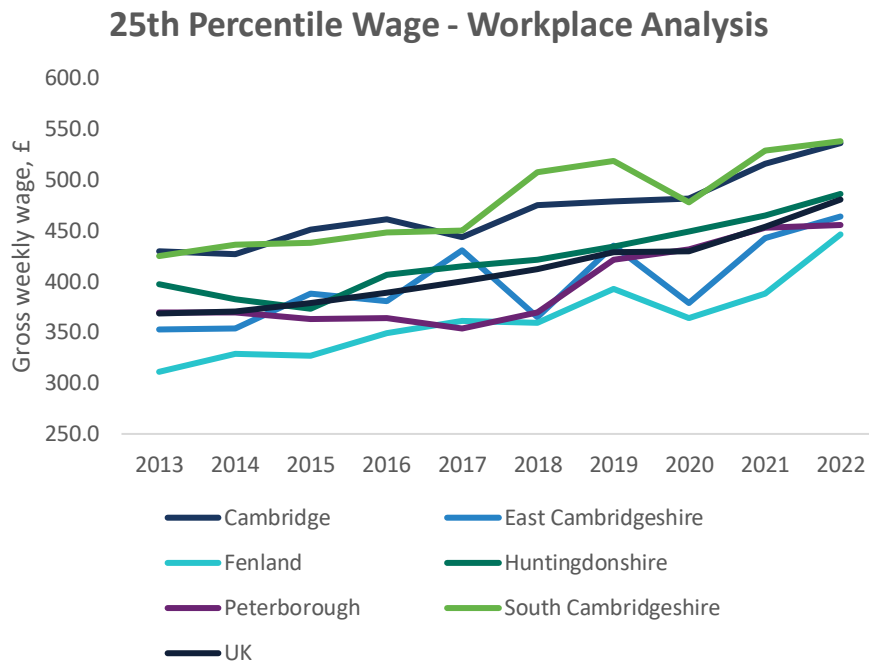
- In 2022 the median wage for those working in South Cambridgeshire was over £100 higher than the UK median of £640, for residents of the district difference was larger.
- The median resident wage tends to be slightly higher than that of the the median worker.
- In Peterborough, Fenland and East Cambridgeshire the median worker is paid less than nationally.



Source: ONS. Annual Population Survey. (Jul 2021 – Jun 2022)

# Workplace and resident wages

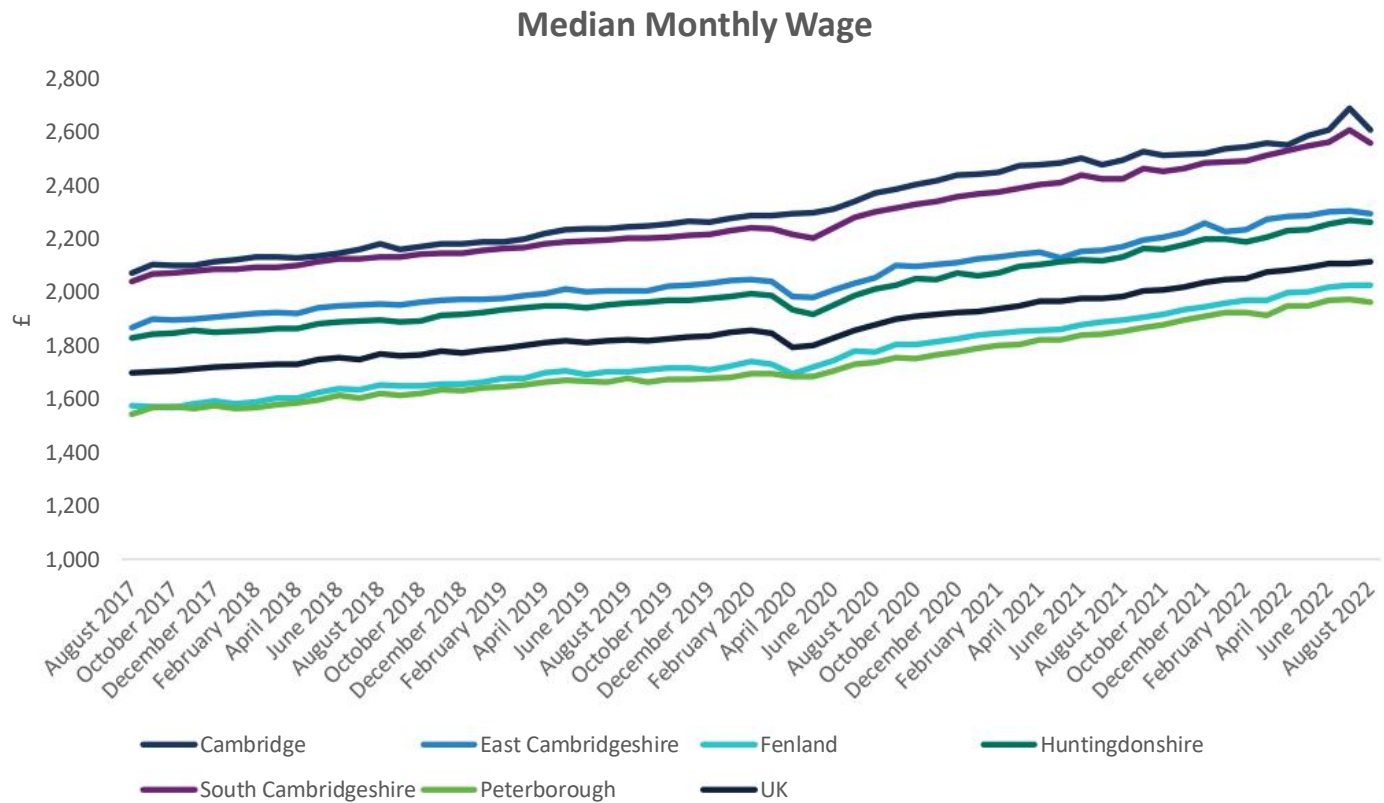
- The 25<sup>th</sup> percentile weekly wage for those working in CPCA's districts is above the national level of £480 in South Cambridgeshire, Huntingdonshire and Cambridge. For the areas' residents East Cambridgeshire is also above the national level.
- In each of the districts apart from Peterborough the resident wage is slightly higher than the workplace analysis, likely driven by low-paid residents working in other districts where wages are higher.
- Though there is noise present in this data the overall trend in the 25<sup>th</sup> percentile wage has been positive across the last 10 years for residents and workers in these districts.



