CPCA Economic Update

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Global and national headwinds compound local challenges

The UK faces a deeply challenging economic outlook. The OECD predict that the UK economy will contract by 0.4% in 2023 and grow by just 0.2% in 2024. The IMF suggests the UK is set to be the only G7 economy that shrinks in 2023. The Bank of England expects that the UK economy won't recover its pre-pandemic size until 2026 – seven years of lost output.

Inflation appears to have peaked but will decline slowly, with the OECD projecting that it will fall to 4.5% (still more than double the Bank of England target rate) by the end of 2023 and remain above 2% through 2024. Despite the weak growth forecast the BoE is likely to continue running a tight monetary policy, raising interest rates to combat inflation. Higher interest rates will raise borrowing costs, put pressure on many mortgage holders and can act as a disincentive to investment.

Real wages will continue to sink while inflation exceeds wage growth, reducing household spending power. Unemployment is expected to rise to 5% by the end of 2024, while rates of economic inactivity, particularly for those aged 50+, remain elevated post-pandemic.

The Energy Price Guarantee and Energy Bill Relief Scheme is scheduled to end at the end of March 2023 and it is currently uncertain whether they will be extended or replaced with other forms of support, potentially intensifying the ongoing cost of living crisis. Wholesale gas prices have fallen but it will take time to see these declines filter through to energy prices. Cornwall Insight, an energy consultancy, predict that the typical household bill will fall to £3,208 from April and £2,200 from July, though this remains significantly elevated compared to the £1,318 energy price cap which was in place until August 2021.

Cambridgeshire and Peterborough faces the same challenges as the national economy. However, **the region remains a successful and high potential area** that is a world leader in science and technology, with growing businesses and highly skilled jobs. The CPCA is focused on harnessing the region's many strengths and assets to reduce inequality whilst increasing productivity and delivering on the Devolution Deal goal of doubling GVA by 2040. With rapid growth in specific areas and wider post-pandemic and cost of living difficulties being experienced by many communities, sufficient infrastructure and equitable growth across the entire region are substantial challenges for the near future.[1]

This report provides an update to the CPCA on the region's economic performance, business conditions, labour market dynamics and skills supply. Its purpose is to provide a shared evidence base that partners can use to inform decisions.

[1] *CPCA Strategy and Business Plan, 2023*

Economy and businesses

For further detail, see:
Economy Overview
Labour Market
Business Conditions and Performance
Skills Supply

Signs of a post-pandemic economic recovery for C&P have been tempered by new issues (inflation, labour shortages, cost of living, energy prices) and global headwinds. Faltering productivity is a particular concern.

DATA HEADLINES	IMPLICATIONS FOR C&P
• We don’t yet have official data, but it seems likely that the C&P economy is yet to recover to its pre-pandemic size. This follows a period of slow output growth in previous years, where some of our largest sectors including manufacturing, retail, and professional, scientific and technical activities had contracted or stagnated since 2015.	• Years of lost output mean there is significant ground to make up to meet the CPCA’s Devolution Deal growth target.
• Against a backdrop of slow growth, falling productivity is an additional major challenge. Across C&P productivity (GVA per hour worked) is lower than the UK average and the gap is widening. Patterns differ across districts, but the gap against the UK has widened for all districts except Peterborough. The decline has been steepest in Fenland, where productivity has been falling relative to the UK average since 2014.	• Productivity growth is key to raising living standards, so reversing this trend through targeted business and skills interventions is crucial for meeting the CPCA’s strategic ambitions.
• Employment growth has outstripped GVA growth in many of C&P’s sectors including its largest (manufacturing and professional, scientific and technical services), which helps to explain declining productivity. This means employment growth is propping up output growth across C&P. Some sectors are bucking the trend and increasing productivity – namely Education, Health, and Information and Communications.	• Persistent labour shortages mean that sectors reliant on new labour to grow have been unable to. Productivity gains require capital investment, technology adoption and innovation.
• The rate of business births began to recover in 2021 after a subdued 2020, although it remains below pre-pandemic levels. The rate of business deaths also rose in 2021, mirroring the UK. The net result is a small increase in the total business base, although this is inconsistent across districts. Given the challenging economic conditions experienced in 2022 and early 2023, it seems probable that these patterns have continued.	• Important to explore ways of supporting more business creation, including through business growth services, UKSPF funding, investment zones and other policy priorities
• In some positive signs, C&P ran an overall trade surplus in 2020, driven by a positive trade balance of £1,466m in services, which more than offset a £600m deficit in traded goods. On a per capita basis the region’s trade balance was higher than in WMCA but lower than WECA.	• A positive trade balance is a hallmark of a strong economy. Services have performed well, which partially masks a deficit in traded goods.

Labour market and skills supply

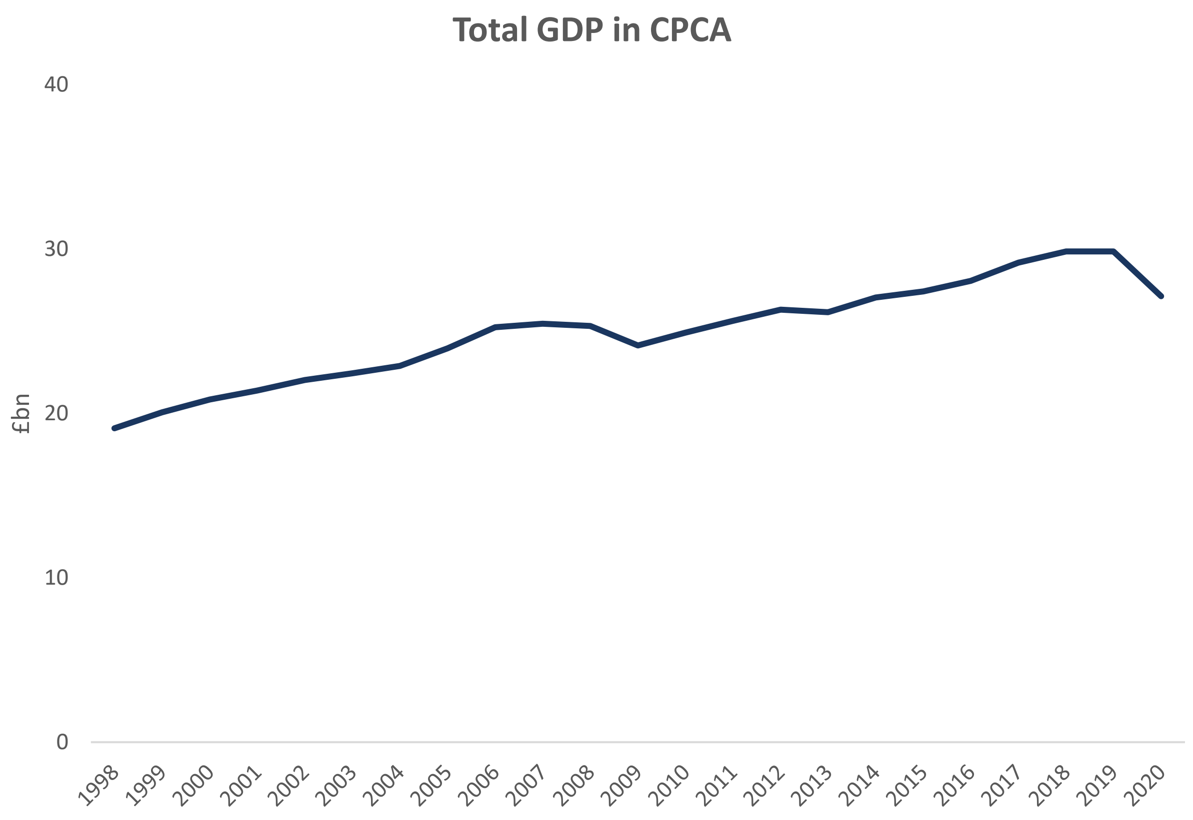
For further detail, see:
Economy Overview
Labour Market
Business Conditions and Performance
Skills Supply

Labour markets remain resilient, with high levels of employment and falling rates of economic inactivity, but it's unclear whether this is translating into wage growth for our workers. Skills shortages are an enduring, pressing concern across most sectors.

DATA HEADLINES	IMPLICATIONS FOR C&P
• **Employment continues to rise** across C&P, with more 12,6000 more people employed in August 2022 than in August 2019. The number of payrolled employees increased in all local authorities.	• Rising employment numbers and enduring high vacancies suggests a tight labour market.
• **Economic inactivity has been declining** after peaking during the pandemic, with C&P as a whole having a lower inactivity rate than the UK (18% vs 22%). Peterborough (23%) is the only part of C&P where inactivity is above the national average. Being in education is the reason for economic inactivity in C&P, at 32% compared to 27% for the UK. Long-term sickness is the second highest reason.	• Despite lower rates of economic inactivity in C&P than the UK, to address labour market shortages there remains a need to support more people into employment where possible.
• **Wage growth across C&P appears to be below national rates** (6.7% for 2022) according to real time median wage data, but the data could mask growth at either end of the wage spectrum.	• Workers at the lower end of the income spectrum are likely to see their wages rising more slowly than the median, compounding cost of living pressures.
• **Online job postings remain elevated**, although they have fallen in all sectors since the record peak in November 2021. The data suggests there are persistent skills shortages in health and social work, IT, administrative and support activities, and in manufacturing.	• Identifying the skills gaps and ways to fill these will remove barriers to business growth while creating new opportunities.
• **Educational attainment varies substantially across the region.** As a whole, 43% of C&P's residents have a level 4+ qualification compared to 42% across England, but this varies across districts from 65% of residents in Cambridge to 22% in Fenland.	• Continued need to focus skills and employment support in northern areas. The new ARU Peterborough campus offers local pathways into higher education.

Economy Overview

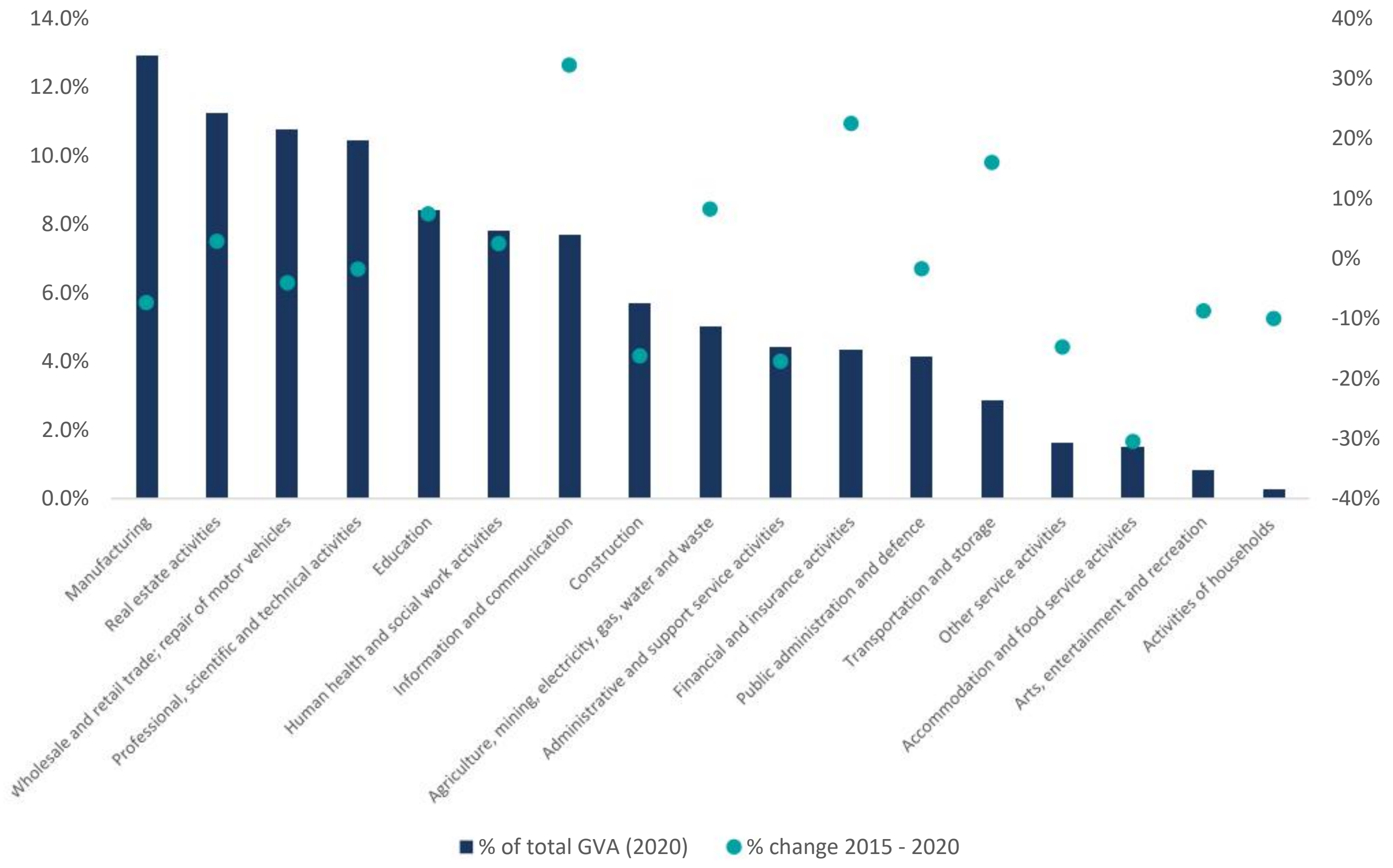
Economy: size and growth



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

- 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 or slightly below the pre-Covid figure (£29.9bn) given national trends.
- It is noteworthy that C&P'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 more challenging to achieve

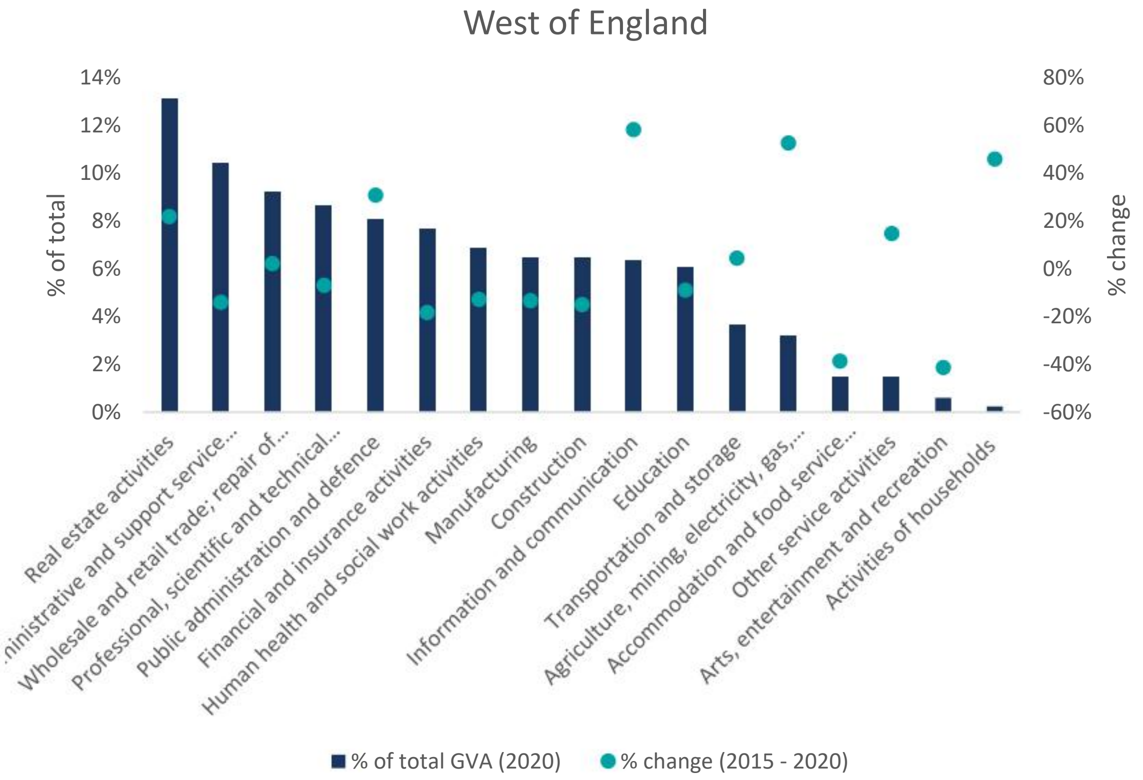
Sectors: size and growth (GVA)

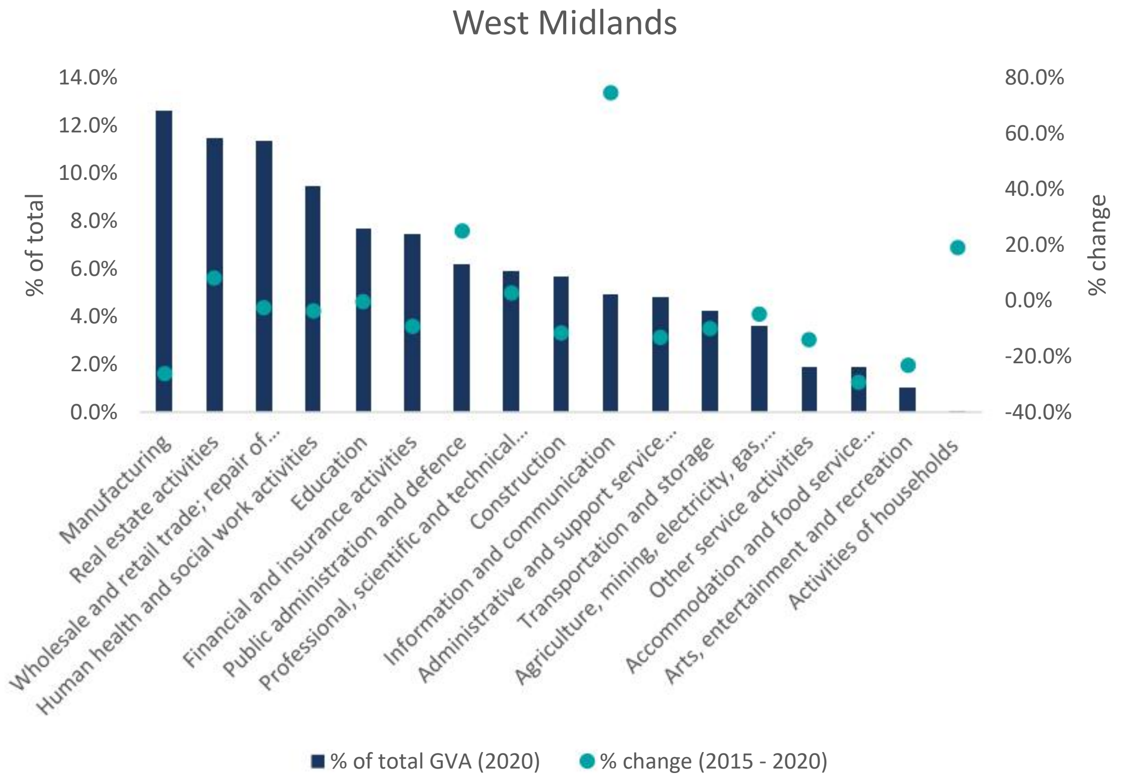


Source: ONS dataset Regional GVA by industry

- Manufacturing, wholesale and retail trade, real estate and professional, scientific and technical activities are C&P's largest sectors by GVA, accounting for a combined 45.3% of GVA in 2020.
- A number of C&P's sectors shrank between 2015 and 2020, of those that did construction was the most economically important for C&P, 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.

