

# Cambridgeshire and Peterborough Combined Authority

**COVID-19 Impact Assessment**

**December 2021**

# Executive Summary / December 2021

Cambridgeshire and Peterborough Combined Authority (CPCA) commissioned Metro Dynamics to monitor the impact of Covid-19 on the CPCA economy, including our three sub-regional economies. This summary updates our analysis of that impact with the latest available data as at early December 2021.

This report aims to provide an up to date assessment of impact on the CPCA economy, with a focus on major sectors, business groups and the labour market. We summarise how initial forecasts of impact have been effected by the subsequent policy response. We note the early impacts of the latest Omicron related restrictions, although these were only implemented in recent days.

**Overall, the economy has shown a steady recovery, but output may have recovered less than for the UK as a whole.**

As of Q2 2021 (the latest quarter of data) economic output in C&P has recovered significantly in Q2 of 2021, but remains £244m below Q1 2020 levels. Care is needed over the modelling, but there are signs that, nationally, the rate of recovery has been slightly faster with the economy now returning to near Q1 2020 levels, prior to the impacts of Omicron related restrictions.

**Data on sectoral impacts is complex and contradictory, suggesting that the impact of the end of furlough and other business support programmes has not yet become clear.**

Overall numbers of business have fallen, with a 0.1% contraction in the business base across C&P since the start of the pandemic, which is in line with the East of England but at odds with the 0.6% increase in business counts across the UK.

Peterborough and Fenland have seen the highest growth with

an increase of 4.1% and 3.0% respectively. South Cambridgeshire, East Cambridgeshire and Huntingdonshire have all experienced contraction to their business bases. Huntingdonshire has seen the steepest decline at 3.2%.

Looking across industries we see significant divergences in the count of businesses, with the steepest falls occurring in Primary industries (-9.5%), Manufacturing (-5.9%) and IT (-4.2%). The fall in the number of manufacturing businesses is particularly striking against overall UK growth of 1.7% for the sector.

Output losses locally appear to have been concentrated in leisure and accommodation, education and professional and scientific services. One oddity is that the modelling suggests a greater output loss in the professional / scientific and IT sectors in Greater Cambridge than is borne out by business sentiment and anecdote, although a significant 9.2% of jobs have been lost across the C and P area as a whole in these sectors, suggesting at least a temporary contraction. It may be that these firms have managed to retain margins and protect profitability to a greater extent than others. We will explore this more fully in the weeks ahead.

The education sector has been recruiting heavily, with significant job growth also in health and logistics.

**Employment is now above March 2020 levels. The Job Retention scheme achieved its headline goal of minimising increases in unemployment.**

In Cambridgeshire, the low point for employment before recovery started was in January 2021 where nearly 9000 jobs had been lost compared to March 2020 levels. This amounted to a 2.9% reduction in employee numbers in the area. Similarly, Peterborough saw a 2.7% reduction (2,600 jobs), reaching this point in September 2020, 4 months earlier than Cambridgeshire's lowest point.

Overall Cambridgeshire and Peterborough are above March 2020 employment levels (Cambridge CC: +1.2%, Peterborough: +2.2%). In total, Cambridgeshire took 17 months to recover to March 2020 levels, Peterborough 15 months. Both areas displayed a fairly 'U shaped' recovery, mirroring the national picture.

The unemployment rate rose at the start of the pandemic but has recovered faster than the UK as a whole and is back to pre-pandemic levels. This is in contrast to the rest of the UK, where it has continued to rise.

**The labour market has tightened and recruitment is an issue for many firms**

Job vacancies have also recovered and are now around 13% higher than pre pandemic, suggesting a tightening labour market. EU migration has fallen and Fenland, where the agricultural sector has a high reliance on seasonal labour has very high vacancy levels (132% of pre pandemic levels). Median wages have also risen, largely tracking the trend across the UK.

**Masking potentially increasing inequality**

Areas with higher rates of pre-existing deprivation have generally experienced higher numbers of Covid-19 cases, as well as higher rates of new universal credit claims. This is particularly true for more deprived communities in Peterborough. Wisbech, Cambridge, Chatteris and Soham. This is likely to exacerbate pre-existing health inequalities.