Source: ONS. Annual Population Survey. (Jul 2021 – Jun 2022)



# Median wages – real time PAYE data



- The median monthly wage is above the UK median in four of CPCA’s districts. Peterborough and Fenland have a median wage below the UK median.
- Wages fell briefly in the first half of 2020 but returned to steady growth.
- Rising inflation does not appear to have led to accelerated median wage growth as of August 2022 .

Source: ONS. PAYE Real Time Information. September 2022 release.

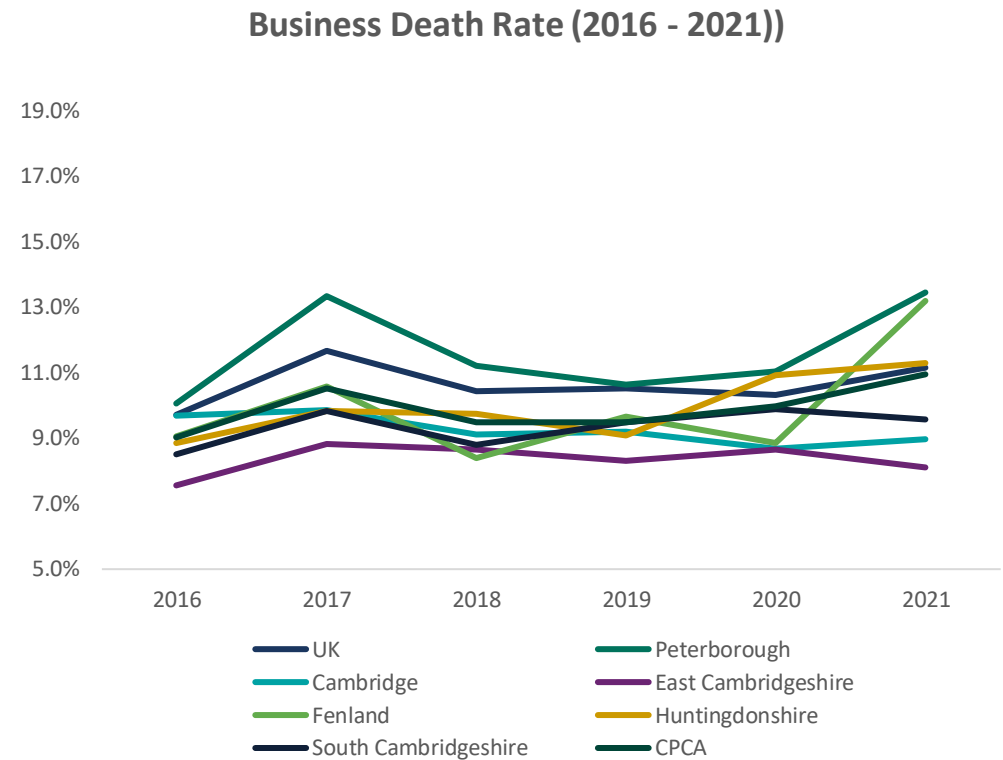
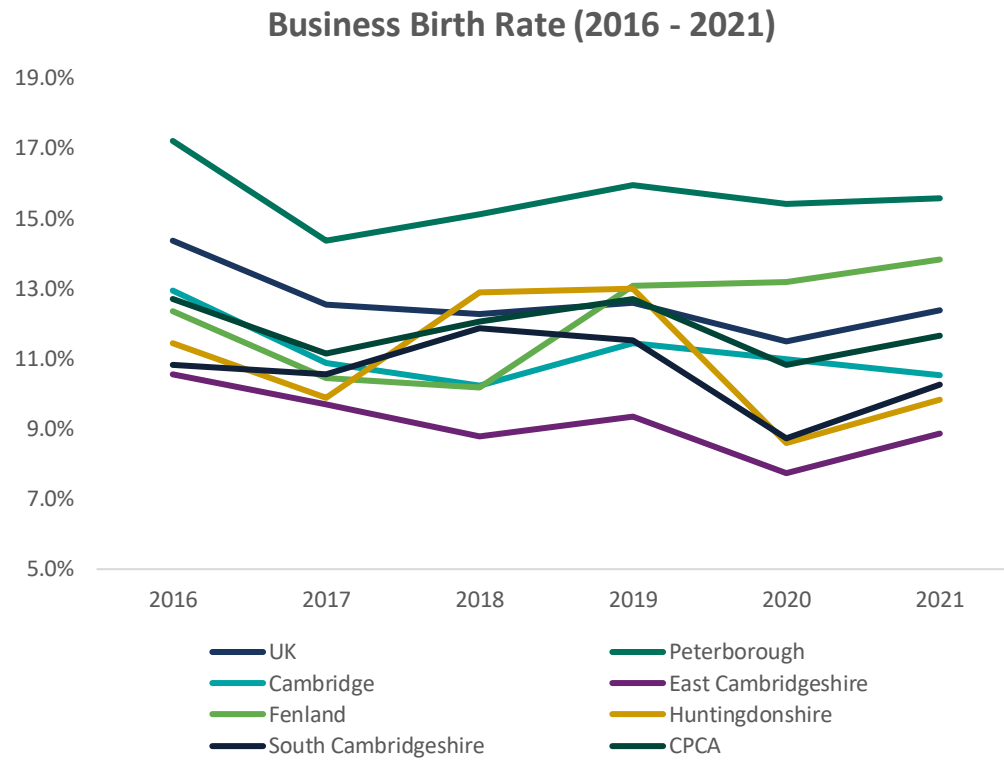


# Business Conditions and Performance

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# Business Birth and Death Rates