Sectors: size and growth (GVA)

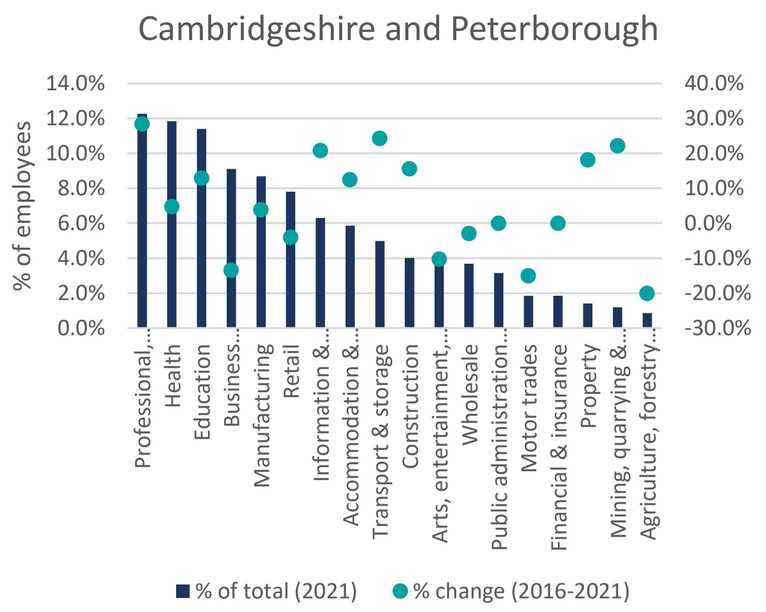


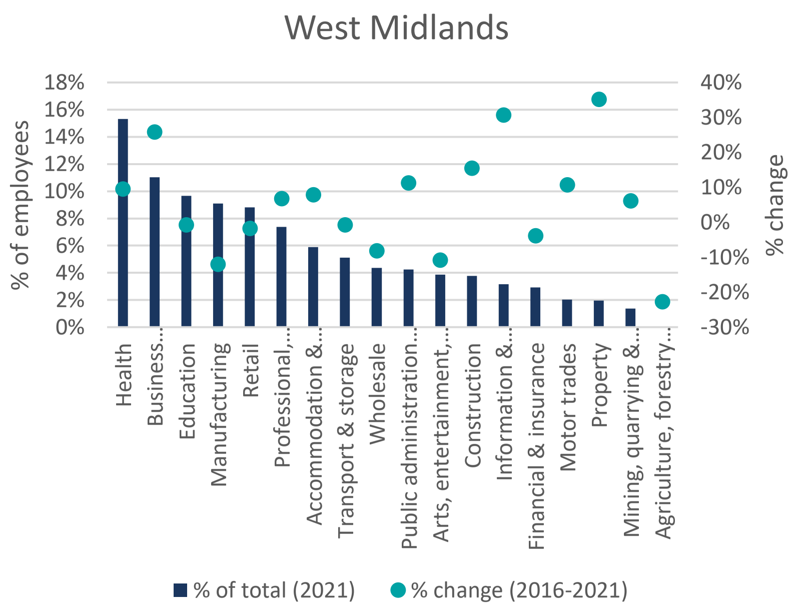


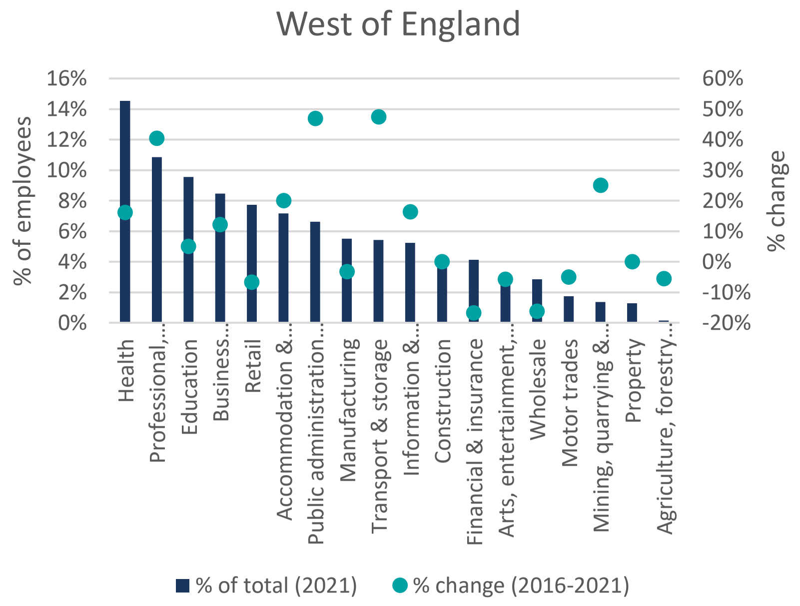
Source: ONS dataset Regional GVA by industry

Sectors: size and growth (Employment)

- The largest sector by employment in C&P is professional, scientific and technical activities. This sector has grown over the last number of years, with employment increasing by 28% in C&P 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 C&P was greater than any national decrease in employment.



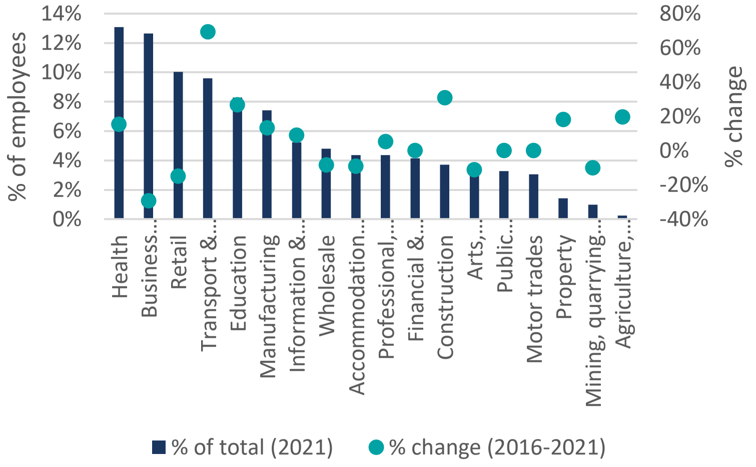




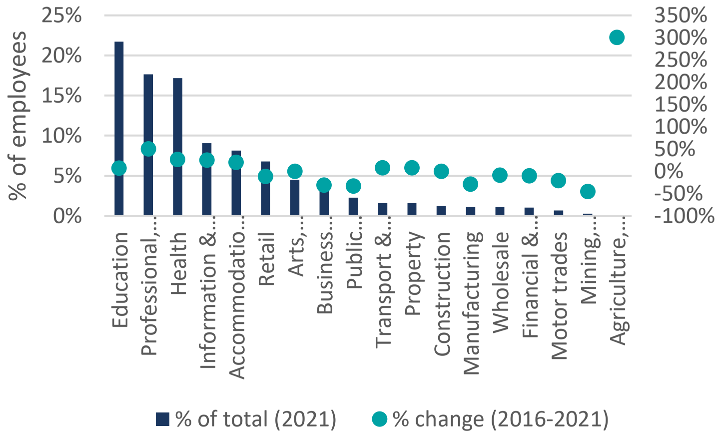
Source: ONS. Business Register and Employment Survey

Sectors: size and growth (Employment)

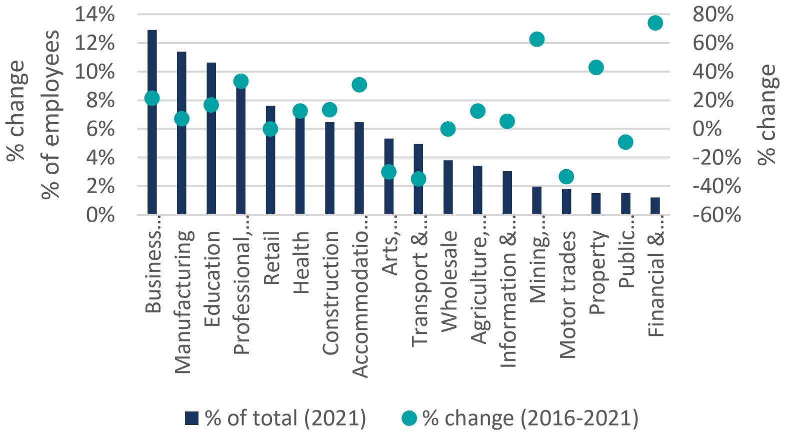
Peterborough



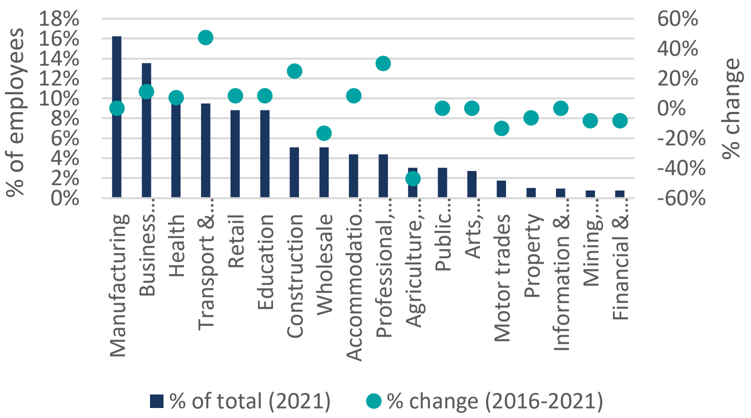
Cambridge



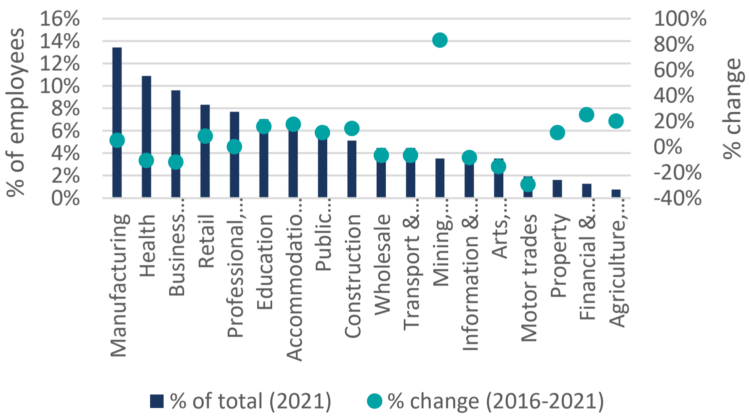
East Cambridgeshire



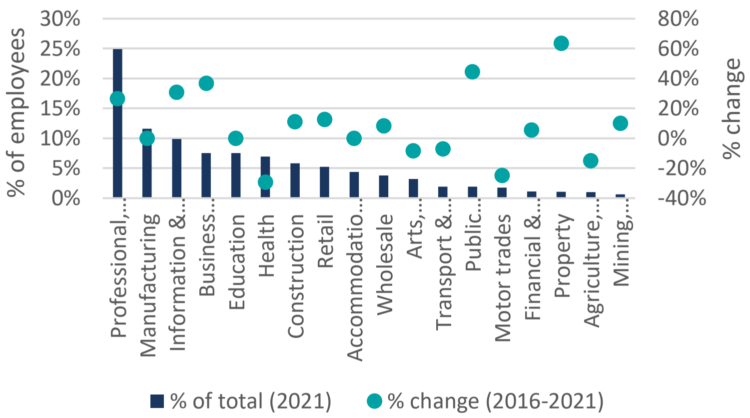
Fenland



Huntingdonshire

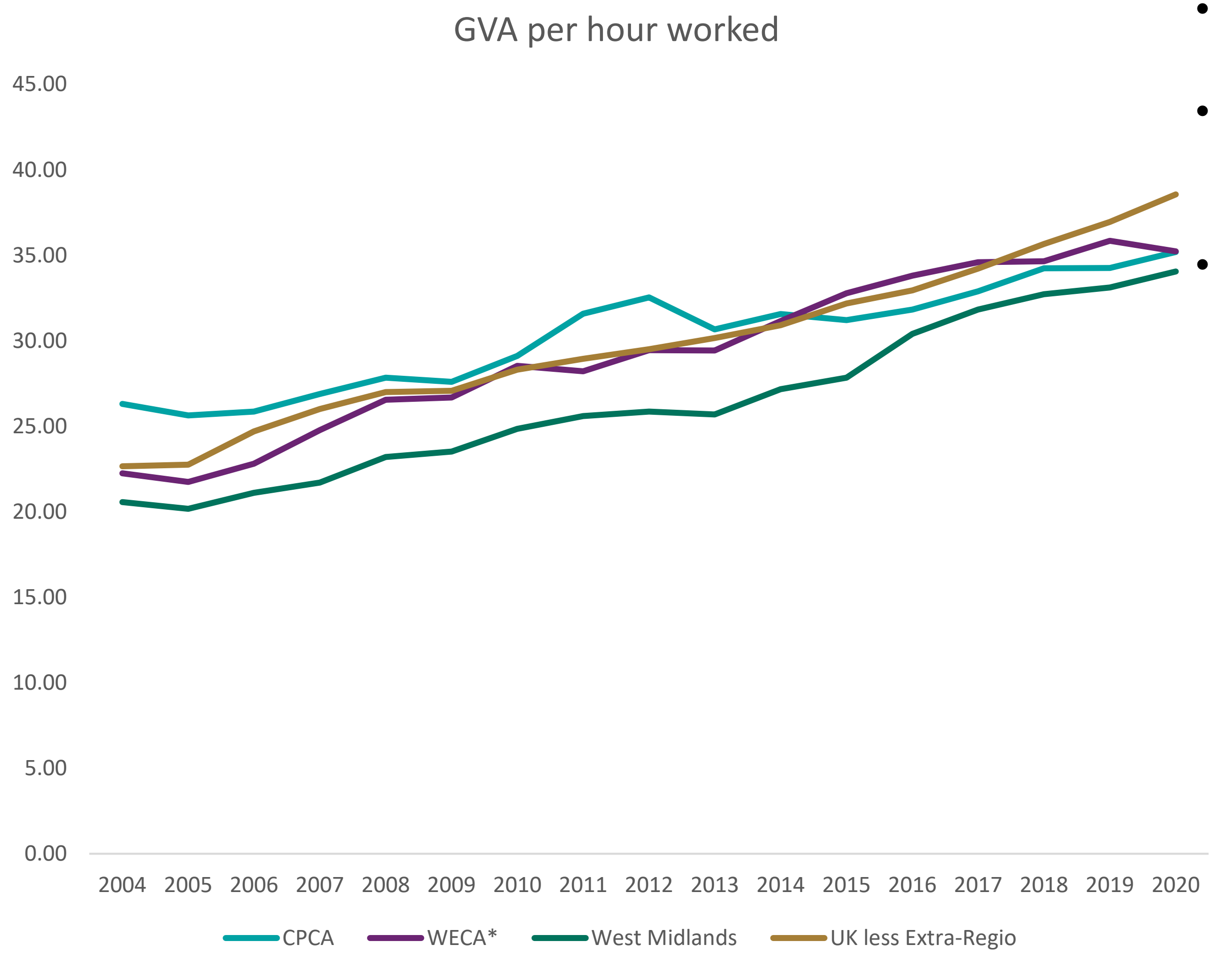


South Cambridgeshire



Source: ONS. Business Register and Employment Survey

Productivity (overall)

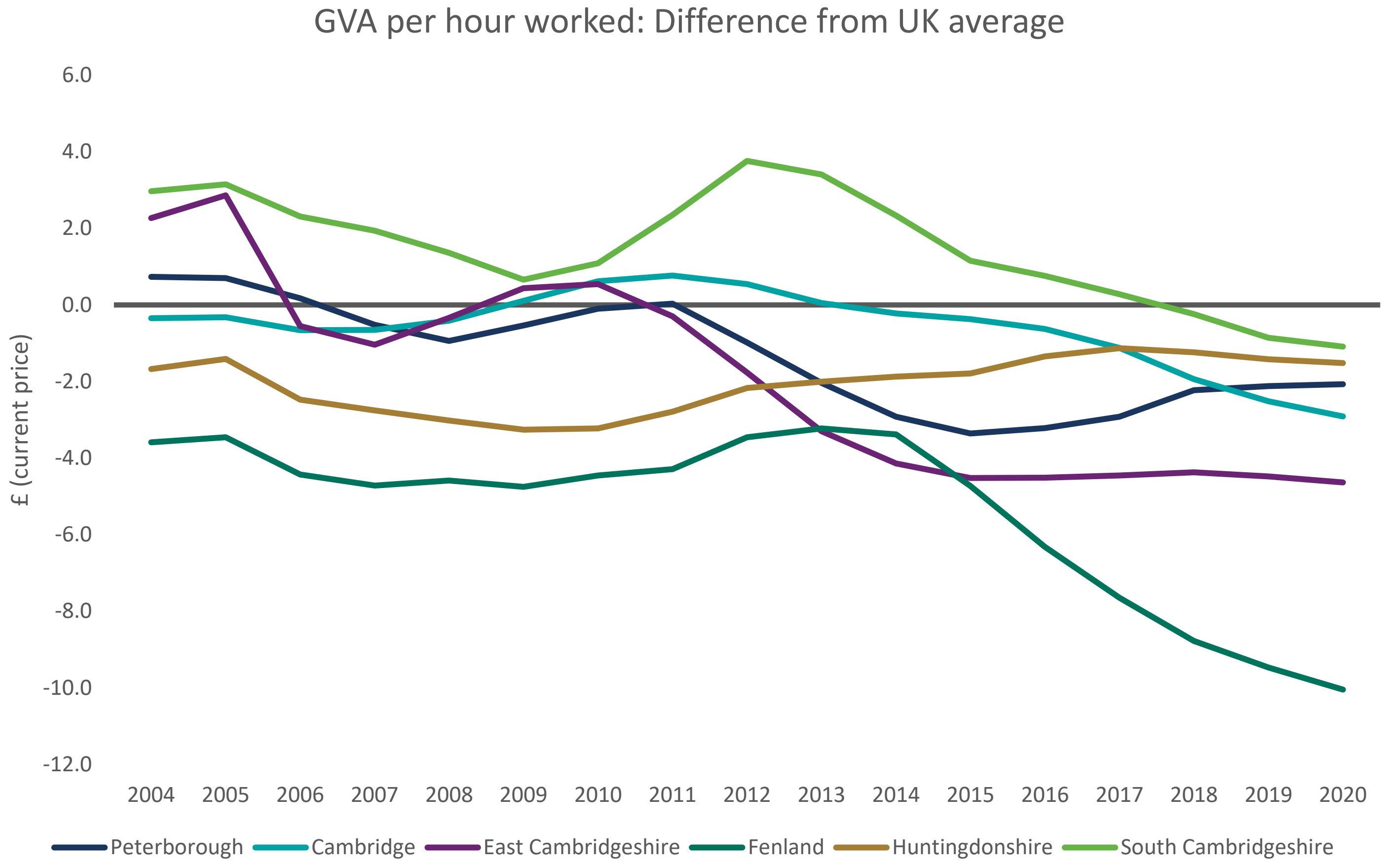


- GVA per hour worked was below the UK average in each district in 2020.
- There is substantial variation across the districts; GVA per hour worked is £8.9 lower in Fenland than in South Cambridgeshire.
- This has been the case for the last number of years; after 2011 productivity growth in Cambridgeshire 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 relative to UK average over time



Source: Current Price (smoothed) GVA per hour worked indices; ITL regions, 2004 - 2020

The lines in this graph show the evolution of the difference between C&P's local authorities' productivity and the UK average over time.

A value of 4 means that GVA per hour worked in a LA is £4 above the UK average, a negative value means it is below the UK average.

GVA in manufacturing in Fenland began decline in 2014 and GVA from retail has been falling since 2017

South Cambridgeshire had a very large but seemingly transitory rise in GVA from Financial and Insurance, coinciding with the peak above UK productivity.

Note: data is in current prices and does not account for inflation, purpose is to show position relative to UK average

Output and employment growth (2015 – 2019)

Source: ONS dataset Regional GVA by industry & BRES

Broad sector groupings are ordered from left to right by the amount of GVA they generated in CPCA in 2019, with the highest GVA sectors on the left.

Between 2015 and 2019 in the 3 highest GVA sectors, employment rose much faster than GVA, leading to falling overall labour productivity.

Productivity (by sector)

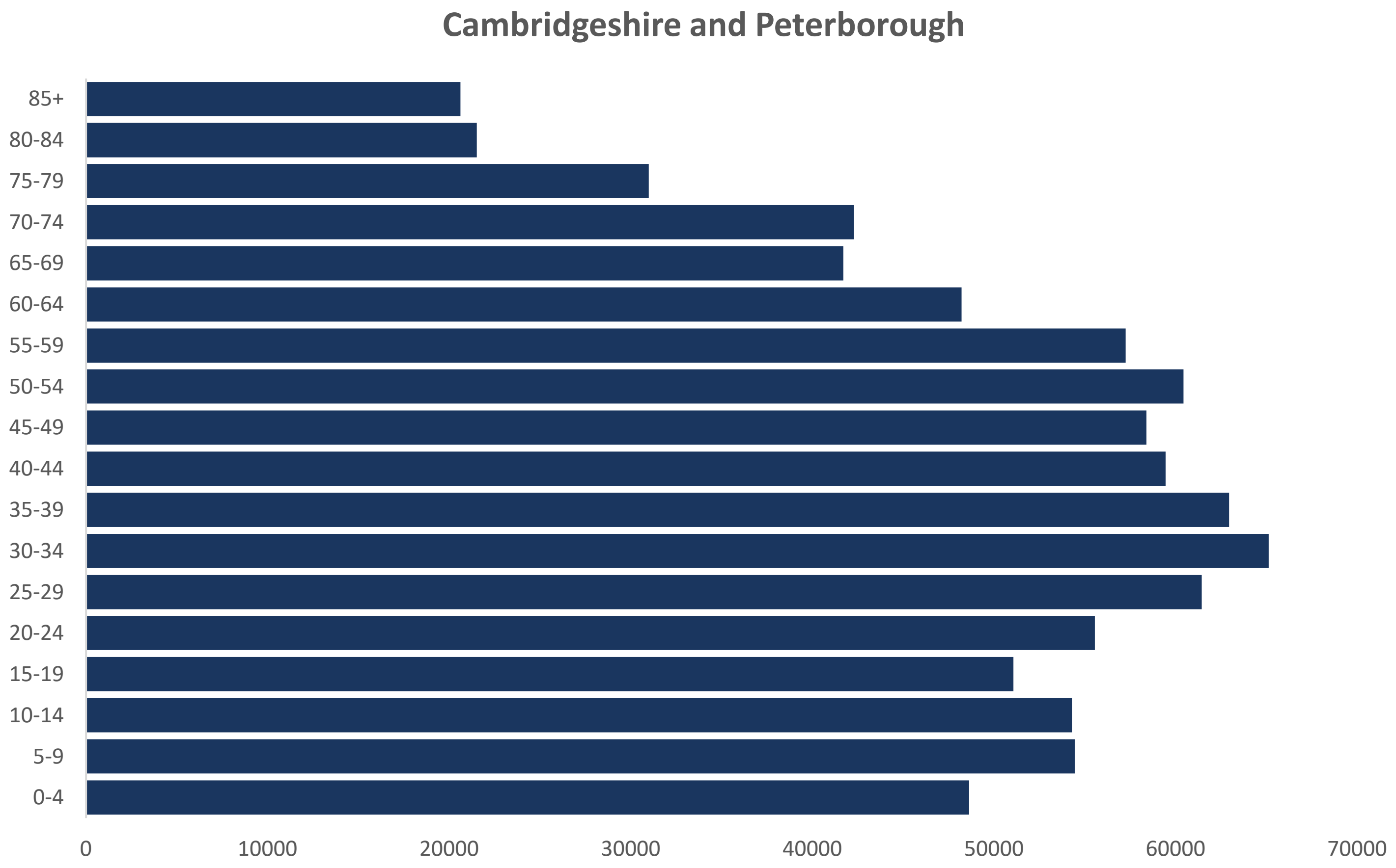
Broad sector group	GVA (2019) (£m)	Employment (2019)	GVA per employment (2019)	Compared to region	Compared to GB	% change 2015-19
Agriculture, mining, electricity, gas, water and waste	1,296	14,050	£92,242	Above	Below	+11.6%
Manufacturing	3,547	42,000	£84,452	Similar	Above	-6.8%
Construction	1,633	20,000	£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%

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".