# In September 2020 we prepared an initial Covid-19 Impact Assessment which outlined some emerging implications. As the crisis has evolved so too have its implications for C&P

<b>Emerging implications in Sept. 2020</b> ➡ <i>In September 2020, we highlighted the emerging implications below:</i>	<b>Where we are now, in December 2021</b> ➡ <i>Now in December 2021, we see that these emerging implications are playing out in sometimes unexpected ways</i>	<b>Ongoing uncertainties</b> ➡ <i>There is much about the next phase of the pandemic we still don't know</i>	<b>Implications for C&amp;P actions and strategies</b>
<p>The <b>spatial pattern of economic activity</b> and the relationships between places for work, living, leisure and learning are changing:</p> <ul style="list-style-type: none"> <li>Work and educational activities transacted successfully over larger geographies</li> <li>Productivity gains from agglomeration and 'economies of scope' potentially achievable at more local scales</li> </ul>	<p><b>Homeworking has become the norm</b> in some sectors as workers and businesses have adjusted working practices and processes. However, this behavioural shift does not appear to have triggered major changes to the spatial pattern of economic activity. Or, rather, it is too early to tell in CPCA. In other, relevant, parts of the country, such as Surrey, for example we have seen a net inflow of people and some early signs of more older people leaving and more younger people moving in.</p>	<ul style="list-style-type: none"> <li>Will homeworking and virtual work arrangements become a permanent fixture in more work environments?</li> <li>Will people 'vote with their feet' and relocate to places, such as more spacious regional areas, which can offer a better quality of life?</li> <li>Will international students return to higher education institutions in the same numbers as before the pandemic?</li> </ul>	<ul style="list-style-type: none"> <li>Revisit 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)</li> <li>Ensure town plans and district plans identify opportunities to revitalise public space to cater to residents who live and work locally, such as offering more green space where possible</li> </ul>
<p>A <b>weaker labour market</b> 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 <b>widening inequality</b>.</p>	<p>As of December 2021, <b>a structural rise in unemployment has not materialised</b> and appears unlikely in the short to medium term. Instead, disruptions to supply chains, 'pingdemics' and migration outflows have led to labour market shortages in key occupations and sectors, with unemployment across C&amp;P now lower than it was prior to the pandemic. Where there have been job losses, however, the impacts have fallen disproportionately on disadvantaged and low-skilled workers.</p> <p>The pandemic has honed businesses' focus on automation and digitisation, meaning that longer-term labour market impacts remain a distinct possibility.</p>	<ul style="list-style-type: none"> <li>Are historically low unemployment rates temporary, or do they signal an era of near-full employment across the UK?</li> <li>What will the medium impact be on wages, and how will businesses adjust to higher labour costs if wage increases become a feature of the economy?</li> <li>Will increased automation and digitisation ultimately result in job losses in lower-wage, lower-skill job roles, and if so, what support will be required to help these workers transition to other opportunities?</li> </ul>	<ul style="list-style-type: none"> <li>Make addressing widening inequality and the pandemic's unequal impacts a central feature of recovery.</li> <li>Consider how the 'six capitals' approach can help align interventions with improved wellbeing and quality of life outcomes for residents</li> </ul>