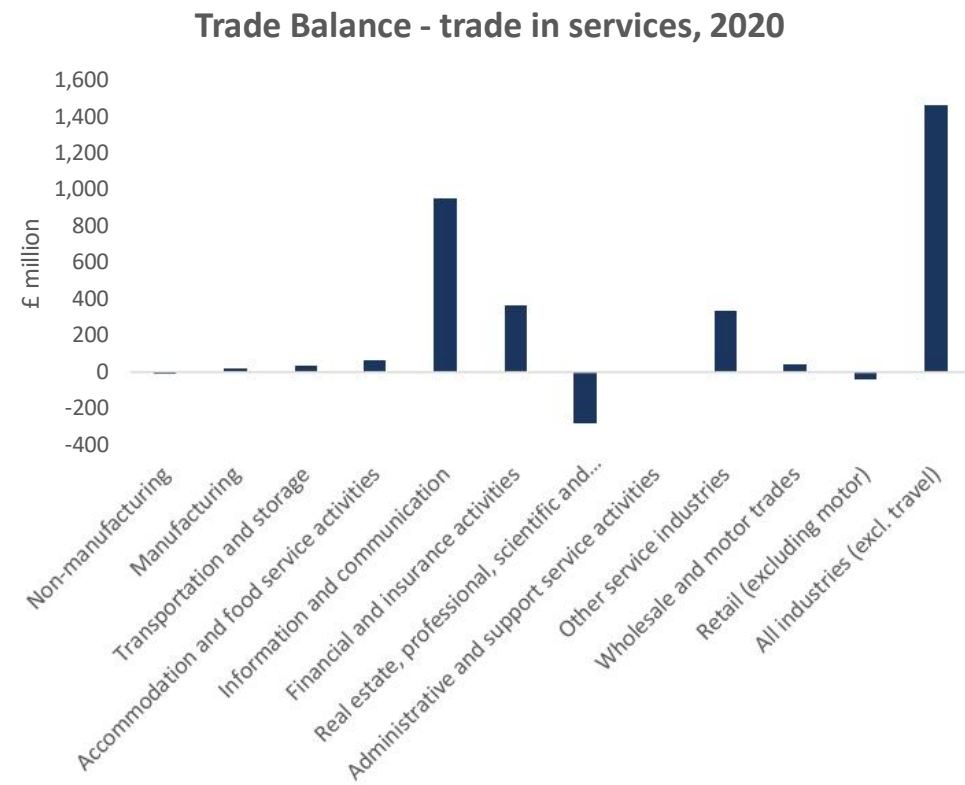
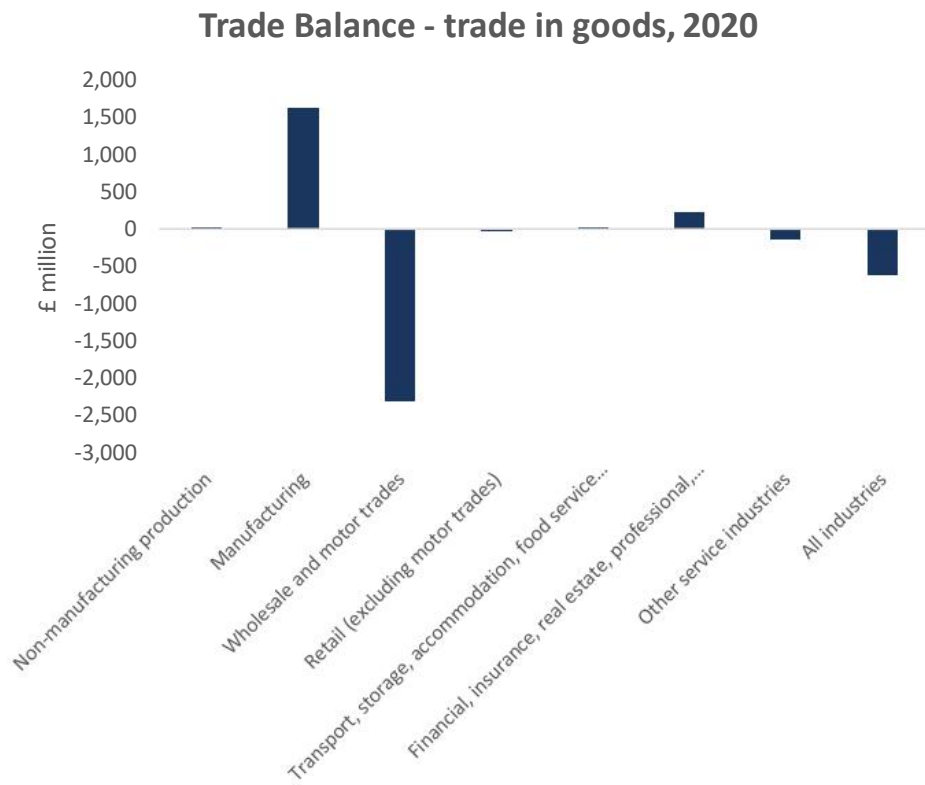
- Business birth rates for CPCA were slightly higher than the UK average, with a lot of variation between districts. The highest birth rate was 15.6% in Peterborough while the lowest was East Cambridgeshire, at 8.9%.
- Business death rates for CPCA were the same as nationally at 11%, with the highest business death rates coming in Peterborough and Fenland.



Source: ONS. Business Demography, UK: 2021.