- 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 C&P'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

Labour Market

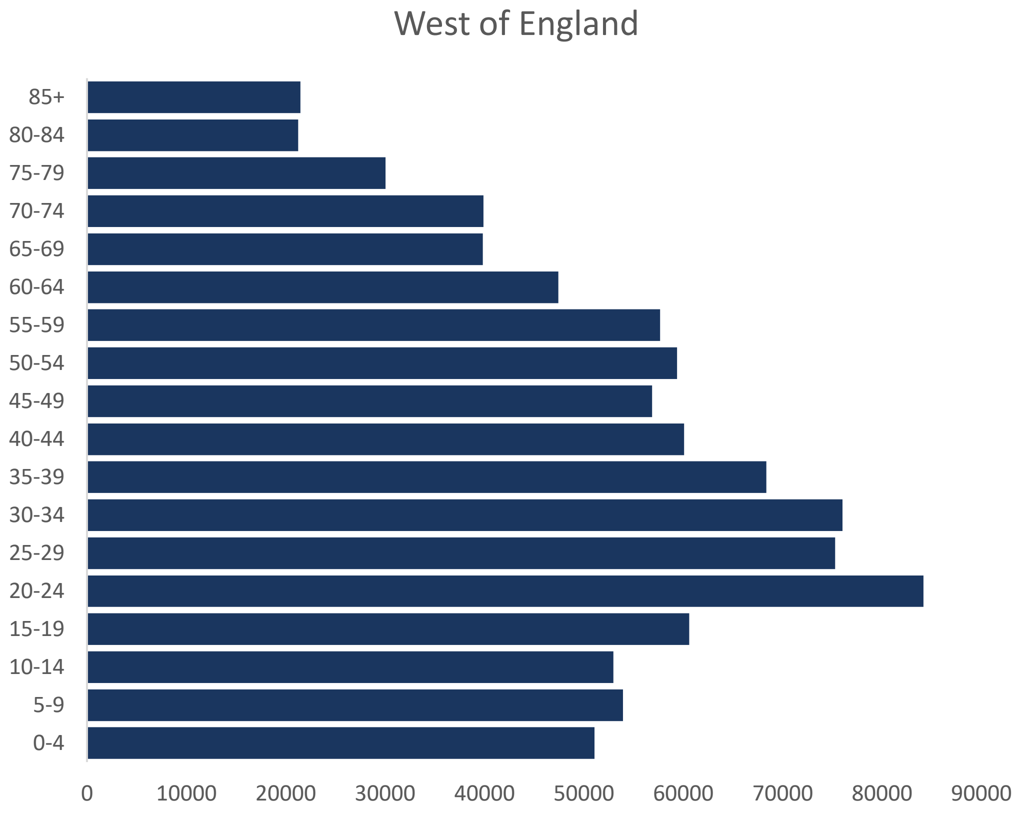
Population Breakdown

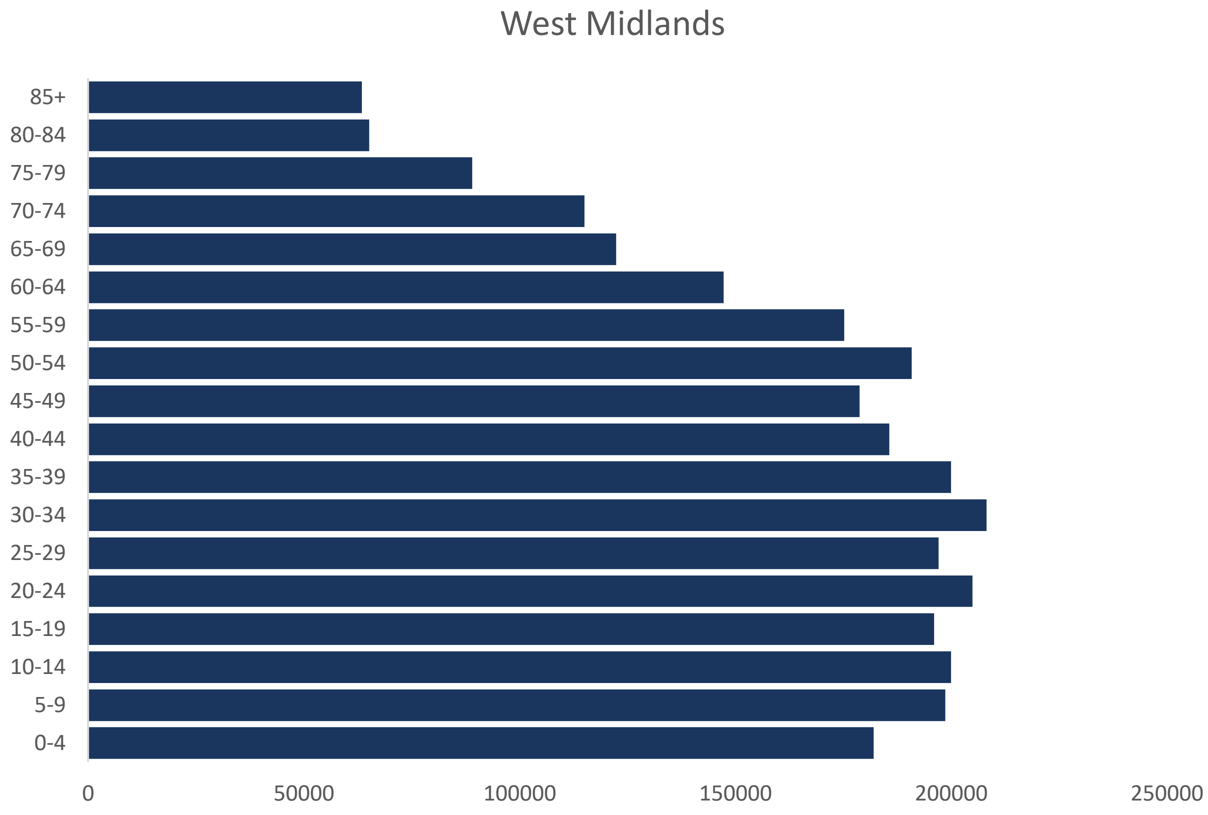


Source: ONS. Census 2021.

- The population pyramid on the left shows the population of C&P according to the 2021 census. In 2021 C&P'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.

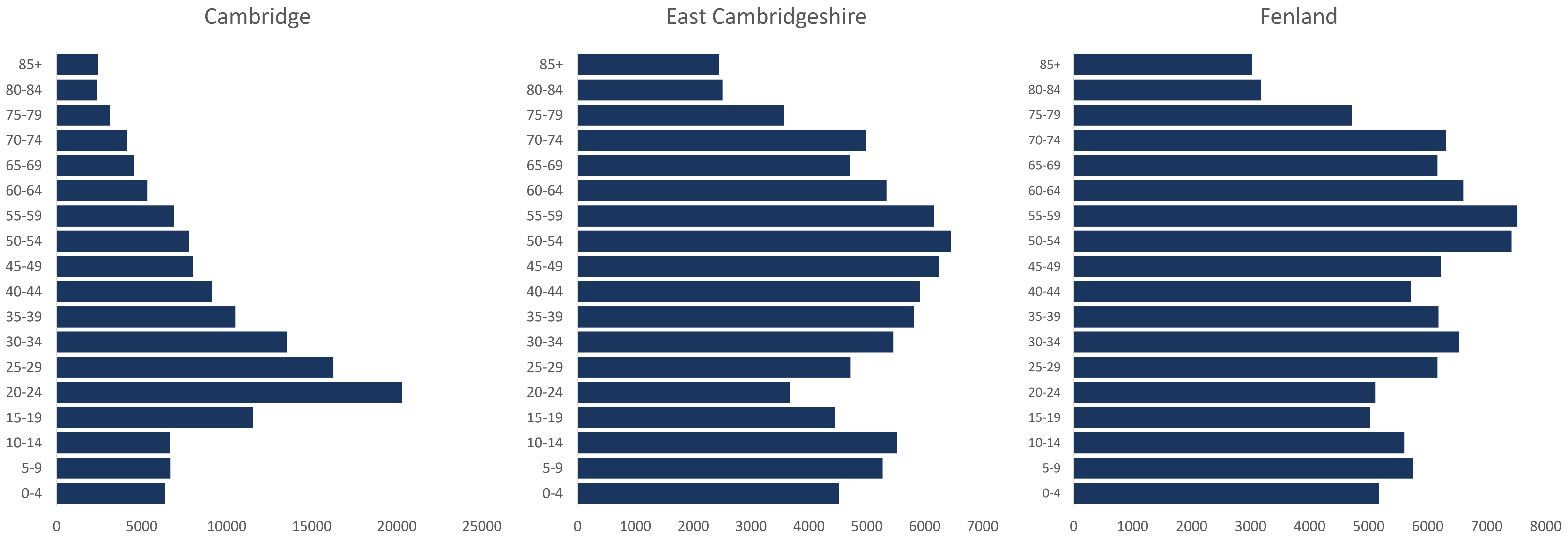
Combined Authority Comparators





Source: ONS. Census 2021.

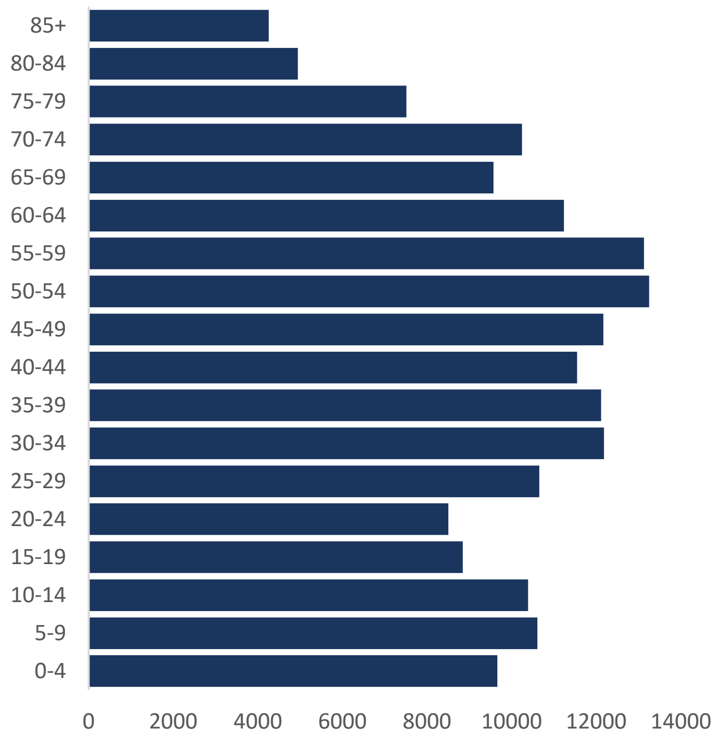
District Population Pyramids



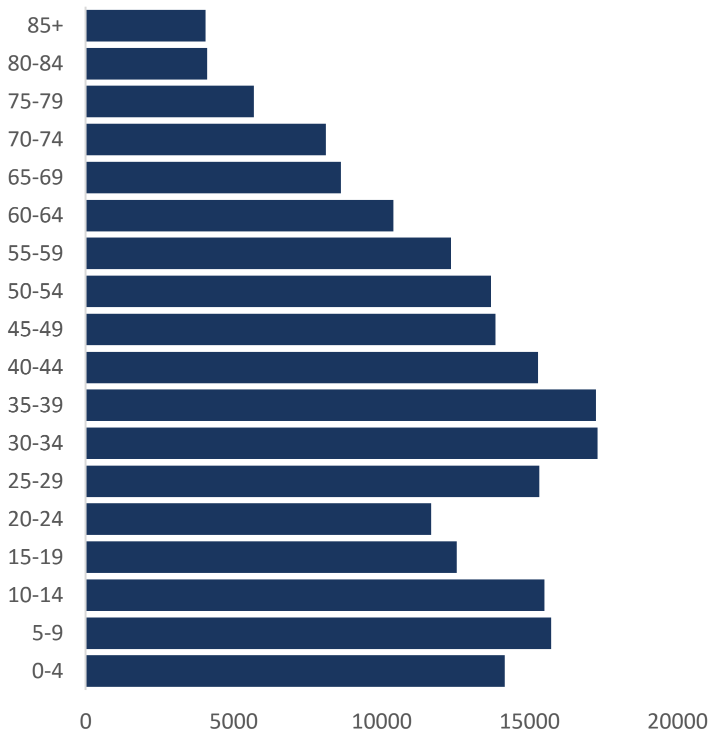
Source: ONS. Census 2021.

District Population Pyramids

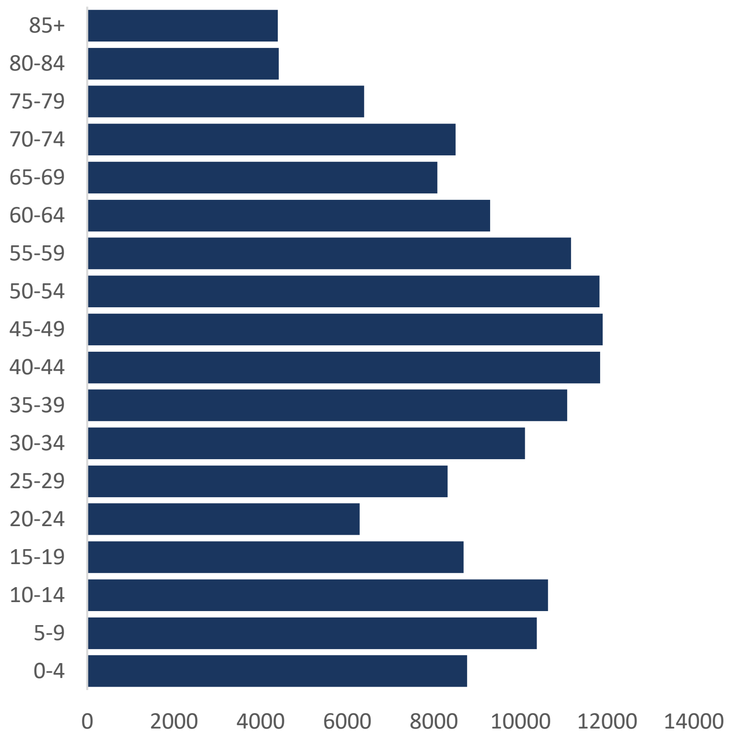
Huntingdonshire



Peterborough

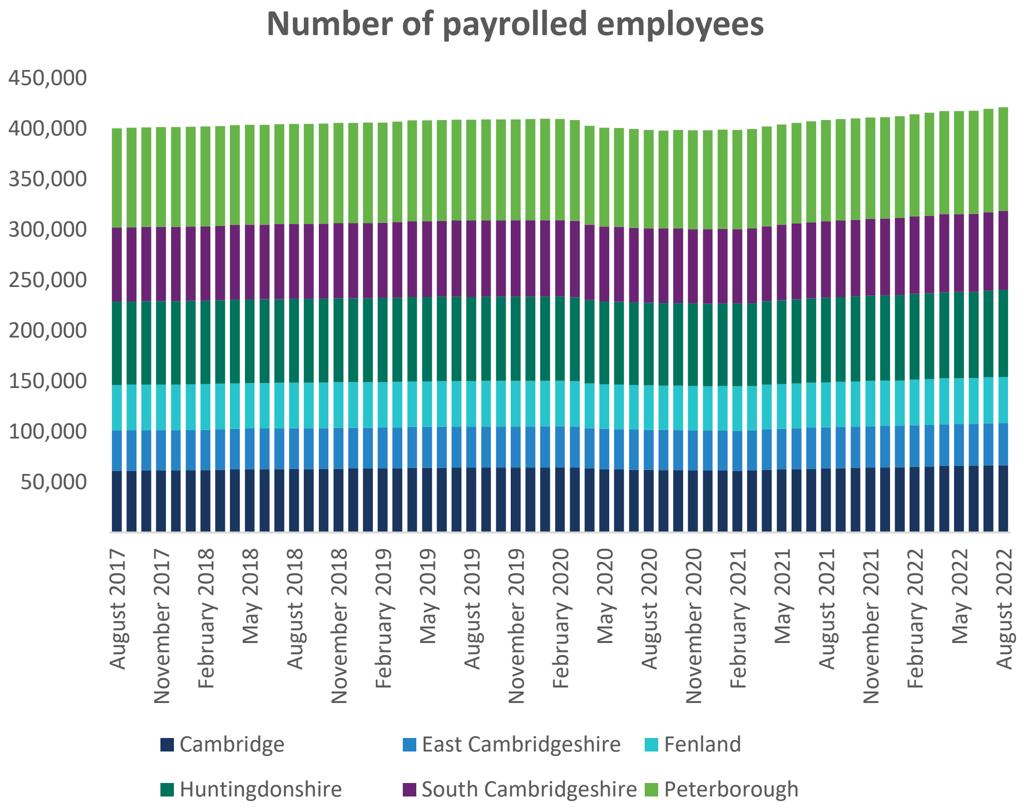


South Cambridgeshire

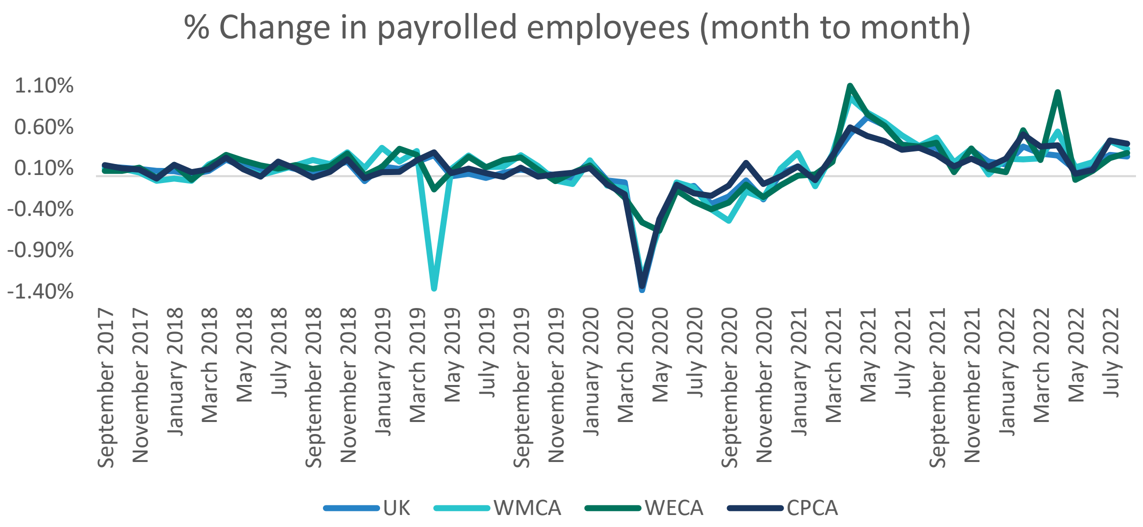


Source: ONS. Census 2021.