<p><b>Global capital</b> 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.</p>	<p>A turbulent year for markets - featuring disruptions to global trade and logistics, gas shortages and energy price rises, significantly decreased migration and travel, and ongoing political uncertainties about how to manage the pandemic - has resulted in <b>a glut of global capital</b>. We are now entering a period of inflation led by gains in asset classes, notably housing in the UK and wider commodities. There remain significant opportunities for C&amp;P to attract inward investment from private sector sources into the region's highly-productive and well-established sectors and businesses, which offer a relatively safe return.</p>	<ul style="list-style-type: none"> <li>Will the UK, and C&amp;P specifically, be able to compete internationally to capitalise on high global saving rates and attract inward investment?</li> <li>How will public funding in the UK be directed and made available in order to achieve specific ends, such as levelling up or achieving net zero?</li> </ul>	<ul style="list-style-type: none"> <li>Review strategies for attracting inward investment in light of changed global market characteristics; consider how best to market C&amp;P as a great place to invest</li> <li>Align strategic priorities and actions with potential funding sources, either through private finance or through competitive public funds</li> </ul>
<p><b>Productivity</b> 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.</p>	<p>Productivity is being influenced by a broad range of factors which are pulling in different directions. The net effect across the UK appears to be <b>an increase in productivity</b>, as businesses which were required to innovate in the short term (mostly via process innovation) are now reaping the productivity benefits.</p>	<ul style="list-style-type: none"> <li>Will rising input costs – particularly for energy and labour – be a drag on productivity growth and offset the gains stemming from product and process innovation within businesses?</li> <li>Will large debt burdens for many businesses in some sectors prevent investment in growth?</li> </ul>	<ul style="list-style-type: none"> <li>Help businesses, particularly the region's large base of micro businesses, embed new work practices and behaviours</li> </ul>
<p>Across <b>sectors</b> diverging impacts and recovery pathways seem likely, as sectors face a range of disruptions specific to them. Knowledge-intensive sectors where workers are more able to work from home may be able to navigate disruptions more easily, while those sectors where work depends on close physical proximity (e.g. production lines in manufacturing plants) will find the pandemic's disruptions harder to overcome.</p>	<p><b>Diverging impacts and recovery pathways are playing out across all sectors</b>, with those sectors most affected by restrictions (particularly retail and the visitor economy) finding that much output which has been lost is irrecoverable.</p> <p>Businesses in other, typically more knowledge-intensive industries, have been able to grow rapidly and adjust to new operating models to capitalise on market opportunities</p>	<ul style="list-style-type: none"> <li>Will major disruptions to supply chains and logistics, which are affecting all sectors, become less frequent from Spring 2022 onwards.</li> </ul>	<ul style="list-style-type: none"> <li>Develop/update sector-specific strategies and plans which respond to specific challenges and opportunities.</li> <li>Support sector-specific plans with overarching strategies (e.g. on skills) which address system-wide issues</li> </ul>