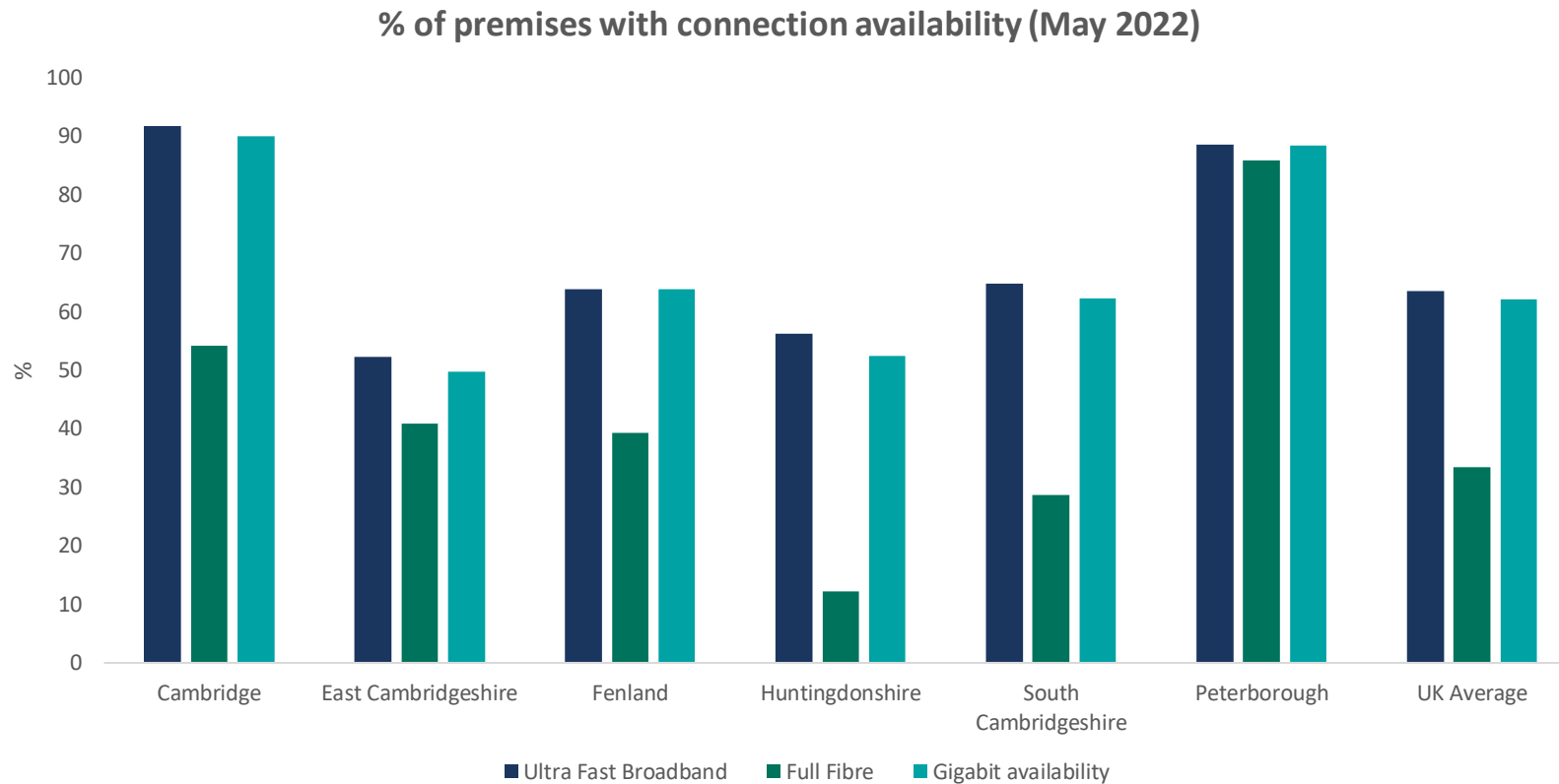
# Trade Balance by Sector (2020)

- In the most recent trade data CPCA had an overall trade surplus driven by services, where exports exceed imports by over £1.4bn. The main components of this surplus were ICT, finance and insurance and other services.
- CPCA had a negative trade balance for goods across all industries but the manufacturing industry in the area had a trade surplus of over £1.6bn.



Source: ONS. Subnational Trade in goods & Subnational trade in services

# Digital Connectivity – availability



- The chart on the left shows the percentage of premises in each district with an available connection for; ultra fast broadband, full fibre and gigabit, as of May 2022.
- There is substantial variation in the availability of connections across districts, with some, like Peterborough and Cambridge performing ahead of the national average, while others face greater challenges in enabling digital connectivity.

Source: Ofcom. Connected Nations update: Autumn 2022.