Total Employees

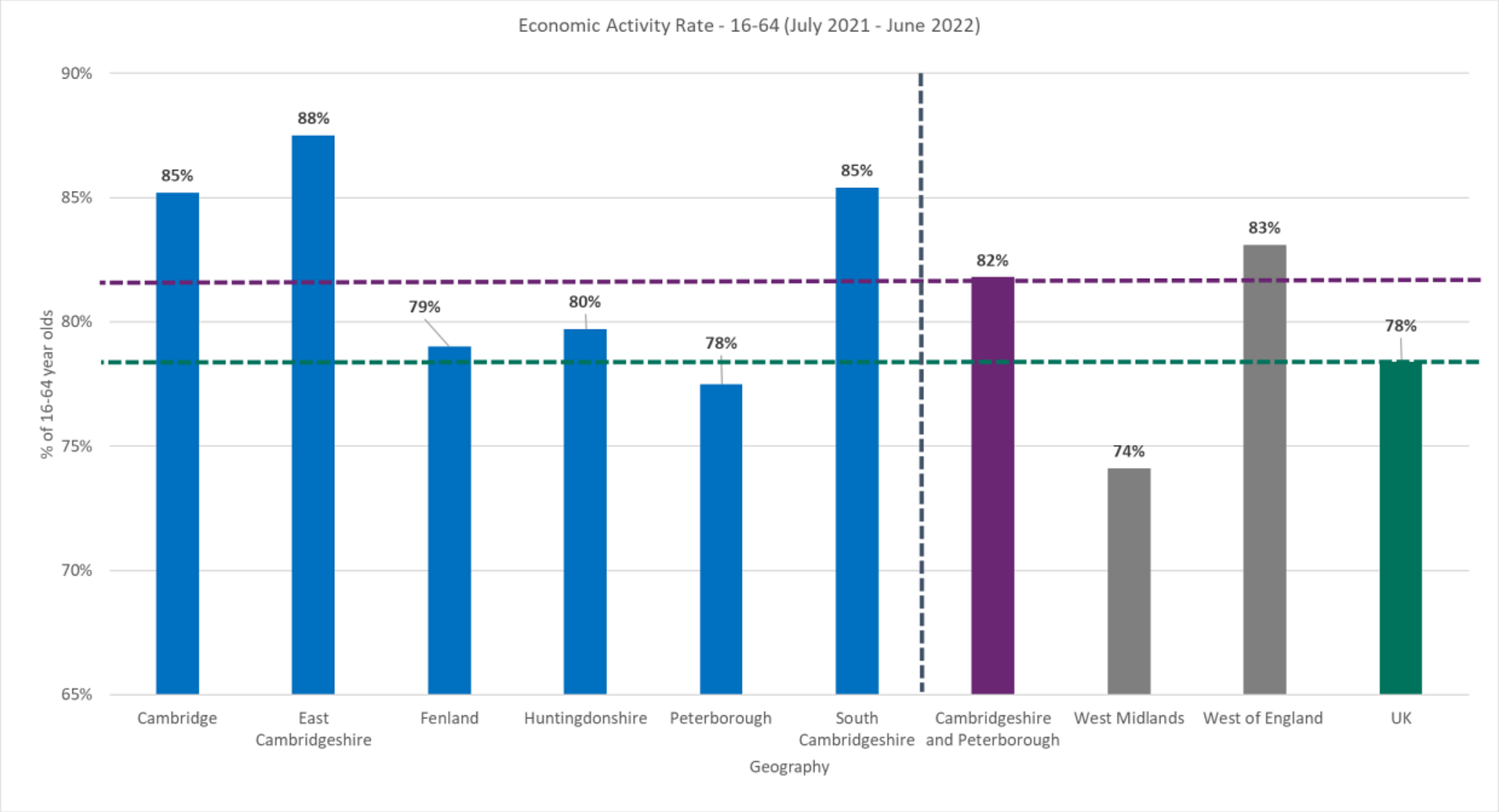


- There were 421,496 payrolled employees in C&P in August 2022, 12,600 (3.1%) more than in August 2019.
- The monthly percentage change in payrolled employees is a volatile measure but has been positive from March 2021 up to August 2022 and C&P has followed a similar trend to the UK since late 2017.



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

Economic activity

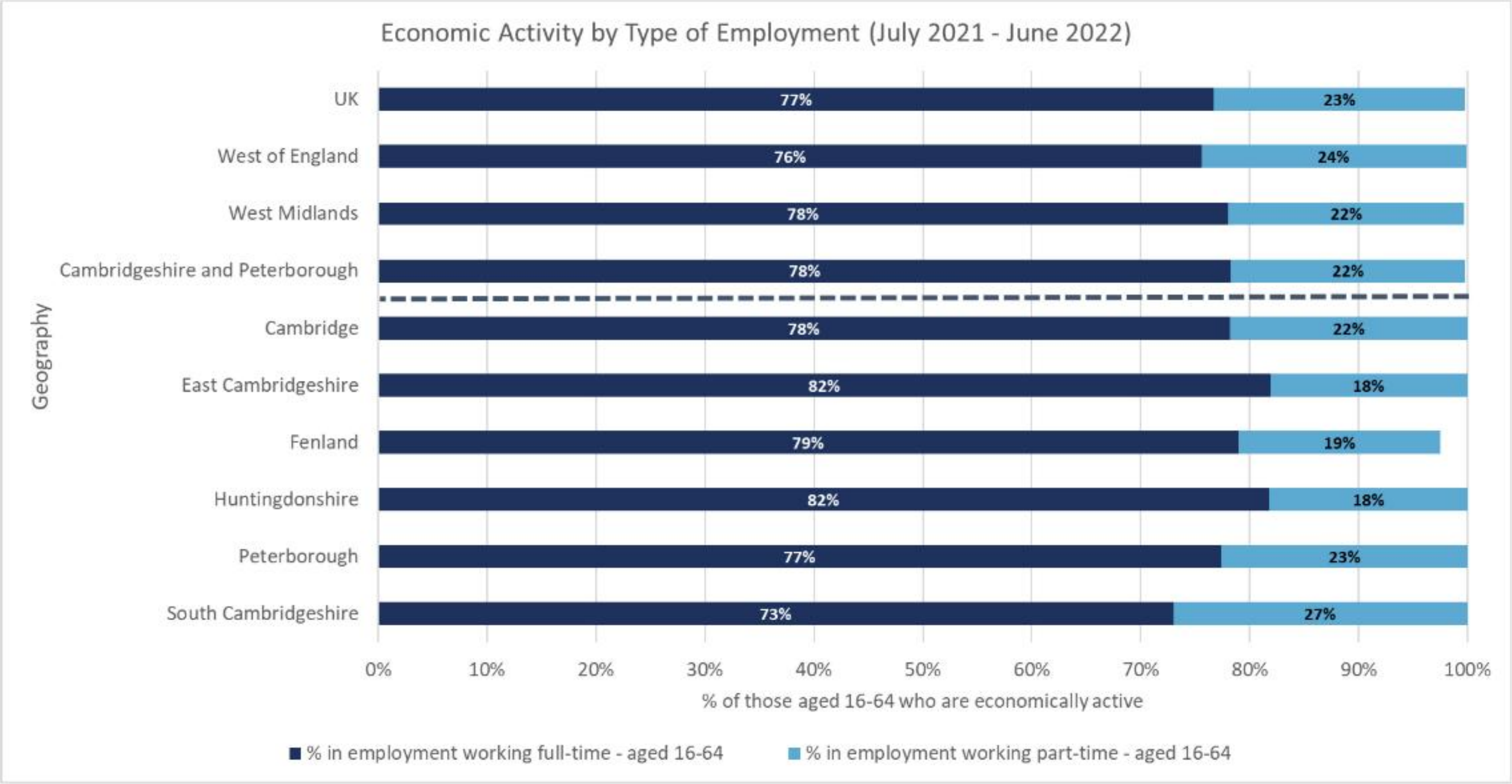


- Cambridgeshire and Peterborough has a larger proportion (82%) of the population 'available to work' than the United Kingdom average (78%). This proportion is in line with West of England (83%) but higher than West Midlands (74%).
- Cambridge (85%), East Cambridgeshire (88%) and South Cambridgeshire (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

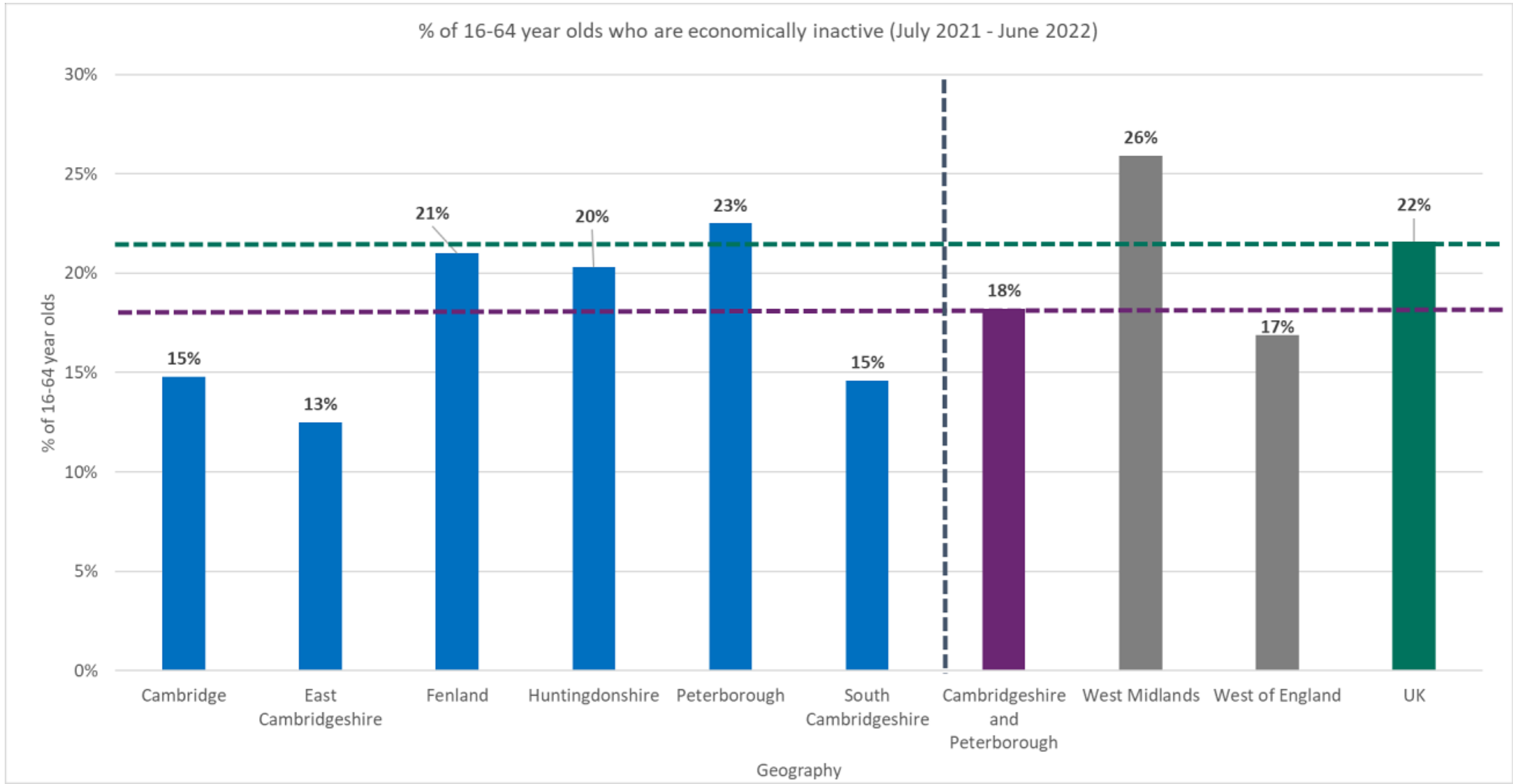


- The majority of those aged 16-64 in employment work full-time.
- Across Cambridgeshire and Peterborough 78% work full time, compared to 77% across the United Kingdom. This is the same as seen across the West Midlands with the West of England seeing a slightly lower proportion working full-time (76%) and a slightly higher proportion working part-time (24%).
- Cambridge, East Cambridgeshire, Fenland and Huntingdonshire all have higher proportions of those in employment working full-time than the United Kingdom 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 United Kingdom 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

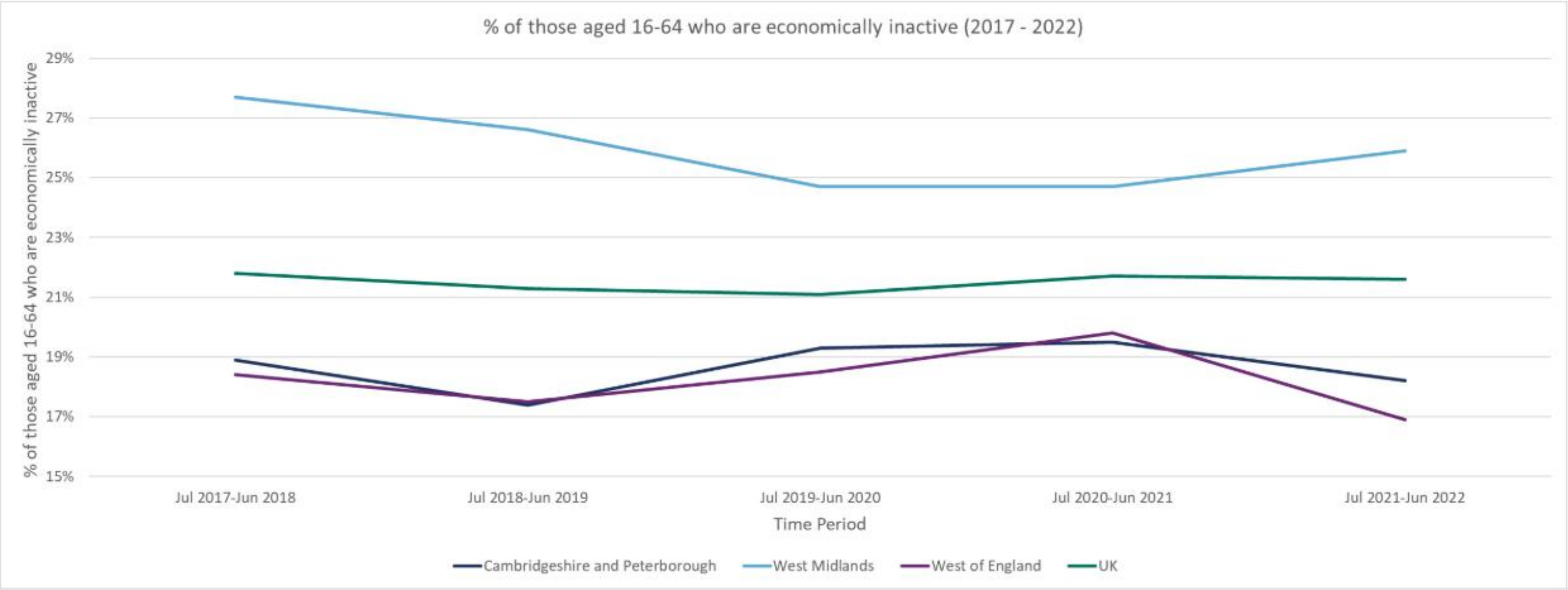


- Cambridgeshire and Peterborough has a lower proportion of the population (18%) ‘unavailable to work’ than the United Kingdom average (22%). This proportion is in line with West of England (17%) but lower than West Midlands (26%).
- 18% of those aged 16-64 in Cambridgeshire and Peterborough are economically inactive. This is lower than the proportion across United Kingdom as a whole (22%).
- Peterborough is the only local authority with a higher proportion of economically inactive residents (23%) than the United Kingdom average (22%).
- East Cambridgeshire (13%), Cambridge (15%) and South Cambridgeshire (15%) all have lower proportions of economically inactive residents than the United Kingdom average (22%).

*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



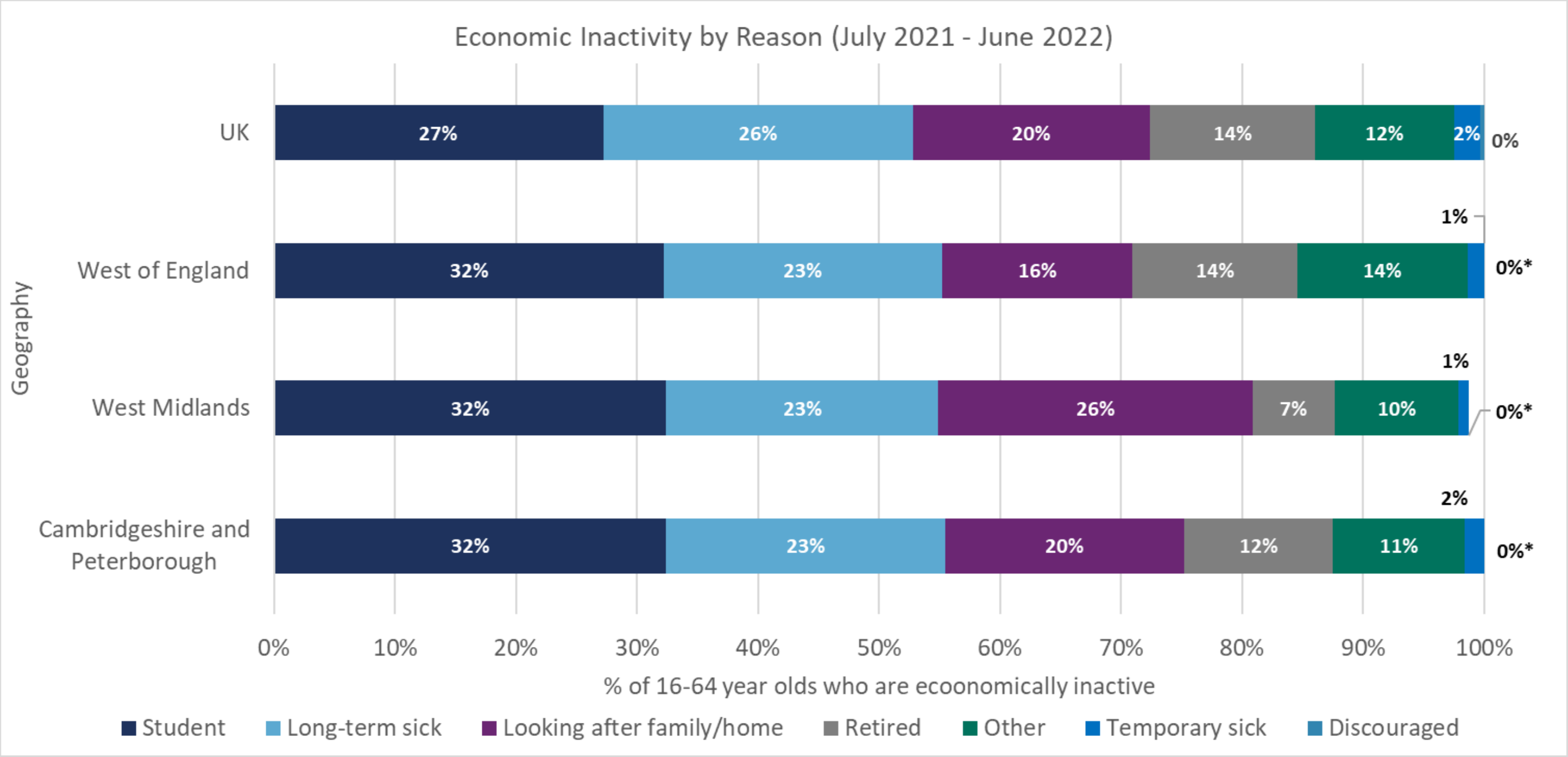
- Although the proportion of the population economically inactive increased during the pandemic, there has been a noticeable decrease in the latest year.
- The percentage of those aged 16-64 who are economically inactive across Cambridgeshire and Peterborough has been consistently below the proportion seen at the United Kingdom average over the past 5 years.
- Trends and levels of economic inactivity across Cambridgeshire and Peterborough are very similar to West of England but differ from West Midlands.