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## The number of confirmed cases now exceeds January 2021 peaks, however vaccines are helping to reduce the incidence of serious illness and hospitalisation

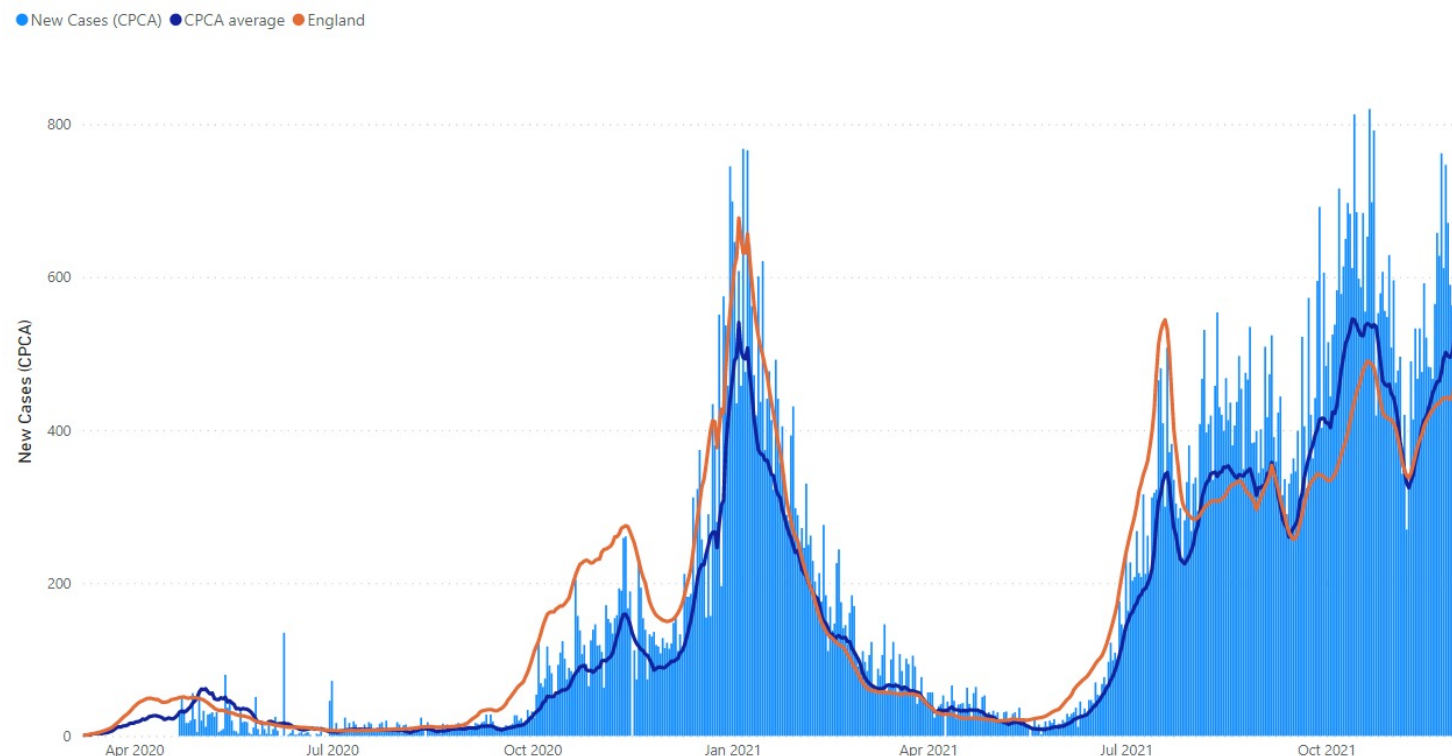
This graph shows the Covid-19 case rate per 100,000 in C&P and England.