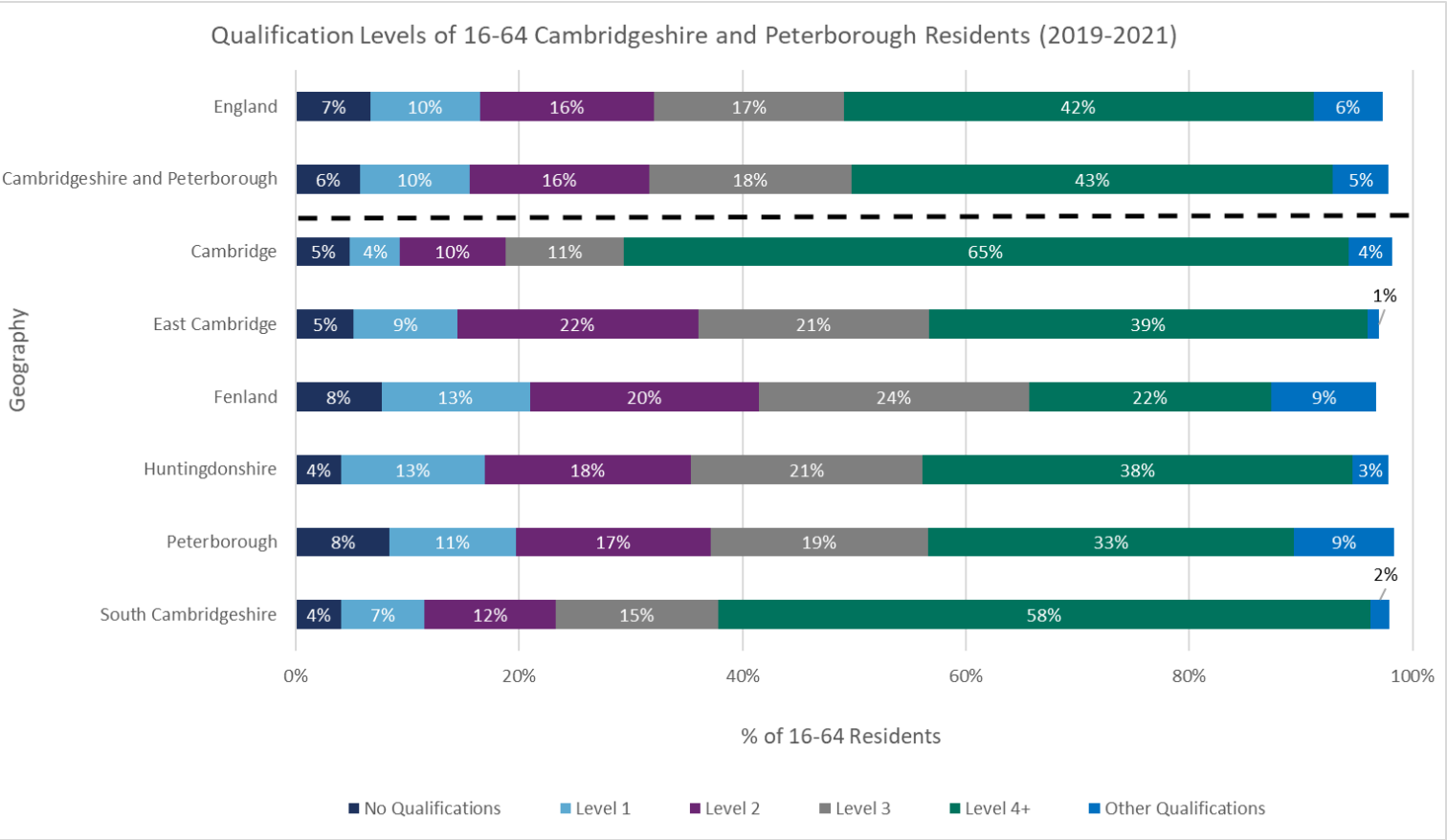




# Skills Supply

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# Qualification Levels



- Across the Cambridgeshire and Peterborough area, the proportion of residents with each qualification level is broadly similar to the England average.
- Both Cambridge (65%) and South Cambridgeshire (58%) have higher proportions of residents with a Level 4+ qualification, compared to the Cambridgeshire and Peterborough area as a whole (43%) and the England average (42%).
- Fenland has a lower skills level overall, with the proportion of residents with no qualifications (8%) and the proportion of residents with higher qualifications level 4 + (22%) lower than the England average.
- This shows a skills gap between the north and south of the Cambridgeshire and Peterborough area.

\*Please note that percentages may not add up to 100% due to rounding

Source – Annual Population Survey (2019 – 2021)



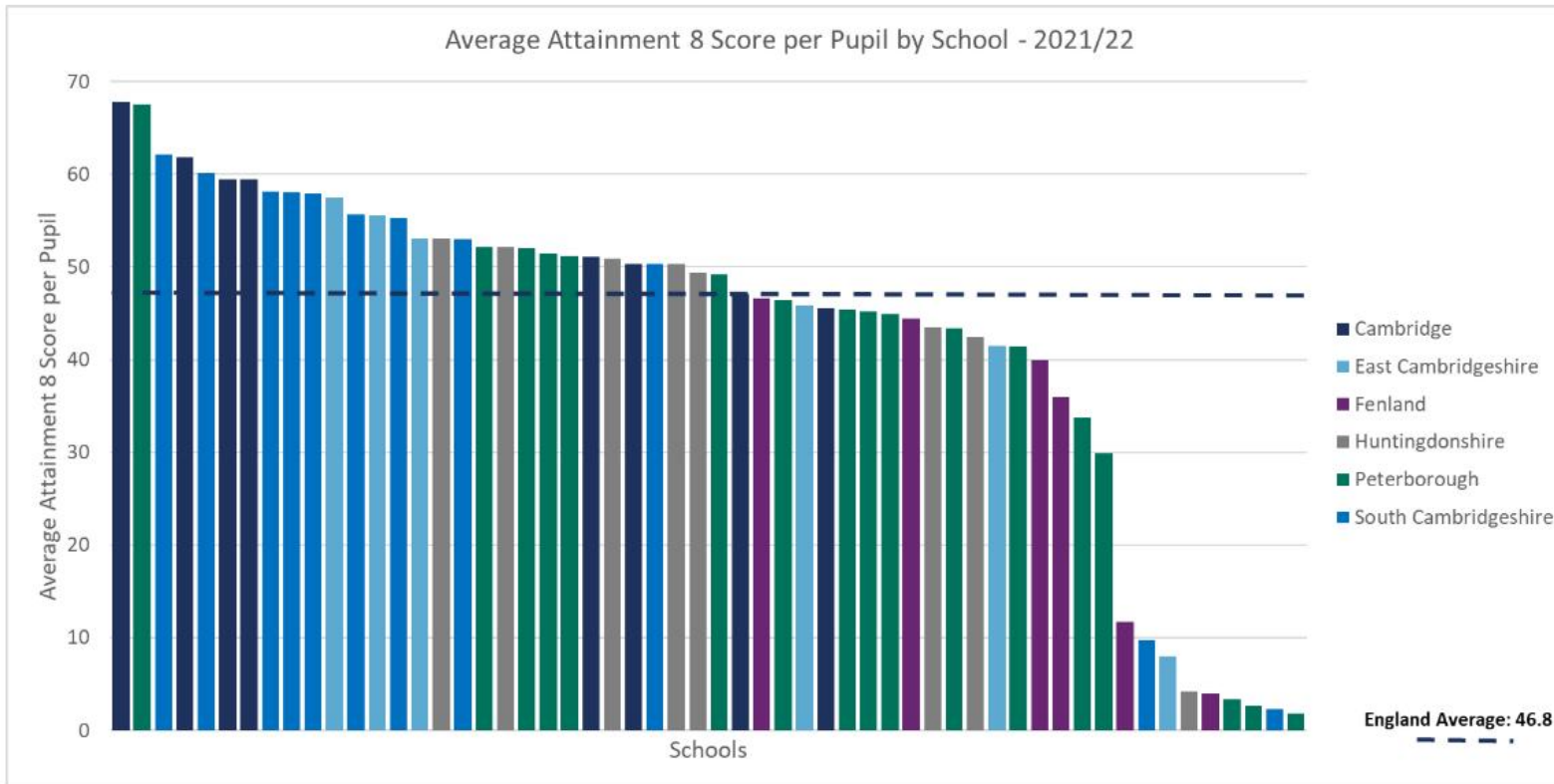
# Education and Training: Achievement Rates

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\*Please note 2018/19 data is the latest available. A 2021/22 update to this data is due in Spring 2023.

**Source – National Achievement Rates, 2019/19, DfE**

# Key Stage 4 Performance



- Schools in Cambridge, on average, have a higher average attainment 8 score per pupil than the schools in Peterborough.
- Across Cambridgeshire and Peterborough 30 schools had a higher average attainment 8 score per pupil than the England average of 46.8. Of these schools, 23% are located in Cambridge.
- All but one of the schools located in Cambridge has a higher attainment 8 score than the England average.
- Of the 26 schools with an average attainment 8 score below the England average, 11 (42%) are located in Peterborough.