*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

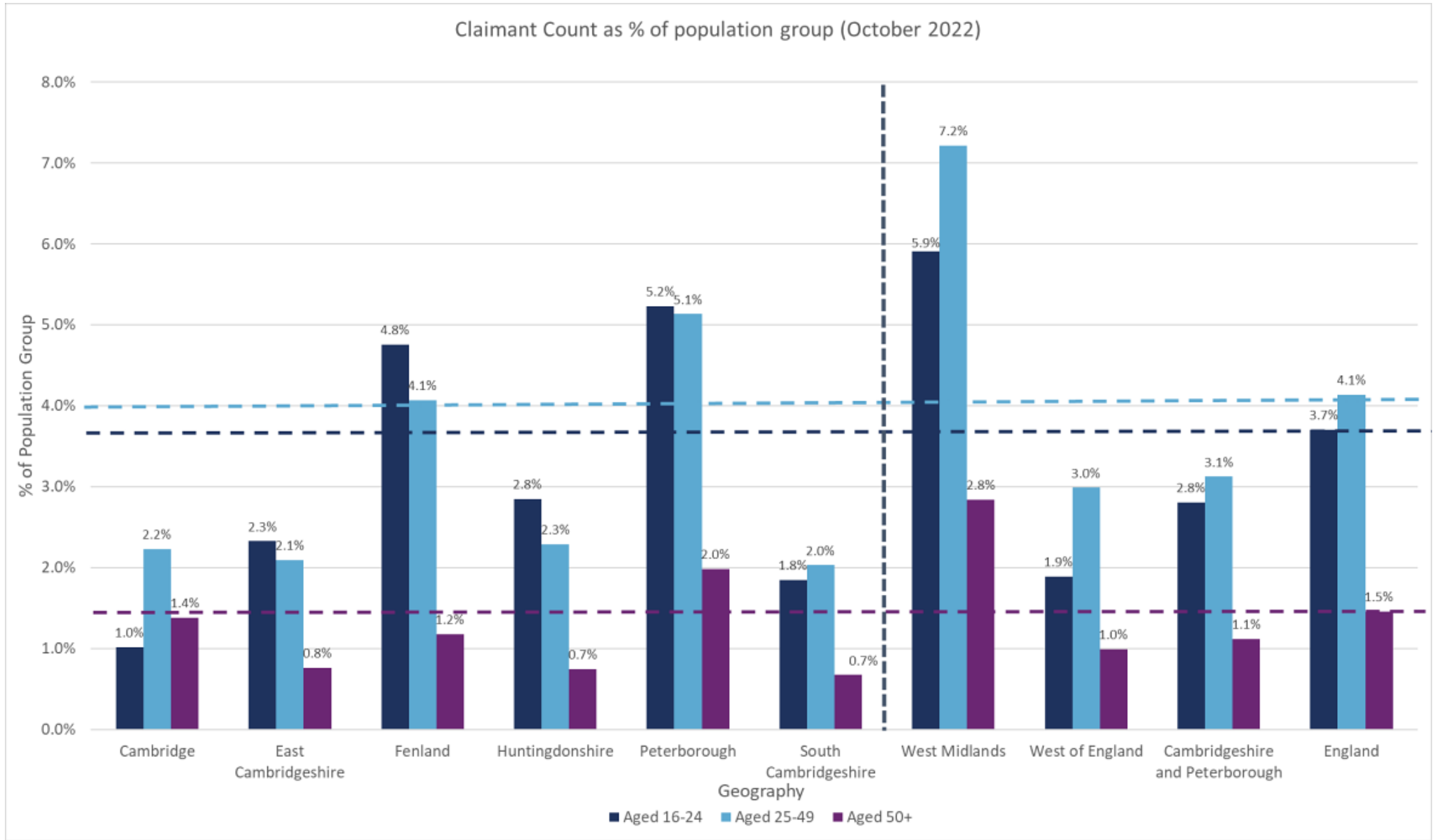


- Across Cambridgeshire and Peterborough the main reason (32%) for economic inactivity is being a student. This proportion is +5pp higher than the United Kingdom average (27%) and is the same as proportion seen across West Midlands and West of England. Cambridgeshire and Peterborough is generally in line with West of England when looking at other reasons for economic inactivity but diverges from West Midlands when looking at those looking after family/home and those who are retired.
- Cambridgeshire and Peterborough is mainly in line with the United Kingdom average when looking at the other reasons for economic inactivity.

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

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

Claimant count* by age



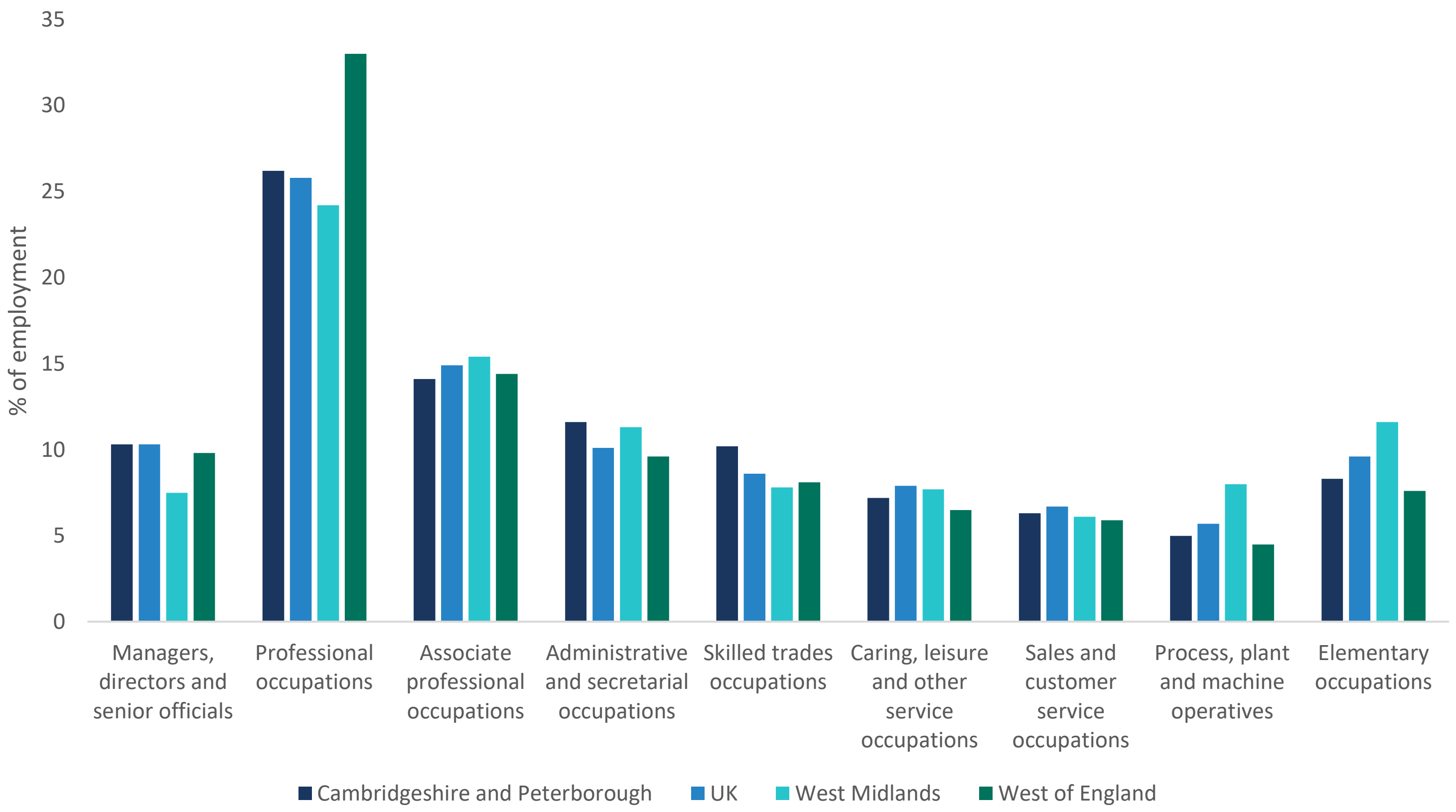
*The number of people claiming benefits principally for the reason of being unemployed

*National comparison is England owing to analysis using Census 2021 population figures and Scotland having a different Census to England

- 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.
- Claimant rates by age across Cambridgeshire and Peterborough are generally in line with the West of England but are lower across all ages when compared to West Midlands. Rates across Fenland and Peterborough are more comparable to West Midlands.

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

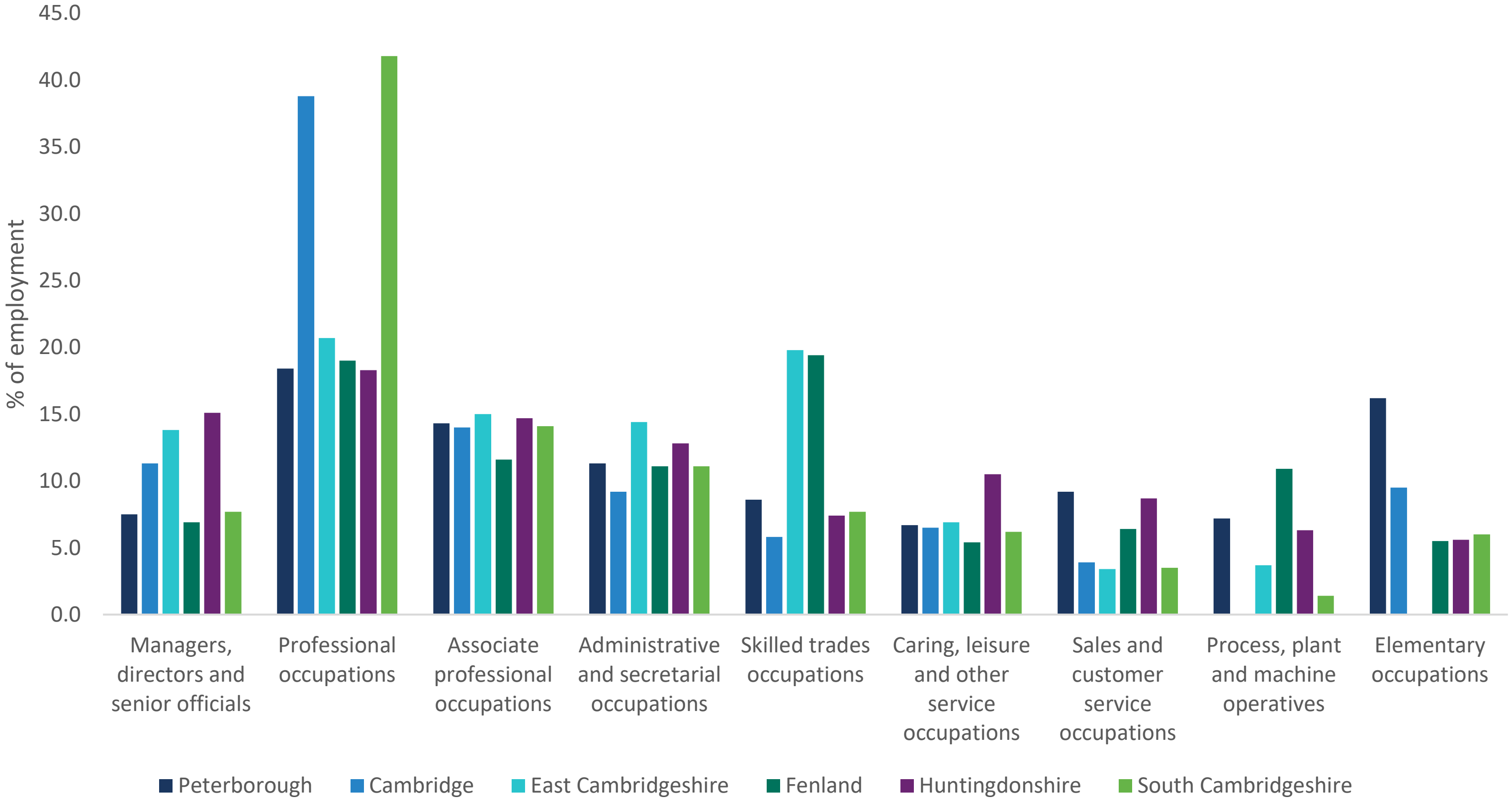
Employment by occupation



- We do not see large differences in the share of employment in each occupation between C&P and the UK.
- Compared to the UK, C&P 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)

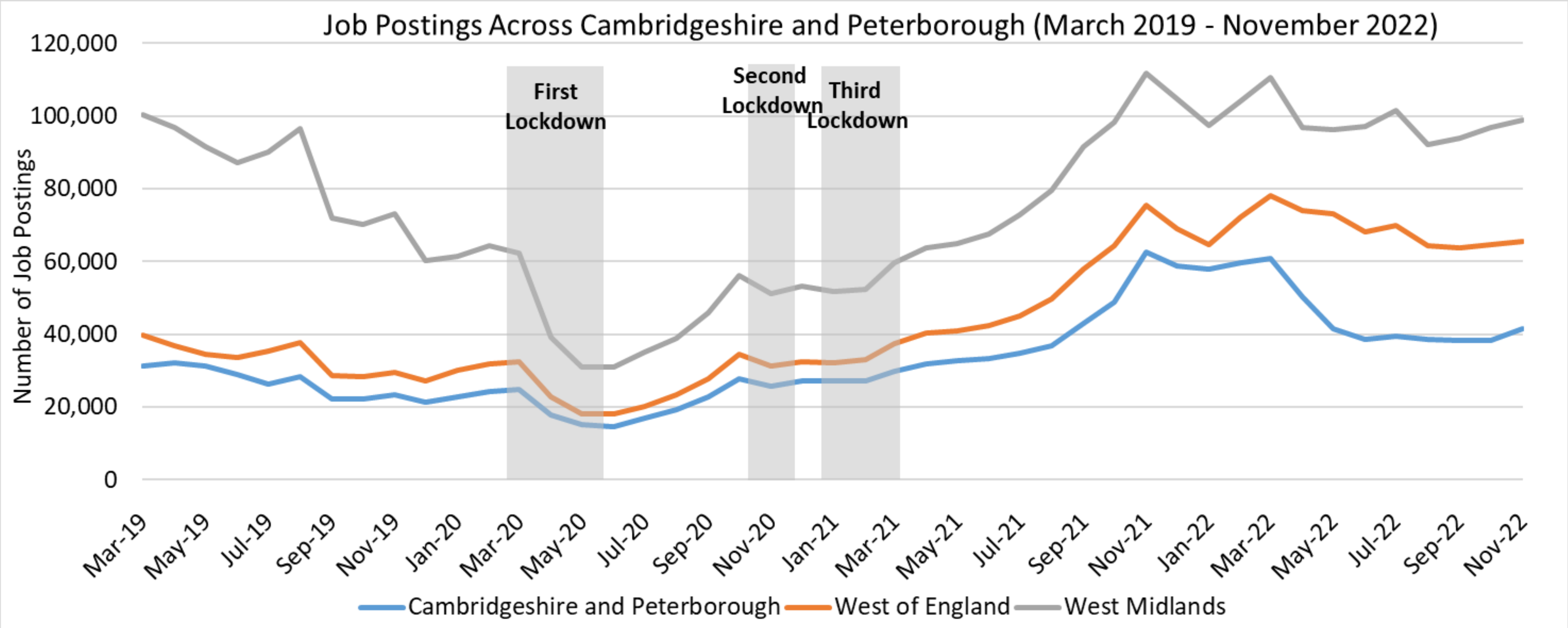
Employment by occupation



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

- 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.

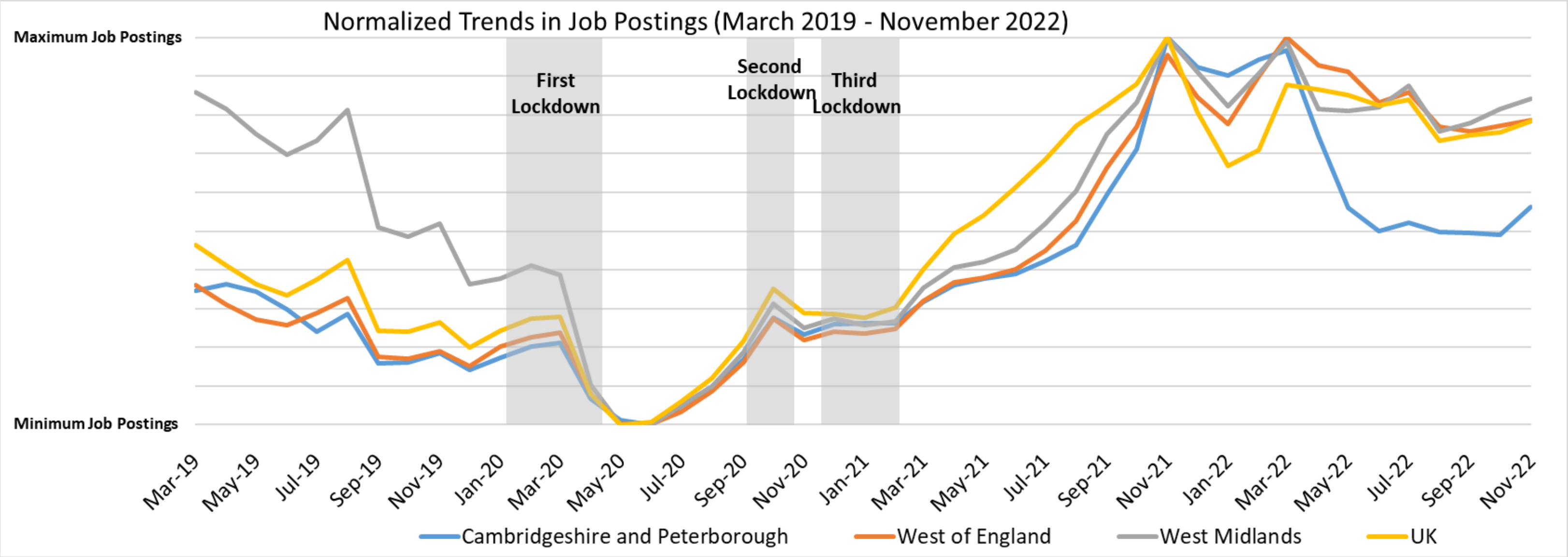
Jobs vacancies trends



- The number of vacancies increased in the latter half of 2021, with November 2021 seeing the highest number of vacancies in the past decade (62,477).
- Cambridgeshire and Peterborough saw a larger decline from March 2022 than the West of England and West Midlands.
- In November 2022, there were 41,610 vacancies across Cambridgeshire and Peterborough.

Source – Lightcast

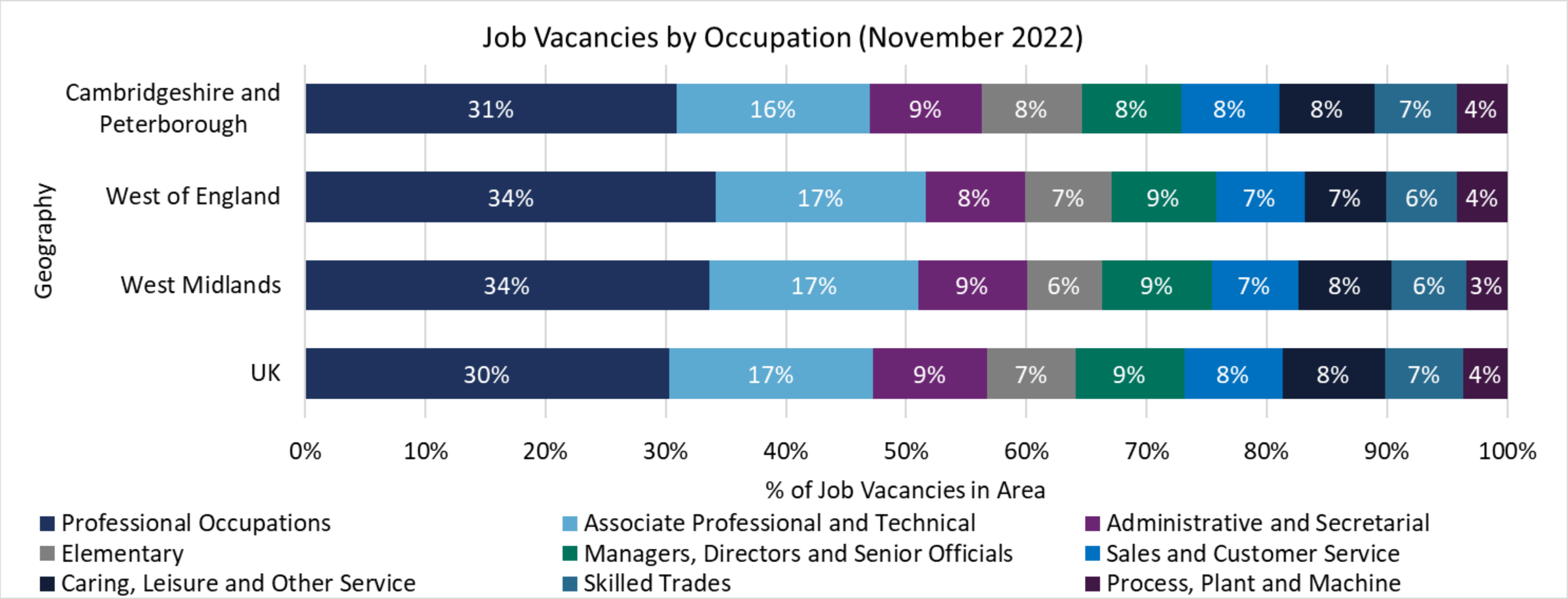
Jobs vacancies trends - Normalized



- Normalization allows numeric values to be changed to a common scale, without distorting differences in the range of values. Therefore, the above chart allows us to show overall trends in vacancies compared to the United Kingdom, despite the United Kingdom having a much higher raw number of job postings than the individual combined authorities.
- When looking at normalized job vacancies across Cambridgeshire and Peterborough, trends have majorly followed West of England, West Midlands and the United Kingdom overall.
- A notable divergence is from March 2022 where postings across Cambridgeshire and Peterborough fell to a lower baseline compared to the West of England, West Midlands and the United Kingdom overall. This potentially demonstrates the strength of the local economy, suggesting companies have found it easier to fill vacancies compared to comparison areas.

Source – Lightcast

Jobs vacancies by occupation



- Across Cambridgeshire and Peterborough 31% of job postings in November 2022 were for Professional Occupations, this is a slightly higher proportion than the United Kingdom average (30%).

- Job postings by occupation across Cambridgeshire and Peterborough are generally in line with what is seen across West Midlands, West of England and the United Kingdom as a whole suggesting similar skills needs.