The trajectory of the virus in C&P has been similar to the trajectory seen nationally. As of December 2021, cases are now rising significantly once again and are now higher than the previous peak in January 2021.

As of December 9<sup>th</sup>, the highest rolling 7 day rate within C&P was in South Cambridgeshire (720 per 100,000) and lowest in Fenland (360 per 100,000 population).

Despite case numbers exceeding the January peak, the death rate remains well below levels seen in January as vaccines help reduce the risk of serious illness and hospitalisation.

**Daily Covid cases with CPCA and England case rate lines. March 2020 – 8<sup>th</sup> December 2021**



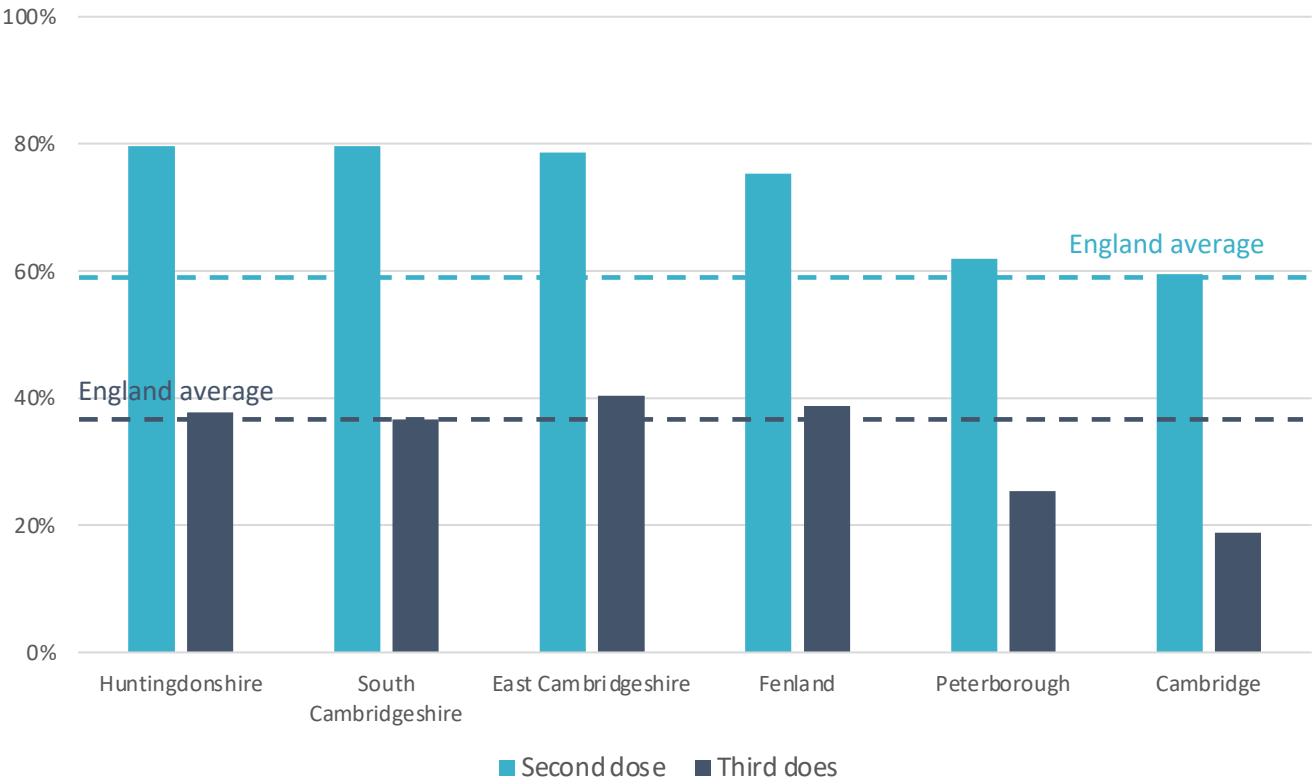
# Vaccines, including the booster programme, are being successfully rolled out across C&P in line with national rates