Source – Key Stage 4 Results, 2021/22, DfE

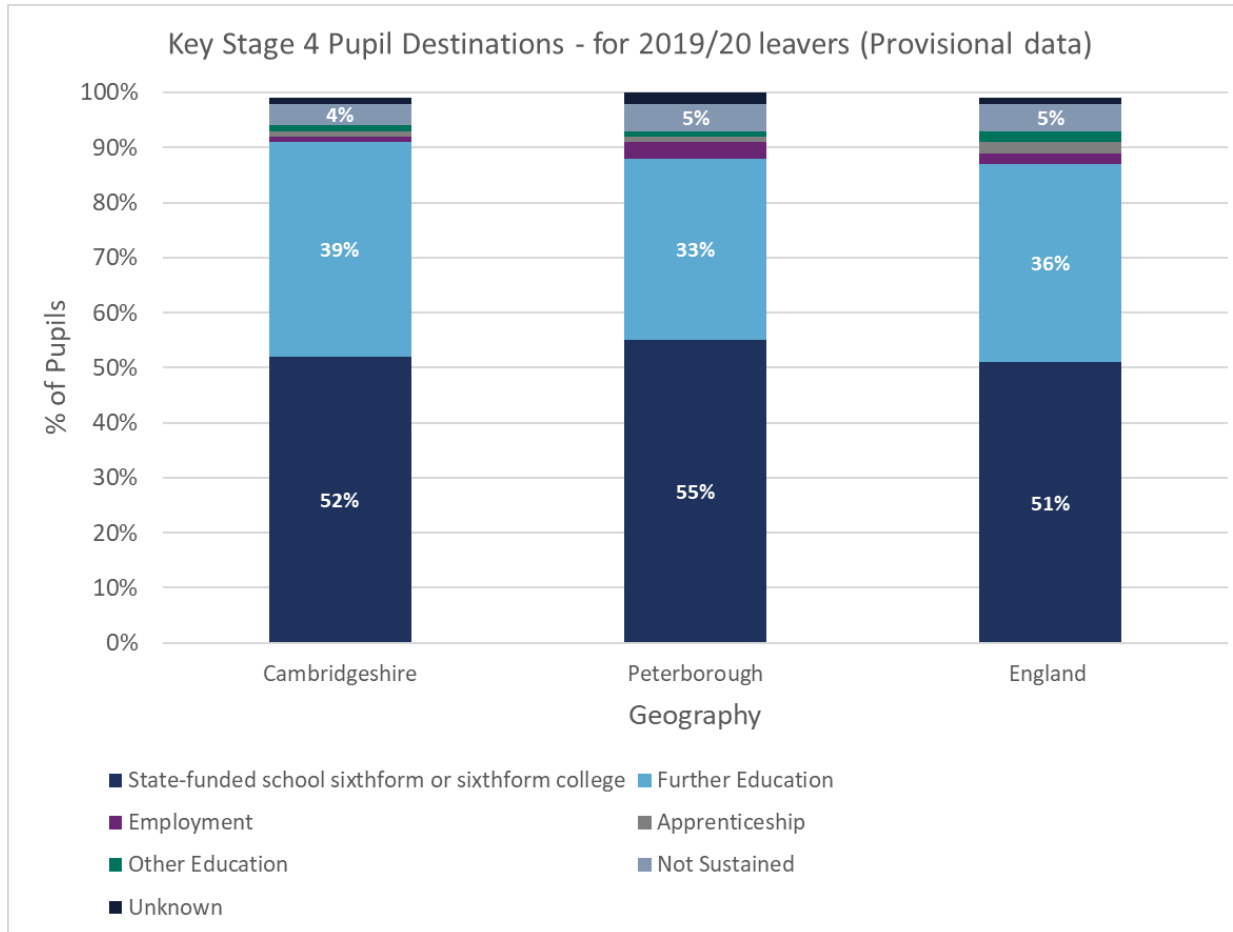
\*Only includes school where Attainment 8 is recorded and publicly available

# Key Stage 5 Performance

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\*Please note 2018/19 data is the latest available. A 2021/22 update to this data is due in Spring 2023.