Source – Lightcast

Jobs vacancies by sector

INDUSTRY	Cambridgeshire and Peterborough		West Midlands		West of England		United Kingdom	
	% 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	% 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%	↓	3.7%	↓	4.4%	↓	4.7%	↓
ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	9.2%	↓	8.7%	↓	9.1%	↓	9.1%	↓
AGRICULTURE, FORESTRY AND FISHING	0.2%	↓	0.1%	↓	0.1%	↓	0.2%	↓
ARTS, ENTERTAINMENT AND RECREATION	3.8%	↓	4.0%	↓	3.9%	↓	3.9%	↓
CONSTRUCTION	4.2%	↓	4.3%	↓	4.4%	↓	4.2%	↓
EDUCATION	5.4%	↓	8.5%	↑	4.5%	↓	6.3%	↓
FINANCIAL AND INSURANCE ACTIVITIES	3.2%	↓	4.3%	↓	4.0%	↓	4.2%	↓
HUMAN HEALTH AND SOCIAL WORK ACTIVITIES	12.0%	↓	11.9%	↓	10.7%	↓	12.9%	↓
INFORMATION AND COMMUNICATION	12.0%	↓	11.3%	↓	15.1%	↓	10.7%	↓
MANUFACTURING	7.2%	↓	6.4%	↓	5.4%	↓	6.0%	↓
MINING AND QUARRYING	4.0%	↓	3.0%	↓	3.6%	↓	3.3%	↓
OTHER SERVICE ACTIVITIES	0.4%	↓	0.3%	↑	0.3%	↑	0.3%	↓
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	5.8%	↓	8.2%	↑	7.7%	↓	7.8%	↓
PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	1.0%	↓	1.1%	↑	1.1%	↑	1.0%	↓
REAL ESTATE ACTIVITIES	1.3%	↓	1.3%	↓	1.2%	↓	1.2%	↓
TRANSPORTATION AND STORAGE	4.6%	↓	4.3%	↓	5.6%	↓	4.7%	↓
WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	3.6%	↓	3.1%	↓	3.1%	↓	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.

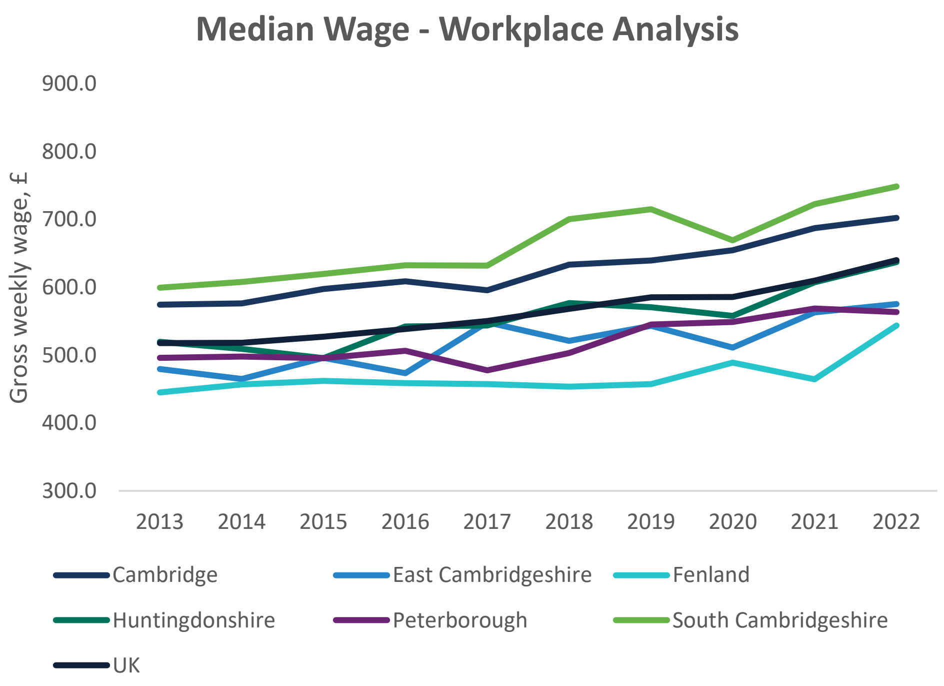
- The sectors which account for the largest proportions of job postings are: Human Health and Social Work 5,025 (12%) and Information and Communication 5,102 (12%). These are the same two sectors which have the largest proportions in all comparison areas.

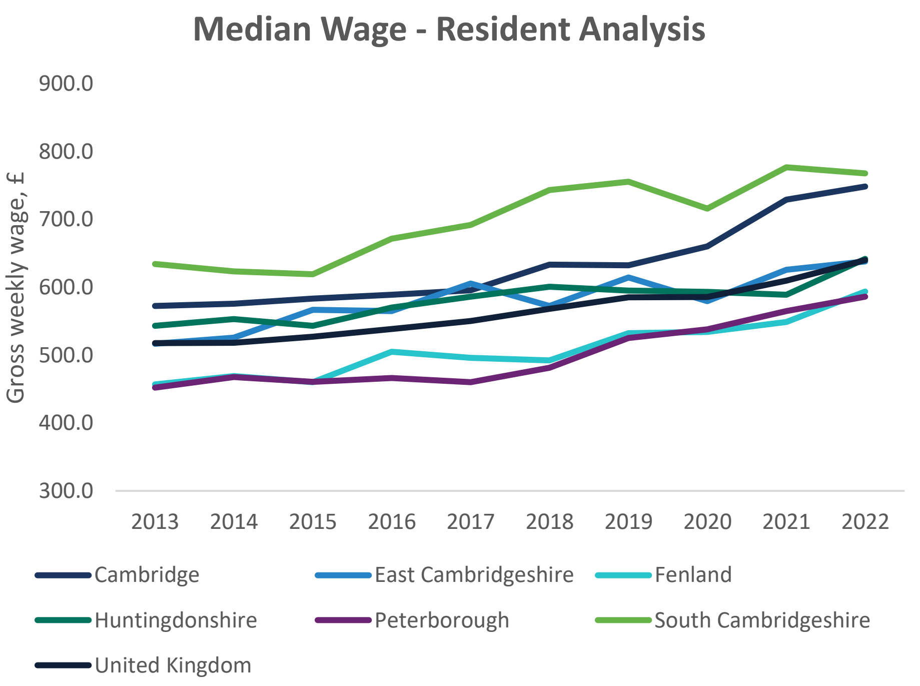
*Please note that percentages will not add up to 100% owing to industries using occupation as a proxy

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.

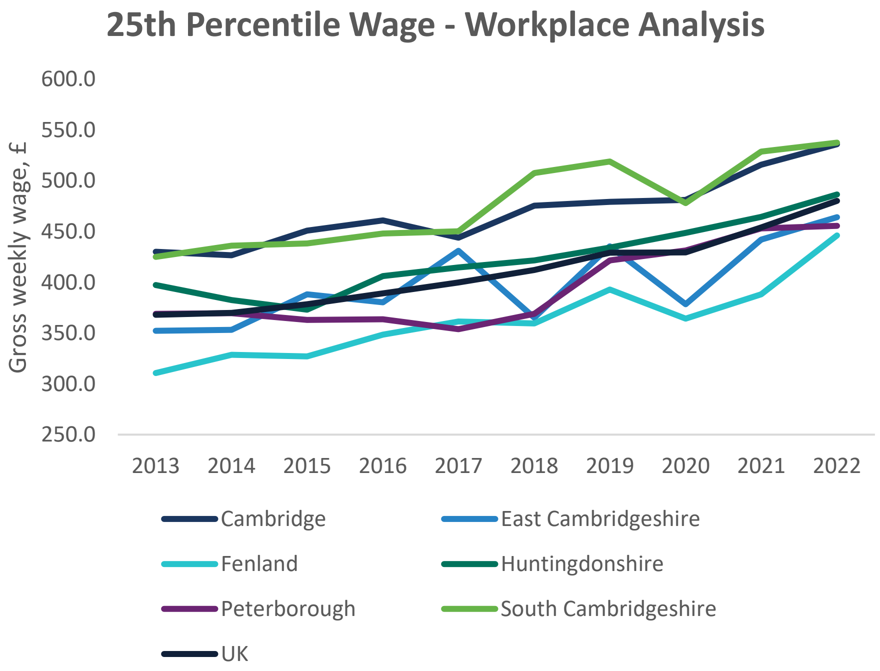


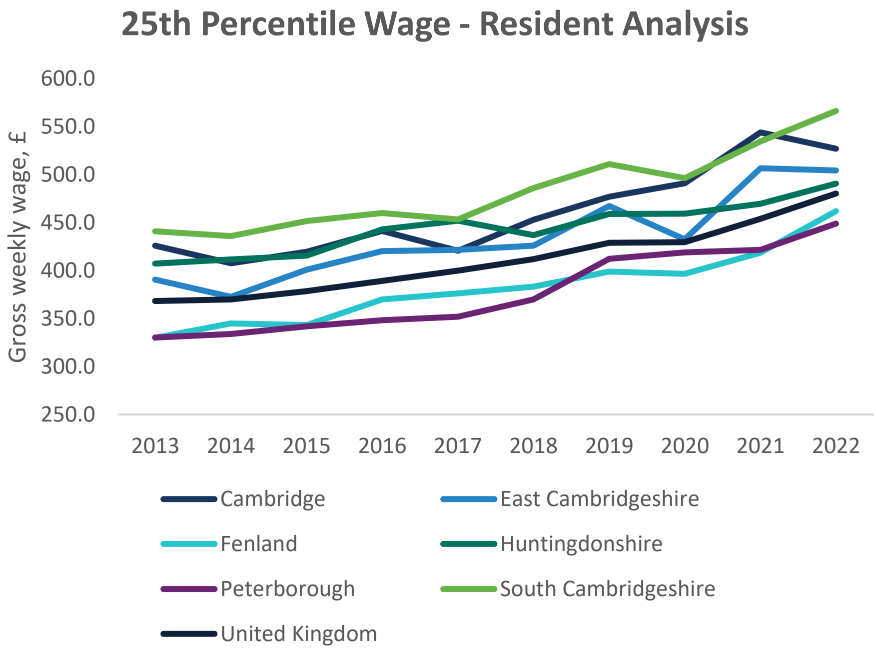


Source: ONS. Annual Population Survey. (Jul 2021 – Jun 2022)

Workplace and resident wages

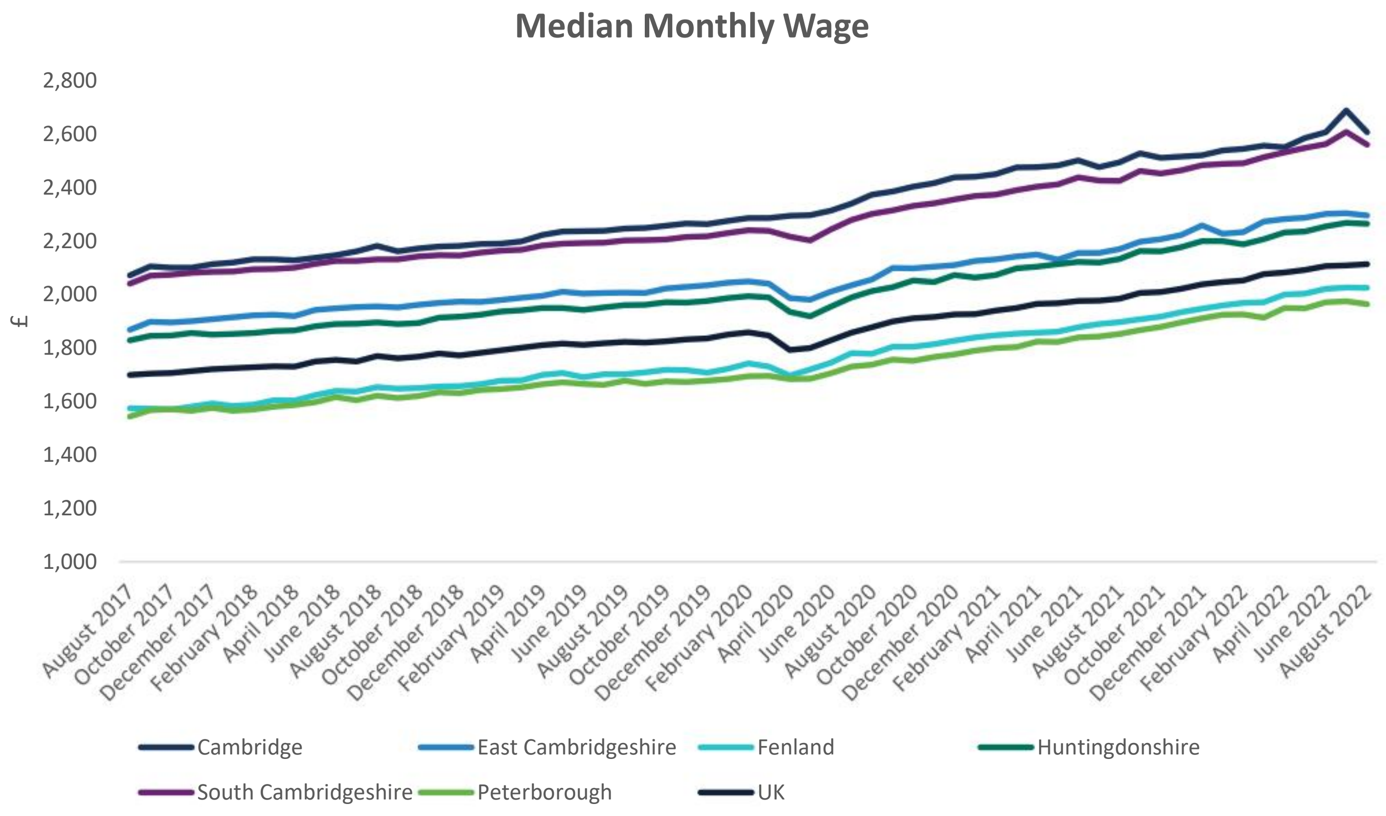
- The 25th percentile weekly wage for those working in C&P's districts is above the national level of £480 in South Cambridgeshire, Huntingdonshire and Cambridge. For the areas' residents East Cambridgeshire is also above the national level.
- In each of the districts apart from Peterborough the resident 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 25th 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)

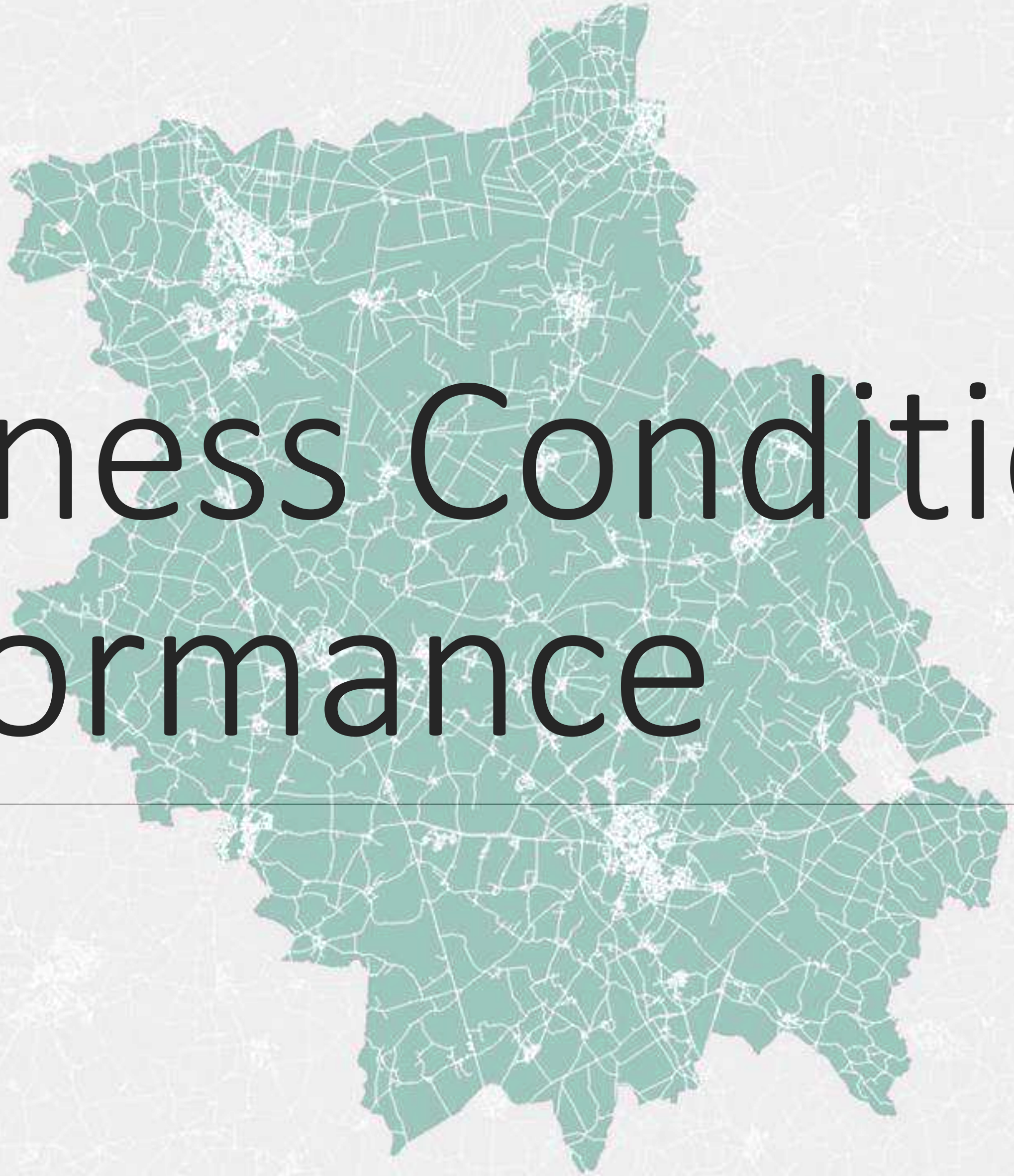
Median wages – real time PAYE data



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

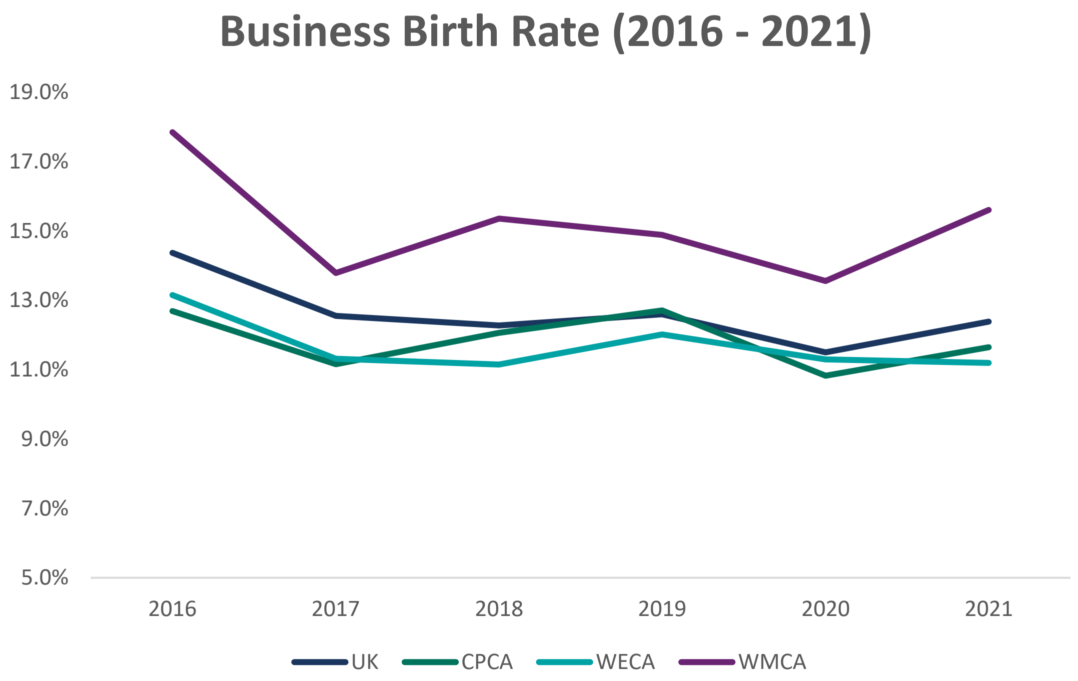
- The median monthly wage is above the UK median in four of C&P's districts. Peterborough and Fenland have a median wage below the UK median.
- Wages fell briefly in the first half of 2020 but returned to steady growth.
- Rising inflation does not appear to have led to accelerated median wage growth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

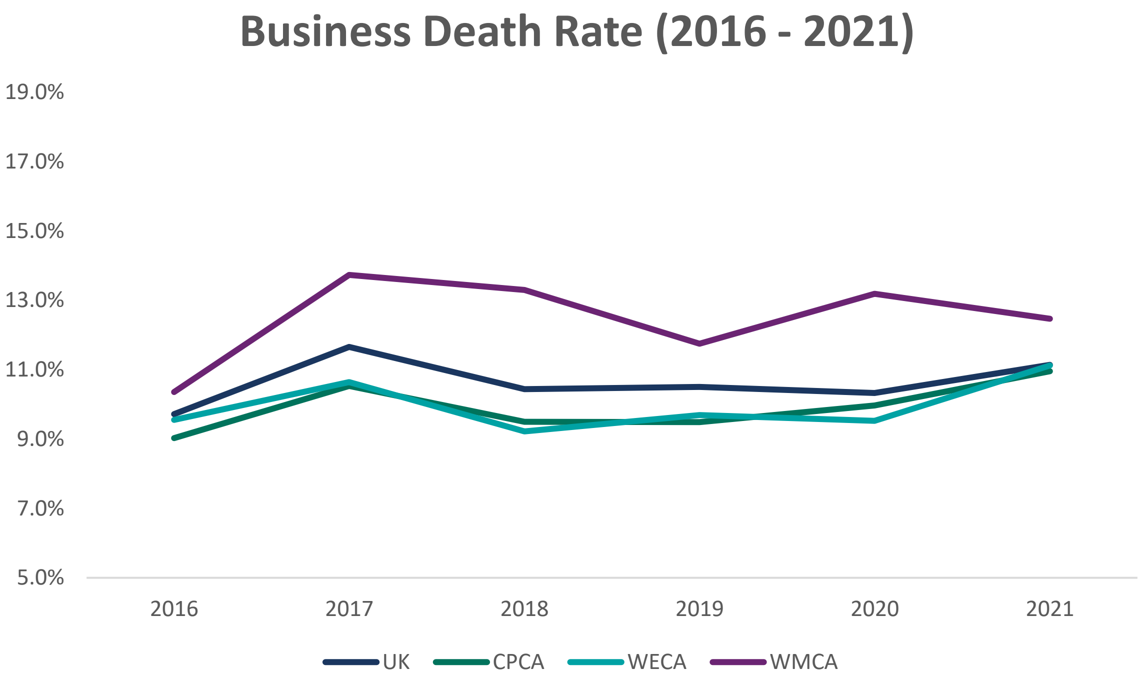
Business Conditions and Performance



Business Birth and Death Rates

- Business birth rates for C&P were slightly higher than the UK average, and showed signs of recovery in 2021. Death rates have increased year-on-year since 2019 but remain slightly lower than the national rate.