This graph shows the uptake of second and third doses of vaccines across C&P.

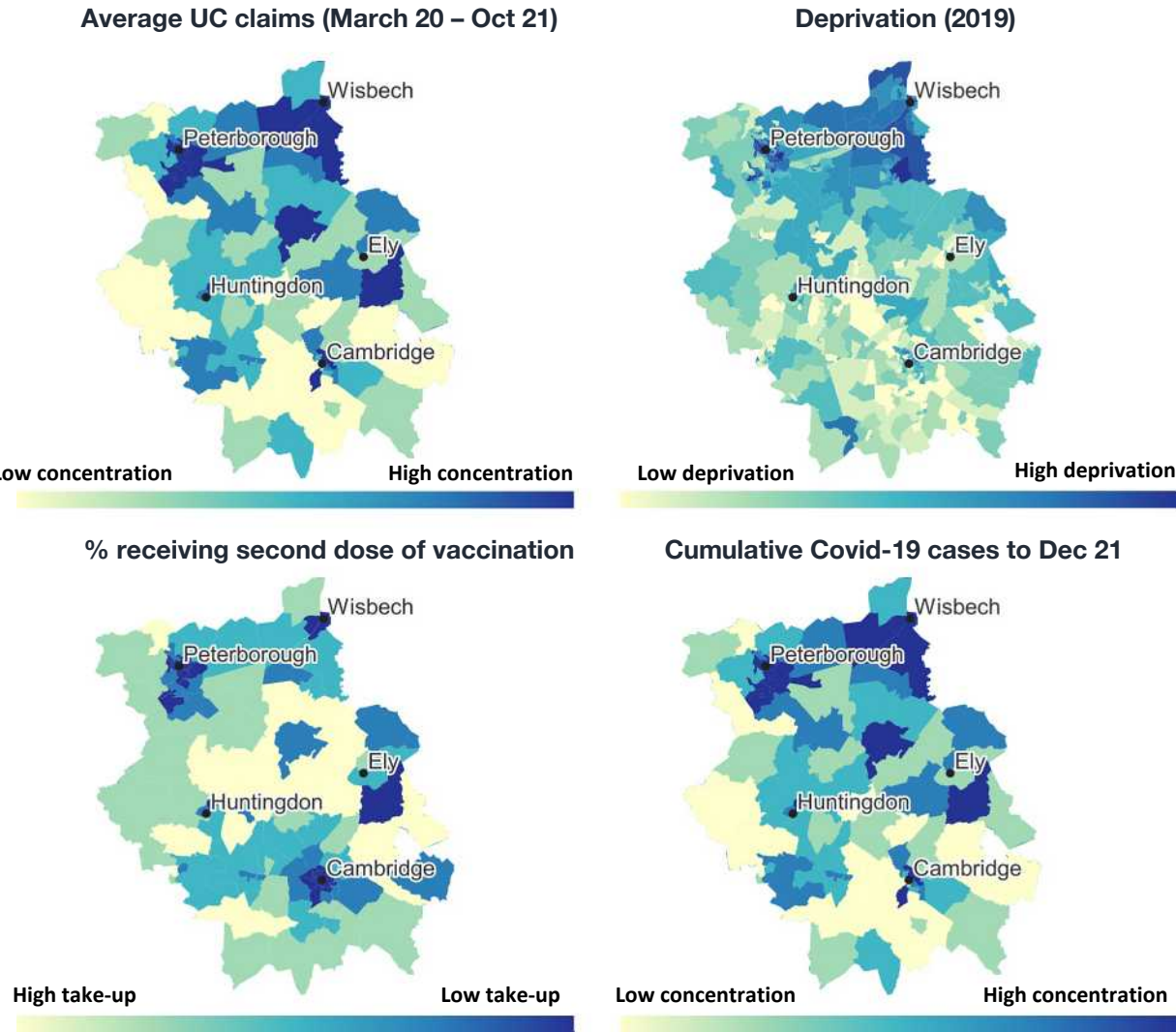
The proportion of fully vaccinated residents is above or in line with the England average in most districts, but lower in the cities of Cambridge and Peterborough. Vaccine uptake is highest in Huntingdonshire and South Cambridgeshire at just under 80% coverage, as of 8<sup>th</sup> December 2021.