# Key Stage 4 – Destinations (Provisional)

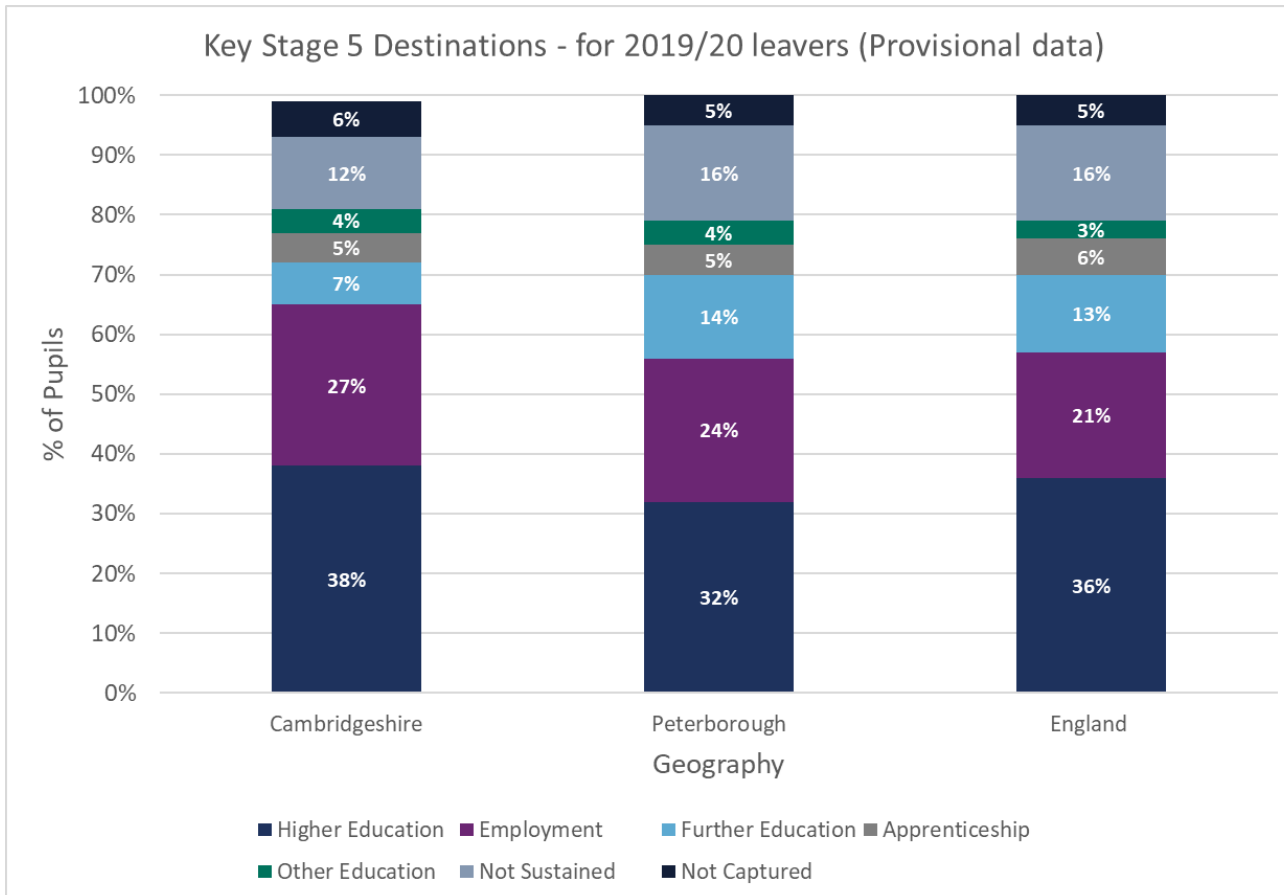


- Across Cambridgeshire, 92% of pupils who left Key Stage 4 went on to education as a destination. This compares to 89% of pupils across Peterborough and 89% across England as a whole.
- Peterborough had a higher proportion of pupils who left Key Stage 4 and went into employment (3%) this is +1pp higher than the England average of 2%. In Cambridgeshire, 1% of pupils went into employment after Key Stage 4.
- Across Cambridgeshire and Peterborough the majority of pupils who left Key Stage 4 in 2019/20 went onto a state-funded school sixthform or sixthform college.

\*Please note that percentages may not add up to 100% due to rounding

Source – Key Stage 4 Destination Measures 2020/21 (for 2019/20 leavers), DfE

# Key Stage 5 – Destinations (Provisional)



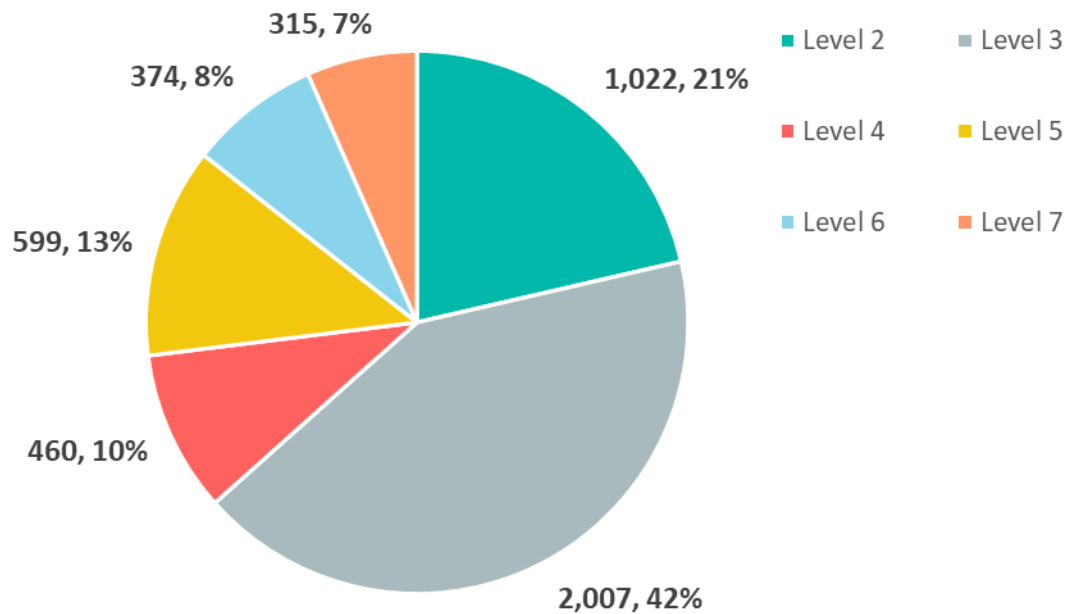
- Higher education was the top destination for pupils after Key Stage 5. Cambridgeshire had a higher proportion of pupils moving on to higher education (38%) compared to the England average (36%). Peterborough saw a lower proportion (32%) than nationally.
- Employment was the next most popular destination with both Cambridgeshire (27%) and Peterborough (24%) seeing higher proportions of students going onto this destination than England (21%).

\*Please note that percentages may not add up to 100% due to rounding

Source – Key Stage 5 Destination Measures 2020/21 (for 2019/20 leavers), DfE

# Apprenticeships - Starts

2021/22 Apprenticeship Starts by Level



- In 2021/22 there were 4,777 Apprenticeships starts delivered in Cambridgeshire and Peterborough.
- This is an +8% increase compared to 2020/21 (from 4,429 to 4,777). Nationally starts increased by +9% when compared to 2020/21.

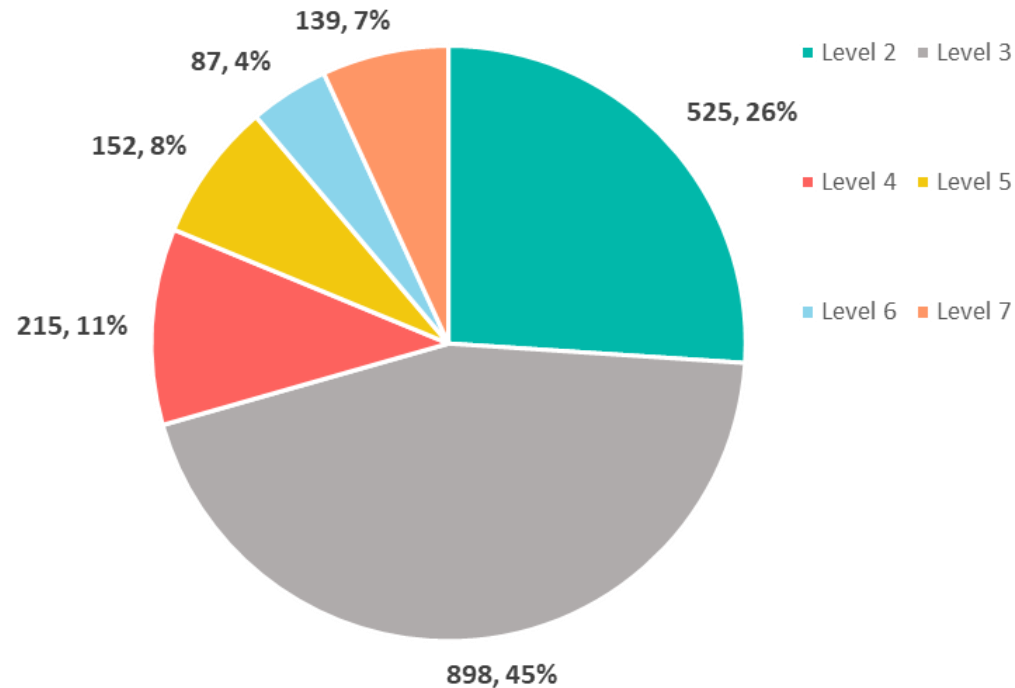
2021/22 Apprenticeship Starts by top 5 Subject Sector Areas