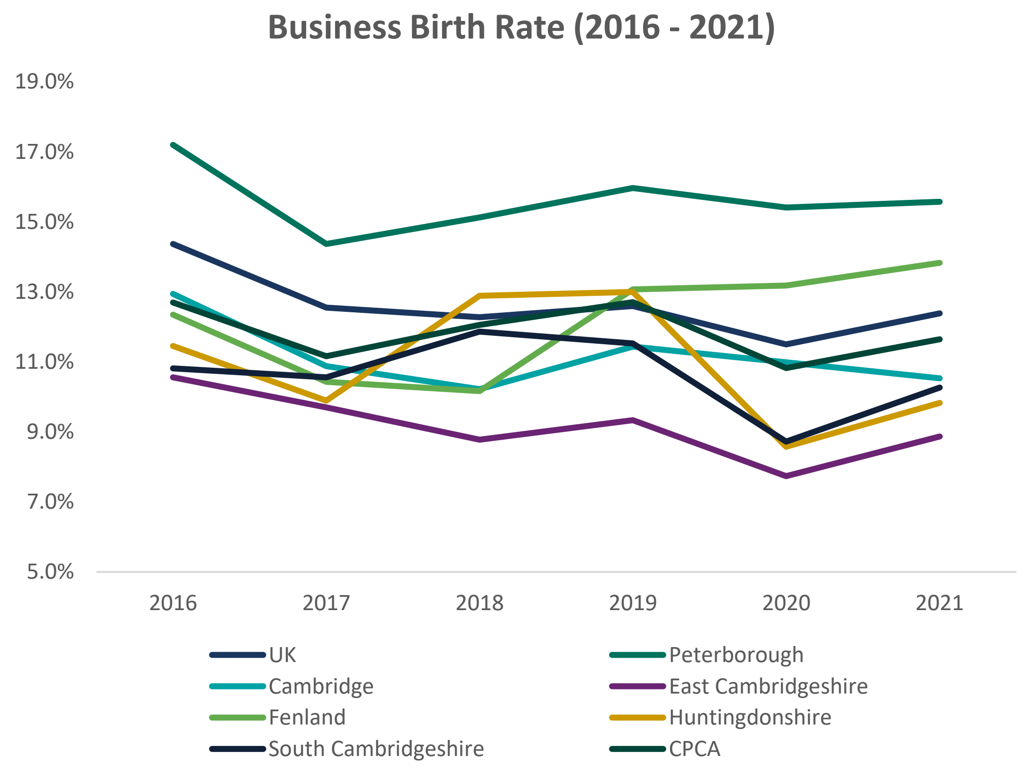


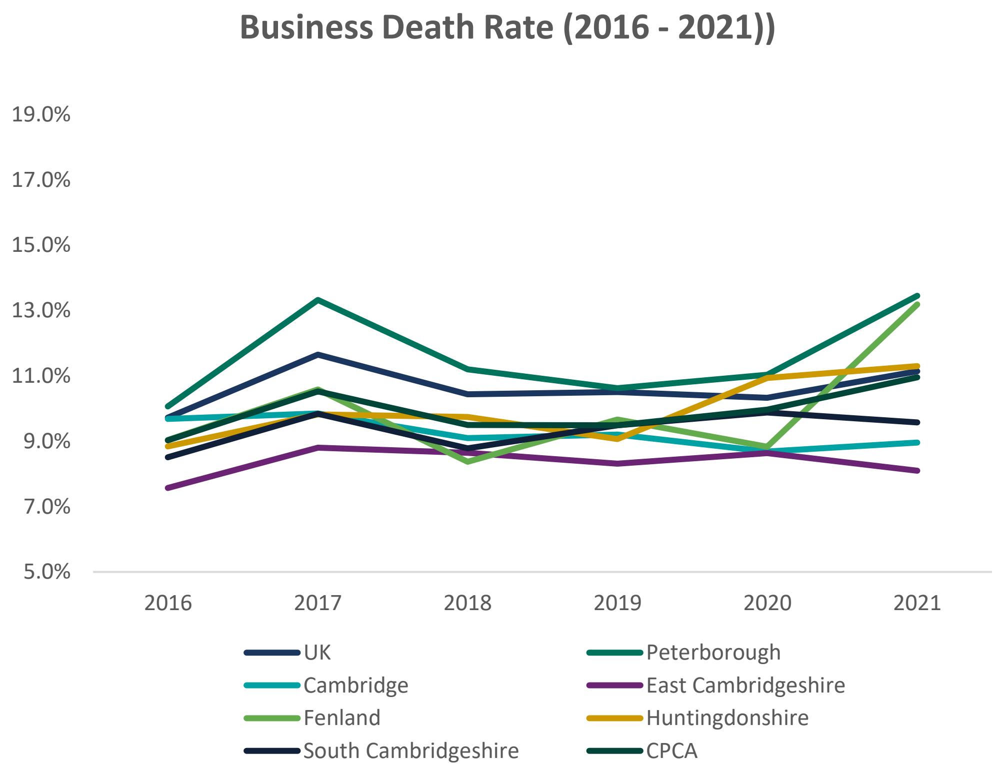


Source: ONS. Business Demography, UK: 2021.

Business Birth and Death Rates

- There is considerable variation between districts. The highest birth rate was 15.6% in Peterborough while the lowest was East Cambridgeshire, at 8.9%.
- Business death rates were highest in Peterborough and Fenland, in both places they have risen steeply since 2019.

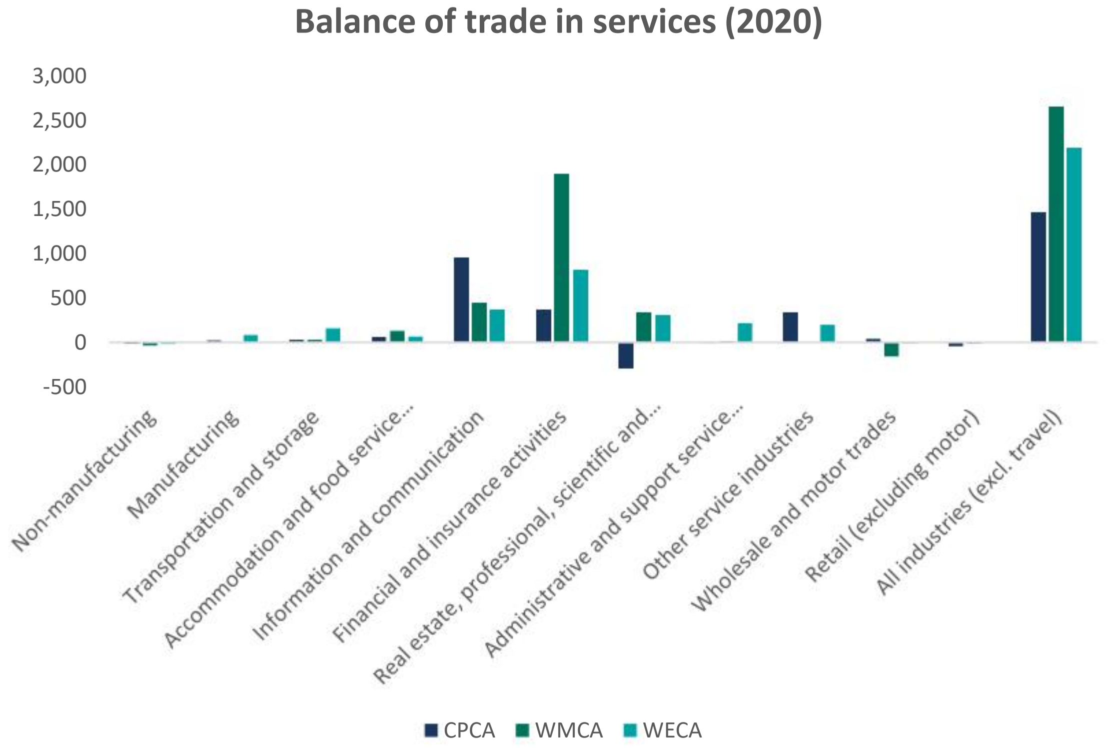




Source: ONS. Business Demography, UK: 2021.

Trade Balance by Sector (2020)

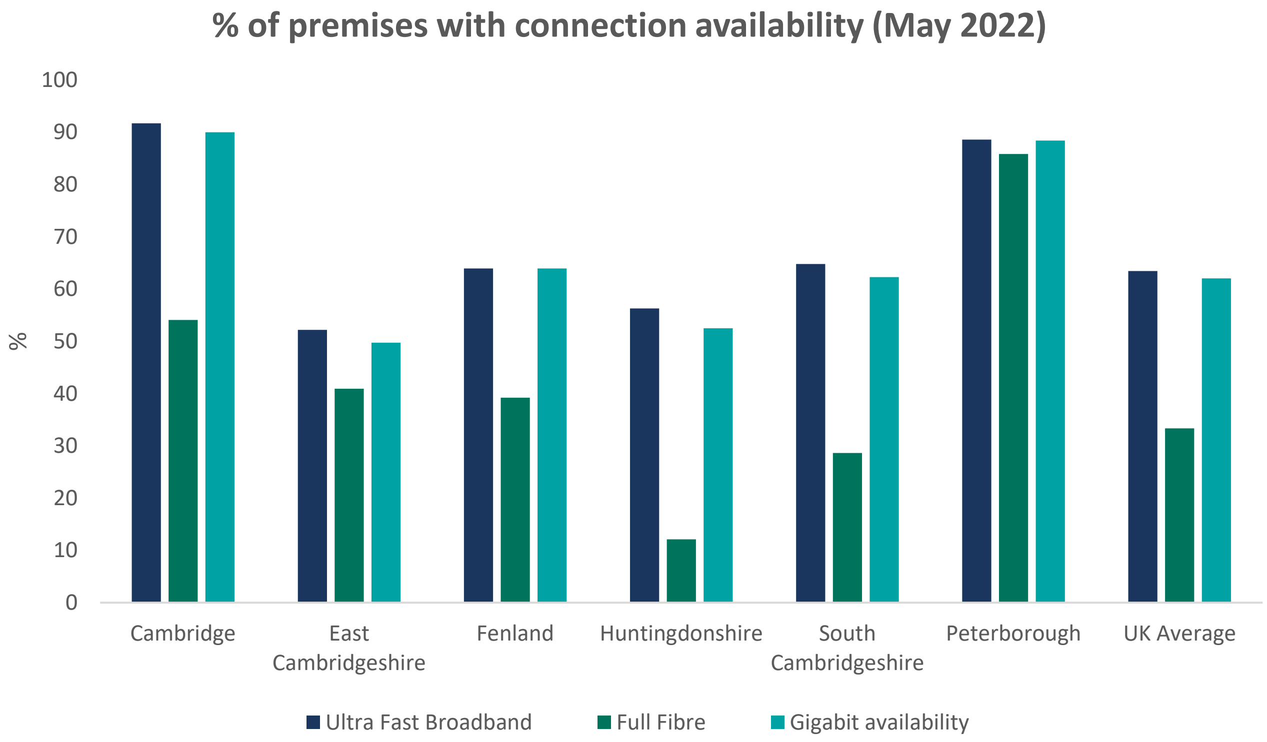
- In the most recent trade data CPCA had an overall trade surplus driven by services, where exports exceed imports by over £1.4bn. The main components of this surplus were ICT, finance and insurance and other services.
- CPCA had a negative trade balance for goods across all industries but the manufacturing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

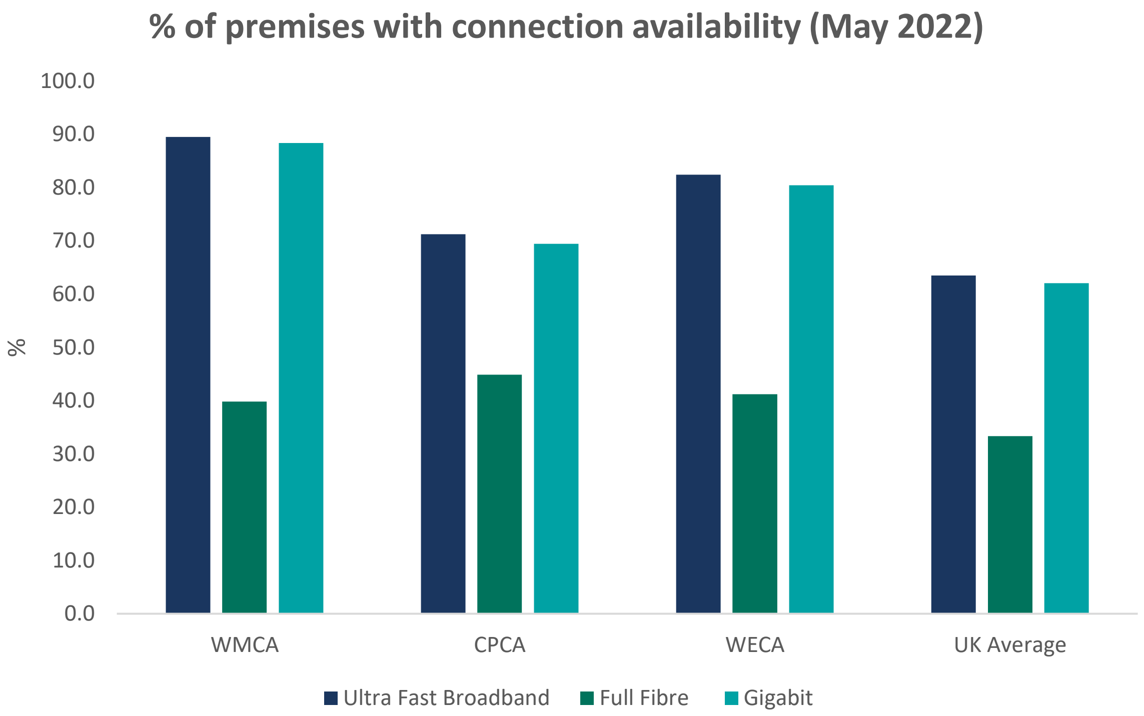


Source: ONS. Subnational Trade in goods & Subnational trade in services

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.

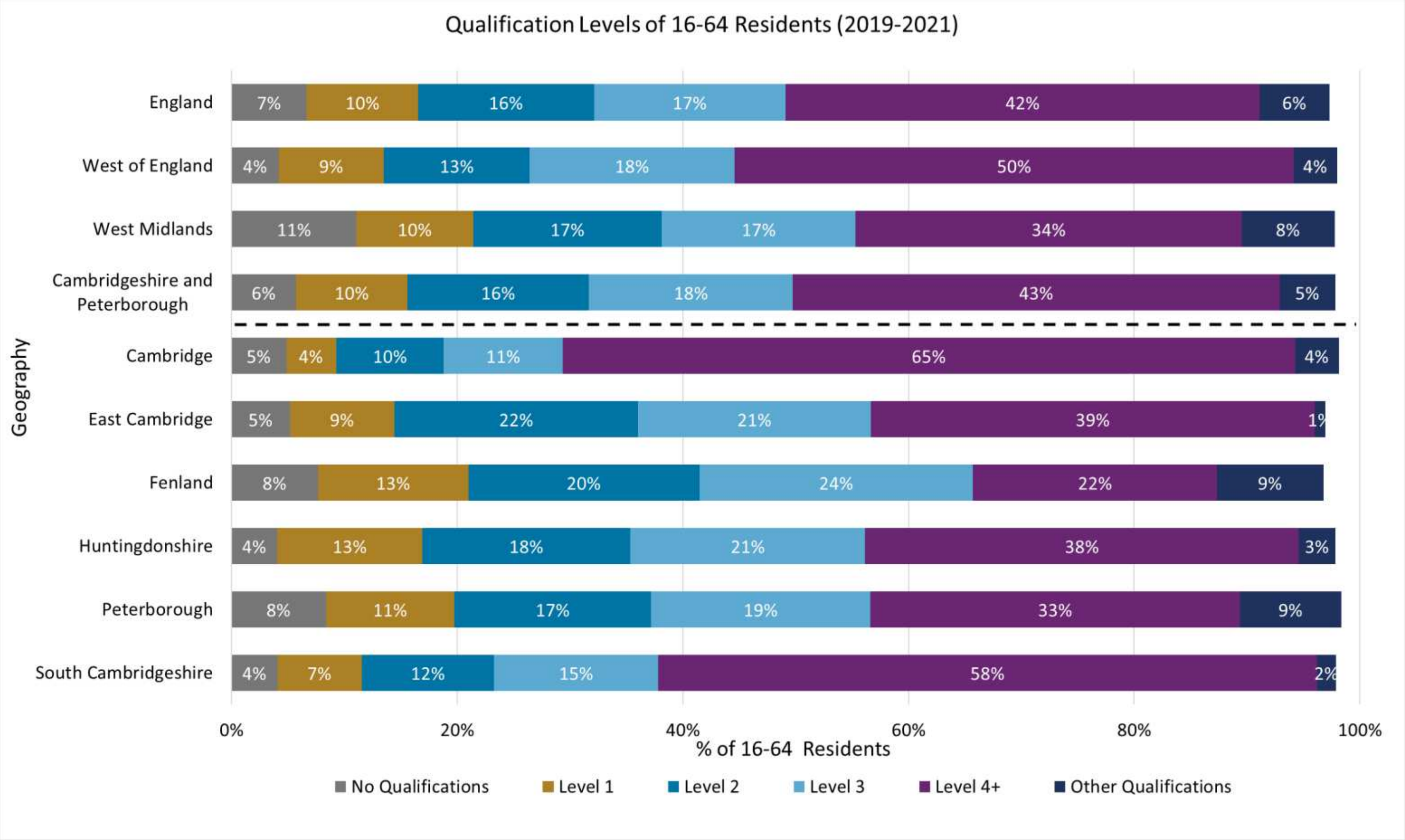




Source: Ofcom. Connected Nations update: Autumn 2022.

Skills Supply

Qualification Levels



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

- Across the Cambridgeshire and Peterborough area, the proportion of residents with each qualification level is broadly similar to the England average and West of England. The West Midlands has a lower proportion of residents with a Level 4+.
- 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.