The rate of vaccine coverage in districts is linked to the median age, with places with older median ages generally having higher rates of vaccine coverage due to the way the vaccine is rolled out across age groups. The median age in Cambridge is 31, and 36 in Peterborough, while it is above 42 in all other districts.

2<sup>nd</sup> and 3<sup>rd</sup> vaccine uptake rates across CPCA (8<sup>th</sup> Dec 2021)



# Case loads are closely correlated with areas of pre-existing deprivation; as are rates of increased universal credit claimants



These map plot new universal credit claims, pre-existing deprivation, vaccine uptake and Covid-19 cases across C&P.

The maps show the interrelation between social/economic characteristics and Covid-19 health impacts. Areas in Cambridgeshire and Peterborough with higher rates of pre-existing deprivation have generally experienced higher numbers of Covid-19 cases, as well as higher rates of new universal credit claims. This is particularly true for Peterborough. Wisbech, Cambridge, Chateris and Soham.

Parts of South Cambridgeshire and areas in the Midwest of Cambridgeshire and Peterborough area have suffered less severe health impacts and are also places with lower deprivation and universal credit claims.

This signals a possible widening of inequality across Cambridgeshire and Peterborough, with places that were already more deprived being more affected by the health and economic impacts of the crisis.

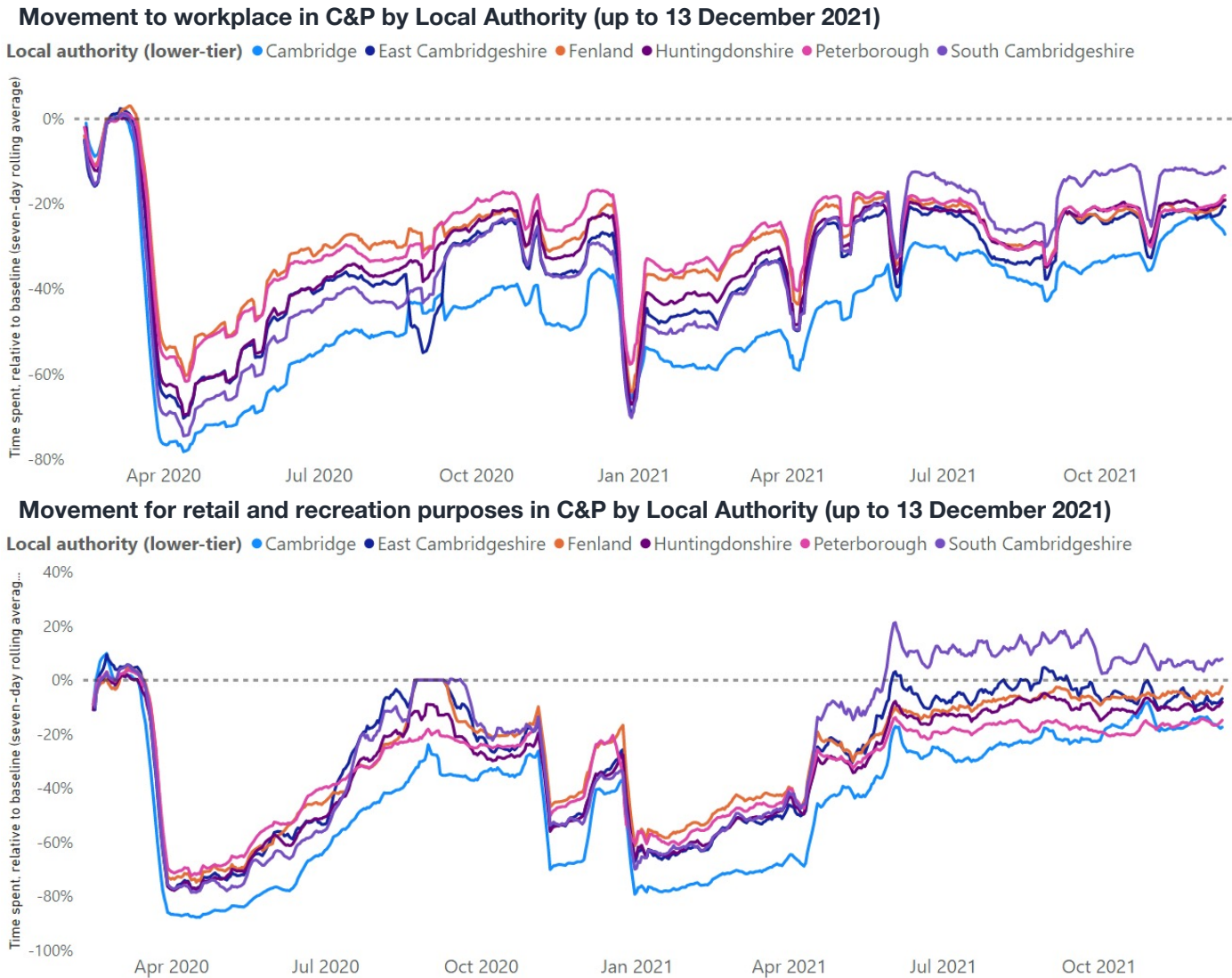
# Workers have been gradually returning to workplaces over 2021, but still to levels well below the pre-pandemic average. Movement to retail and recreation spaces has returned more quickly as restrictions have eased

The charts map travel to workplaces (top) and travel for retail and recreation purposes (bottom) across C&P’s districts since March 2020, up to 13 December 2021.

The first graph shows the rate at which people have been returning to workplaces. It shows that although return to workplaces has been gradually trending up over the course of 2021, **use of workplaces remains below pre-pandemic levels across all local authorities** within C&P. A consistent trend is emerging of reduced travel to workplaces, suggesting homeworking may become a permanent fixture for more workers and businesses.