Subject Sector Area	2021/22 Starts (Raw number and % of Total Starts)
Business, Administration and Law	1,401 (29%)
Health, Public Services and Care	1,310 (27%)
Engineering and Manufacturing Technologies	541 (11%)
Retail and Commercial Enterprise	476 (10%)
Agriculture, Horticulture and Animal Care	302 (6%)

Source – Apprenticeships and Traineeships 2021/22, DfE

# Apprenticeships – Achievements

2021/22 Apprenticeship Achievements by Level



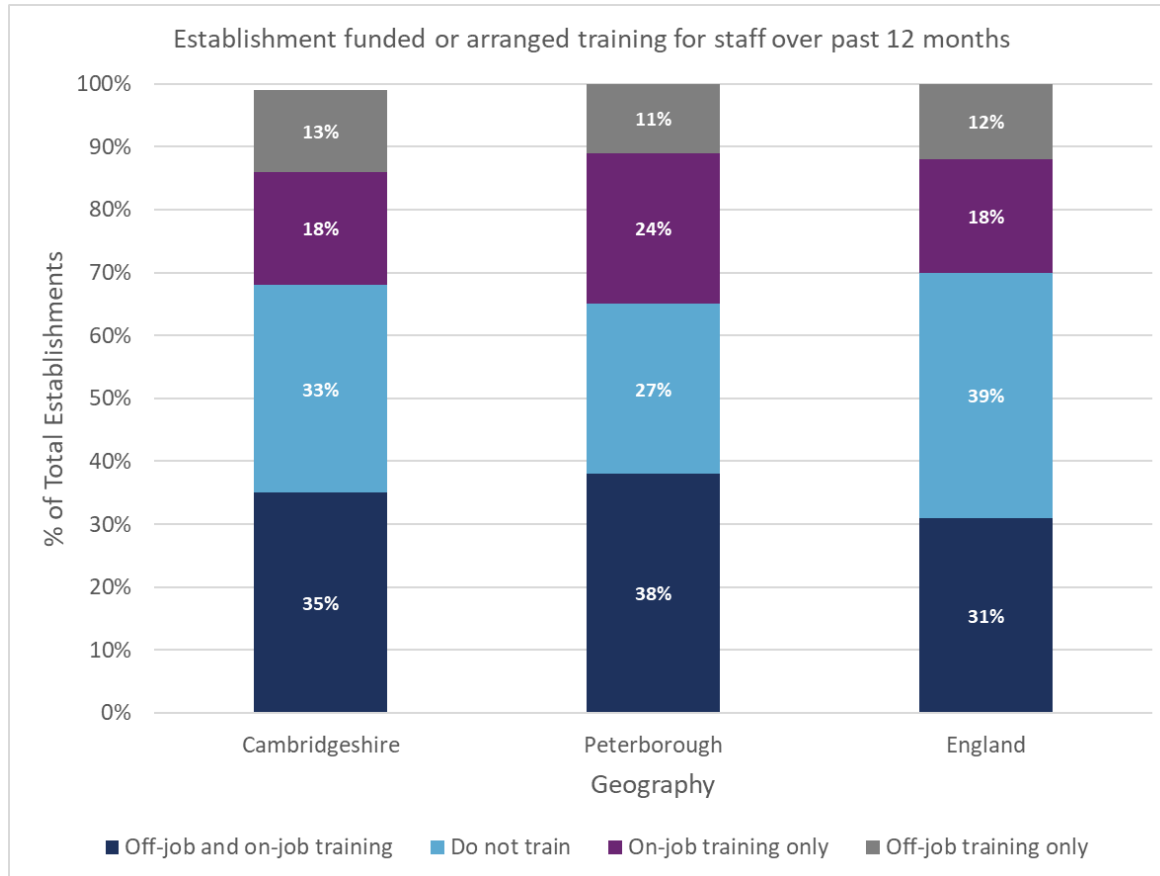
- In 2021/22 there were 2,016 Apprenticeship achievements in Cambridgeshire and Peterborough.
- This is a -11% decrease compared to 2020/21 (from 2,263 to 2,016) Compared to 2019/20 they were +1% up (from 2,004 to 2,016). Nationally achievements decreased by -12% from 2020/21.

2021/22 Apprenticeship Achievements by top 5 Subject Sector Areas	
Subject Sector Area	2021/22 Achievements (Raw number and % of Total Achievements)
Business, Administration and Law	726 (36%)
Health, Public Services and Care	343 (17%)
Engineering and Manufacturing Technologies	335 (17%)
Retail and Commercial Enterprise	229 (11%)
Agriculture, Horticulture and Animal Care	125 (6%)

Source – Apprenticeships and Traineeships 2021/22, DfE



# Employer Training Overall



- In Cambridgeshire (35%) and Peterborough (38%) the plurality of establishments funded or arranged off-Job and on-job training over the past 12 months. This is a greater proportion than England (31%)
- 33% of establishments in Cambridgeshire and 27% of establishments in Peterborough did not train staff over the past 12 months, a lower proportion than in England (39%)
- In Peterborough 24% of establishments funded or arranged on-job training only over the past 12 months, a higher proportion than England (18%)

\*Please note that percentages may not add up to 100% due to rounding

Source – Employer Skills Survey 2019, DfE