Source – Annual Population Survey (2019 – 2021)

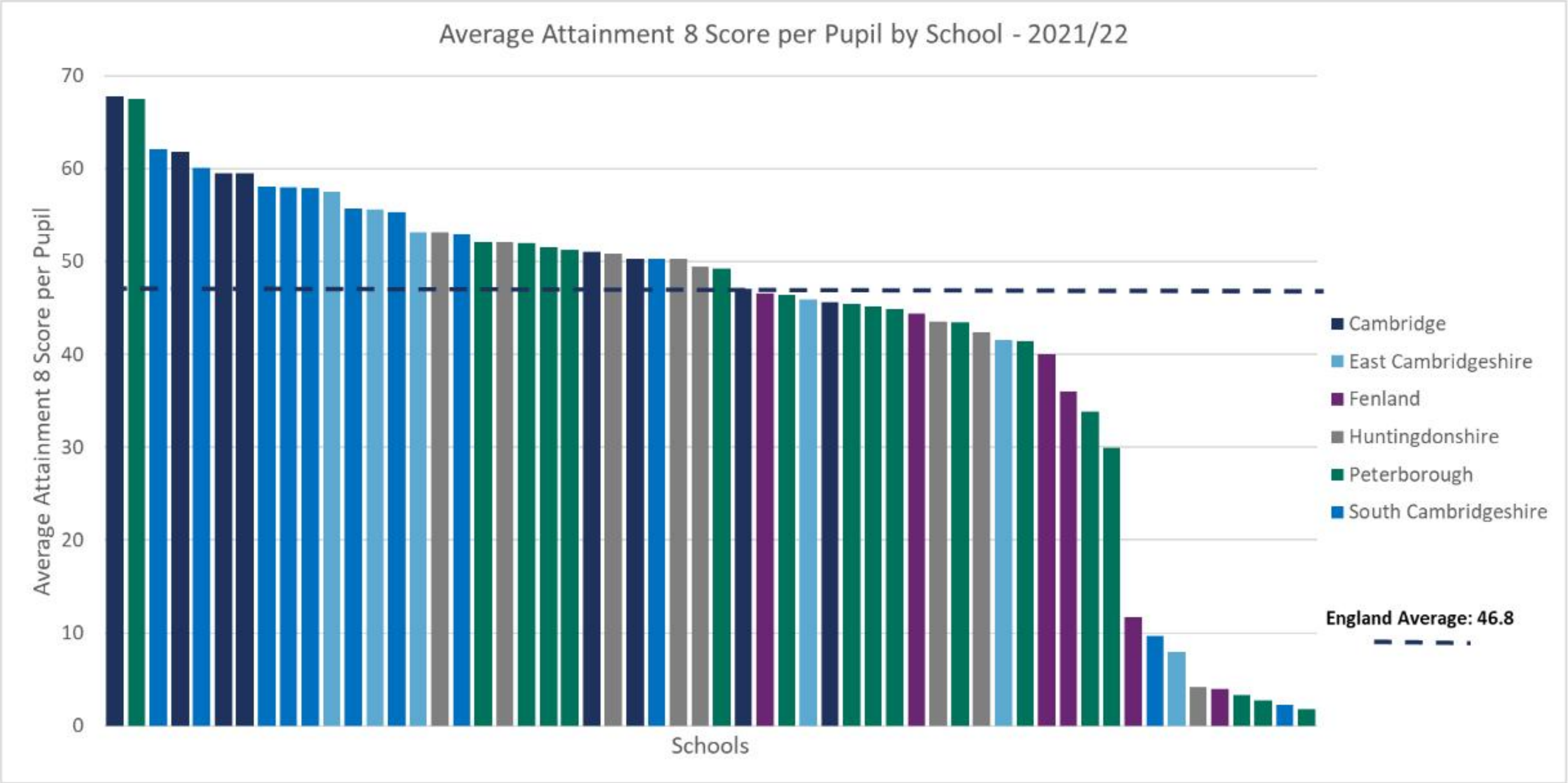
Note: analysis in Spring 2023

Education and Training: Achievement Rates

*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



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

- 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.

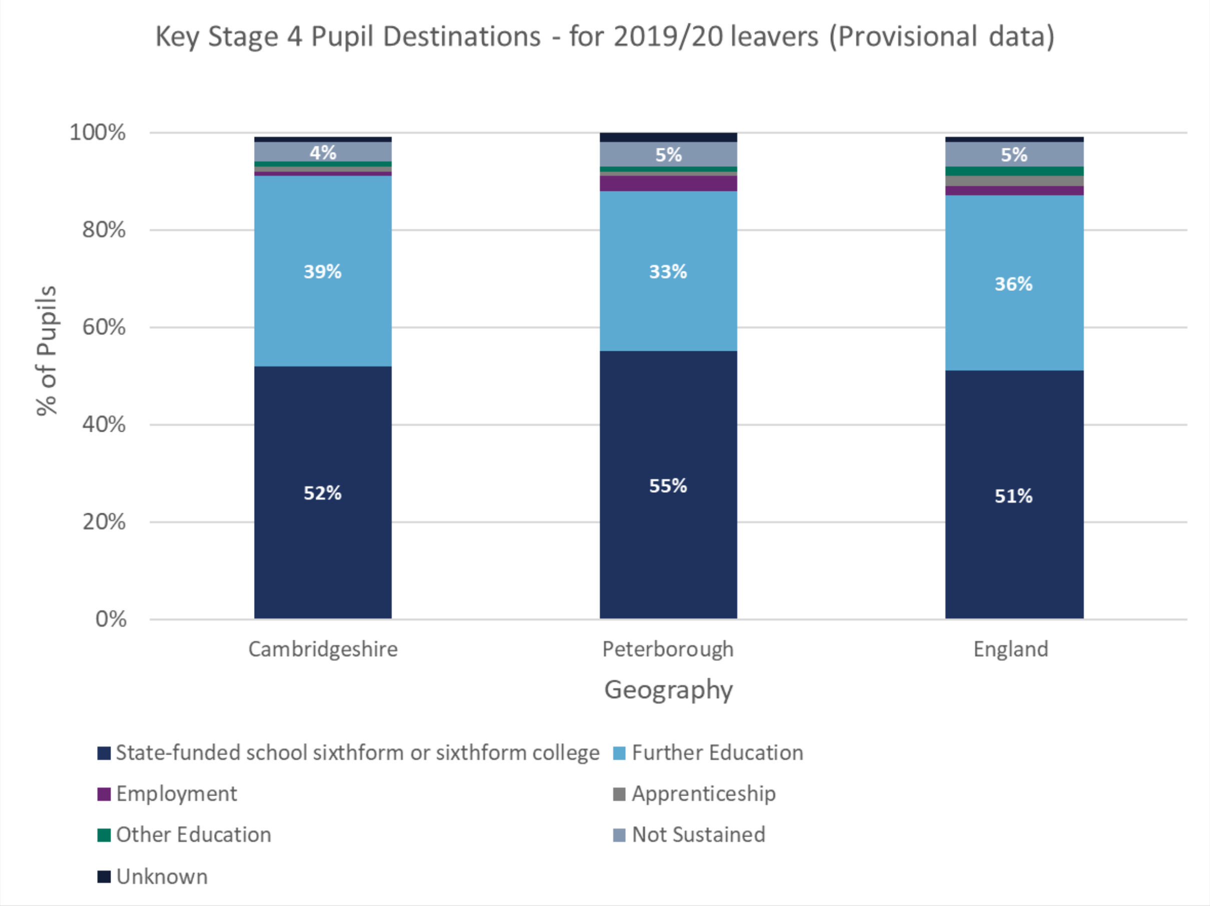
Source – Key Stage 4 Results, 2021/22, DfE

Note: analysis in Spring 2023

Key Stage 5 Performance

*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)

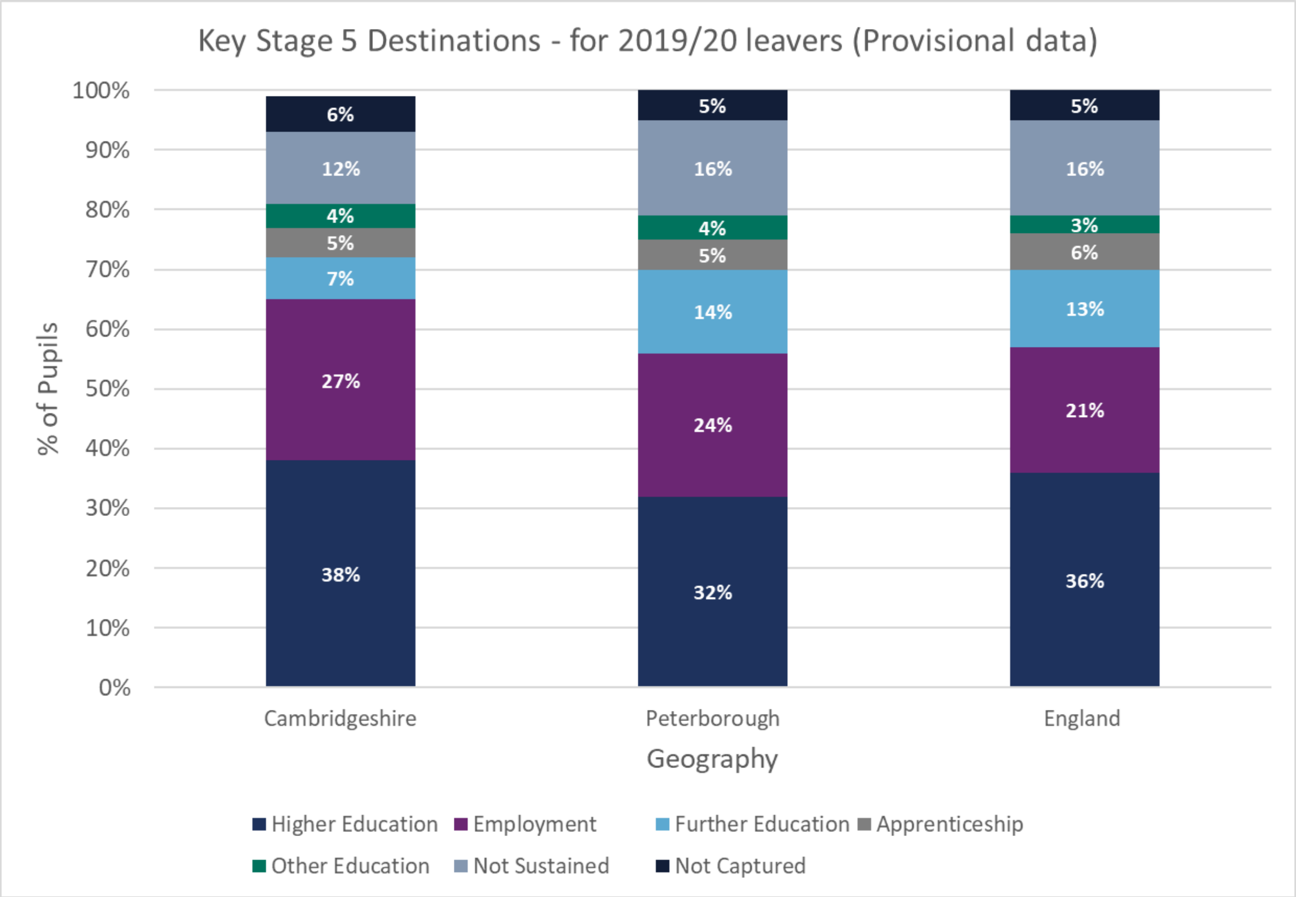


- Across Cambridgeshire, 92% of pupils who left Key Stage 4 went on to education as a destination. This compares to 89% of pupils across Peterborough and 89% across England as a whole.
- Peterborough had a higher proportion of pupils who left Key Stage 4 and went into employment (3%) this is +1pp higher 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)

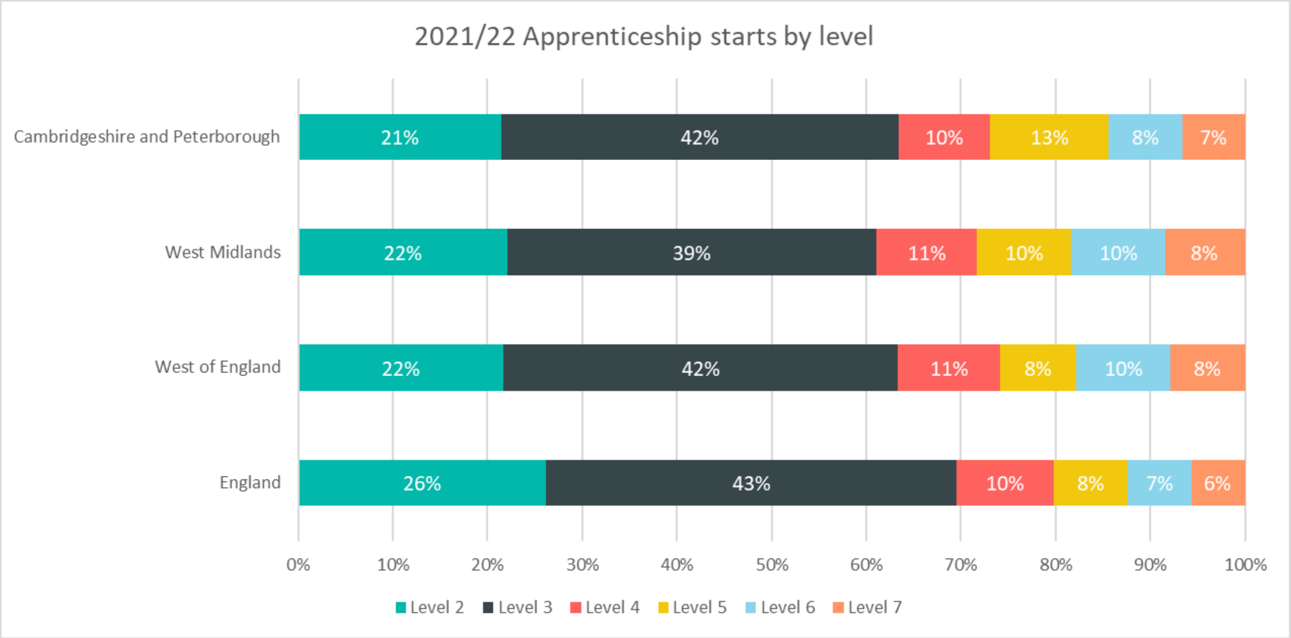


- Higher education was the top destination for pupils after Key Stage 5. Cambridgeshire had a higher proportion of pupils moving on to higher education (38%) compared to the England average (36%). Peterborough saw a lower proportion (32%) than nationally.
- Employment was the next most popular destination 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



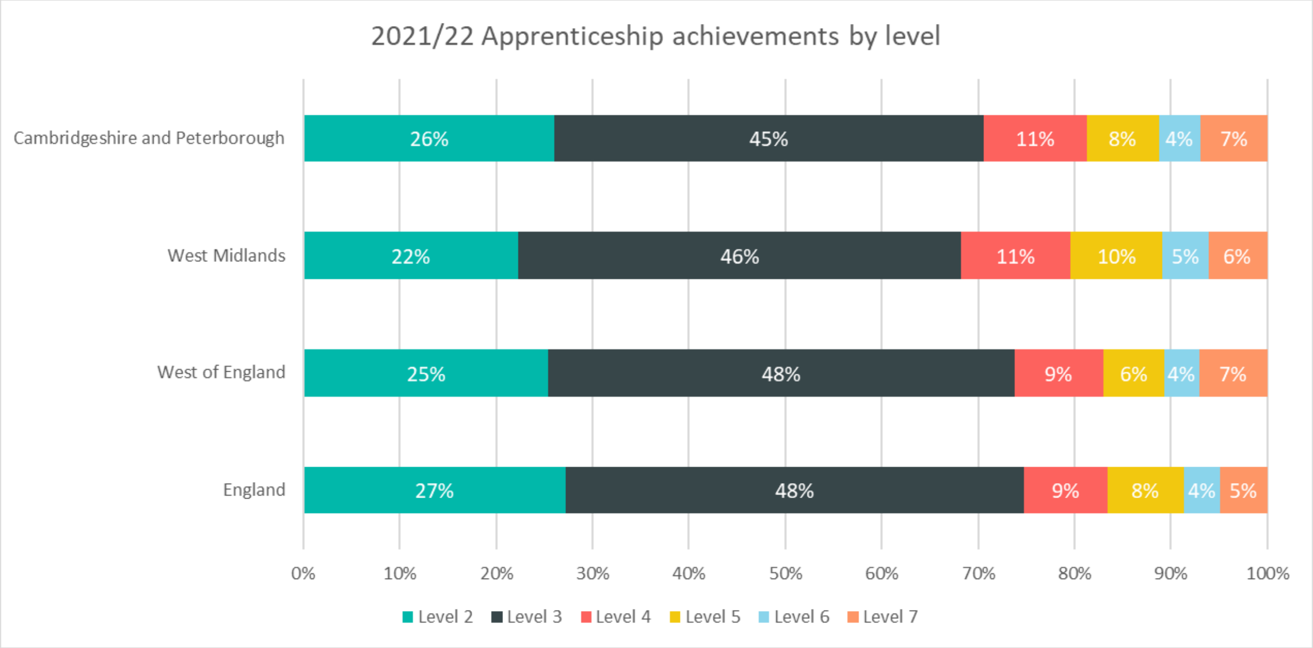
- In 2021/22 there were 4,777 Apprenticeships starts delivered in Cambridgeshire and Peterborough.
- This is an +8% increase compared to 2020/21 (from 4,429 to 4,777). Nationally starts increased by +9% when compared to 2020/21.
- Starts by level were broadly similar when comparing to West Midlands and West of England and England as a whole.

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



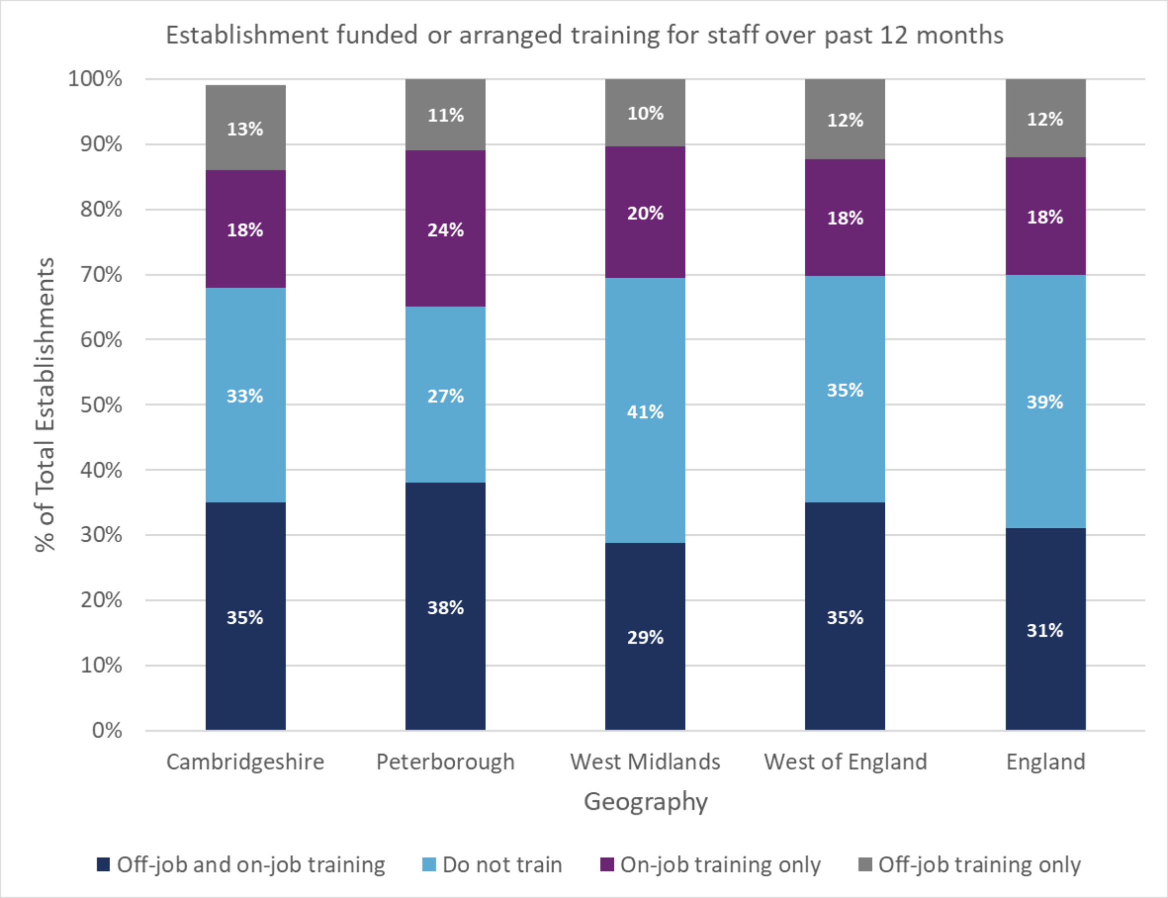
- In 2021/22 there were 2,016 Apprenticeship achievements in Cambridgeshire and Peterborough.
- This is a -11% decrease compared to 2020/21 (from 2,263 to 2,016) Compared to 2019/20 they were +1% up (from 2,004 to 2,016). Nationally achievements decreased by -12% from 2020/21.
- Achievements by level were broadly similar when comparing to West Midlands, West of England and England as a whole.

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% of establishments funded or arranged off-Job and on-job training over the past 12 months. In Peterborough this figure was 38%. 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%).
- Employer training in Cambridgeshire and Peterborough is generally in line with West of England but differs to the West Midlands which has a lower proportion of Off-job and on-job training and a higher proportion of establishments that do not train.

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

Source – Employer Skills Survey 2019, DfE

Appendix

Choice of National Comparator

The UK is used as the national Comparators where data is available and where it is an appropriate comparison given where the relevant policy sits;

- Economy Overview: UK with the exception of sector productivity as the BRES data used in calculations is not availble for Northern Ireland, Great Britain is used instead.
- Labour Market: UK
- Business Conditions & Performance: UK
- Skills: skills policy in devolved nations is determined by national parliaments. As provision and policy differs across the four nations of the UK data is published by each nation and England is the most appropriate comparator.

Combined Authority Comparators

The West of England and West Midlands were chosen as comparators with input from CPCA colleagues. They have been included in all instances where they provide a useful point of reference and where it was possible to do so.

*Comparisons were not been made to West of England and West Midlands for school performance and destination data owing to how averages in these datasets are calculated.

They are also not included for Median and 25th percentile wages. Wage data from the Annual Survey of Hours and Earnings is not produced for Combined Authorities and it is not possible to determine the Combined Authority median from those of its composite Local Authorities.