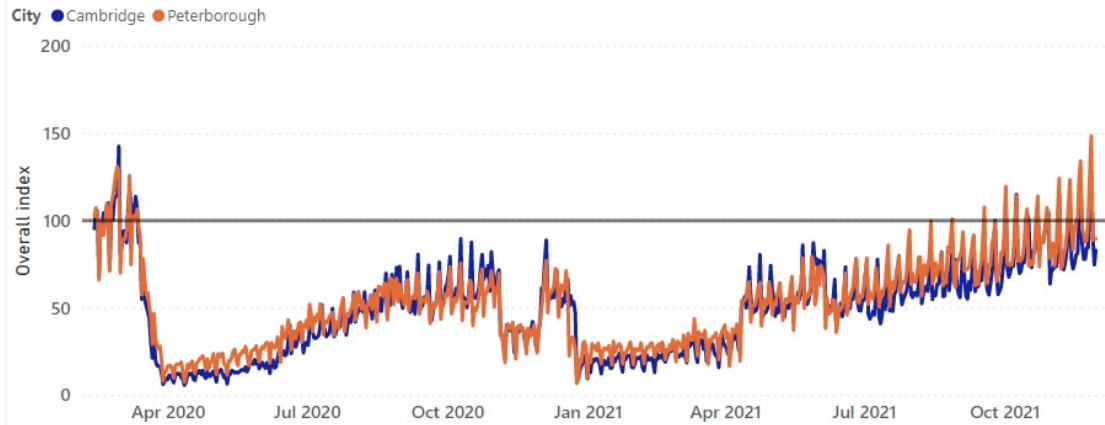
East Cambridgeshire currently shows a significantly higher rate of return to workplaces whilst Cambridge shows significantly lower than the rest of CPCA. This is likely a consequence of Cambridge’s industry mix, with a higher proportion of jobs available to be done from home.

The second graph shows use of retail and recreation by LA. Movement for retail and recreation has recovered more quickly across C&P than movement into workplaces, although in most districts rates have plateaued since summer of this year at slightly below pre-pandemic levels.



# High street footfall is gradually returning to pre pandemic levels

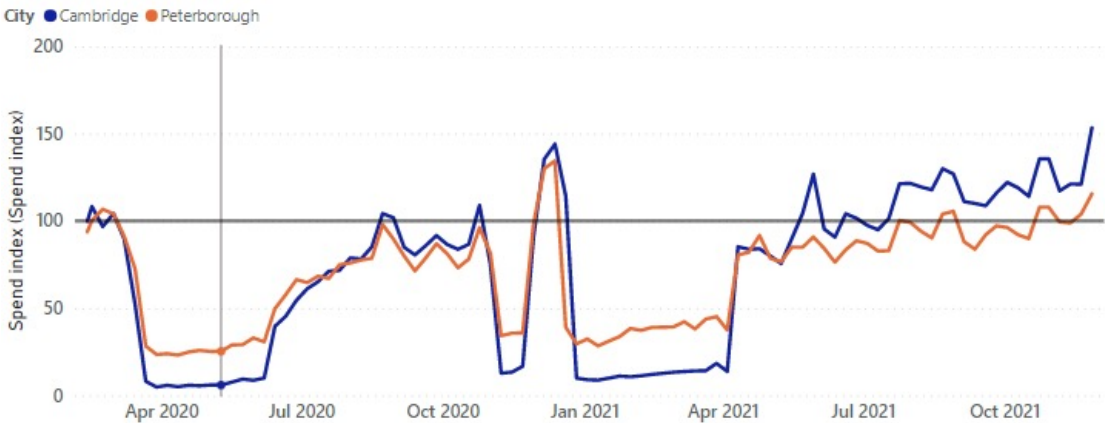
Overall high street recovery index Feb 2020 – 30<sup>th</sup> November 2021 (pre pandemic =100)



The charts show the Centre for Cities’ High Street Recovery Index for Cambridge, Peterborough and UK city wide average.

Footfall on high streets in Peterborough and Cambridge, as well as across the UK, has gradually been increasing over the course of 2021. In the latest full month of available data (November 2021), Peterborough (96.1) and Cambridge (86.1) had a higher level of recovery relative to the UK average of 82.3. Across a few days in November, footfall has exceeded pre pandemic levels in both cities. However it is worth noting that this is comparing to a period leading up to Christmas (where retail consumption is likely to be highest) against the first weeks of January in 2020.

Overall high street spend index Feb 2020 – 30<sup>th</sup> November 2021 (pre pandemic =100)



The bottom left graph shows high street recovery index by spend in the two cities. Following the loosening of restrictions, earlier in the year there was steep bounce back towards pre pandemic levels of spend. Cambridge appears to have made a faster recovery, where spend was over pre pandemic levels in mid July and has remained so throughout most of the rest of the year. Peterborough has been slower to recover, where recovery is marginally below that of the UK cities average, but remains hovering close to pre pandemic levels over the past few months.

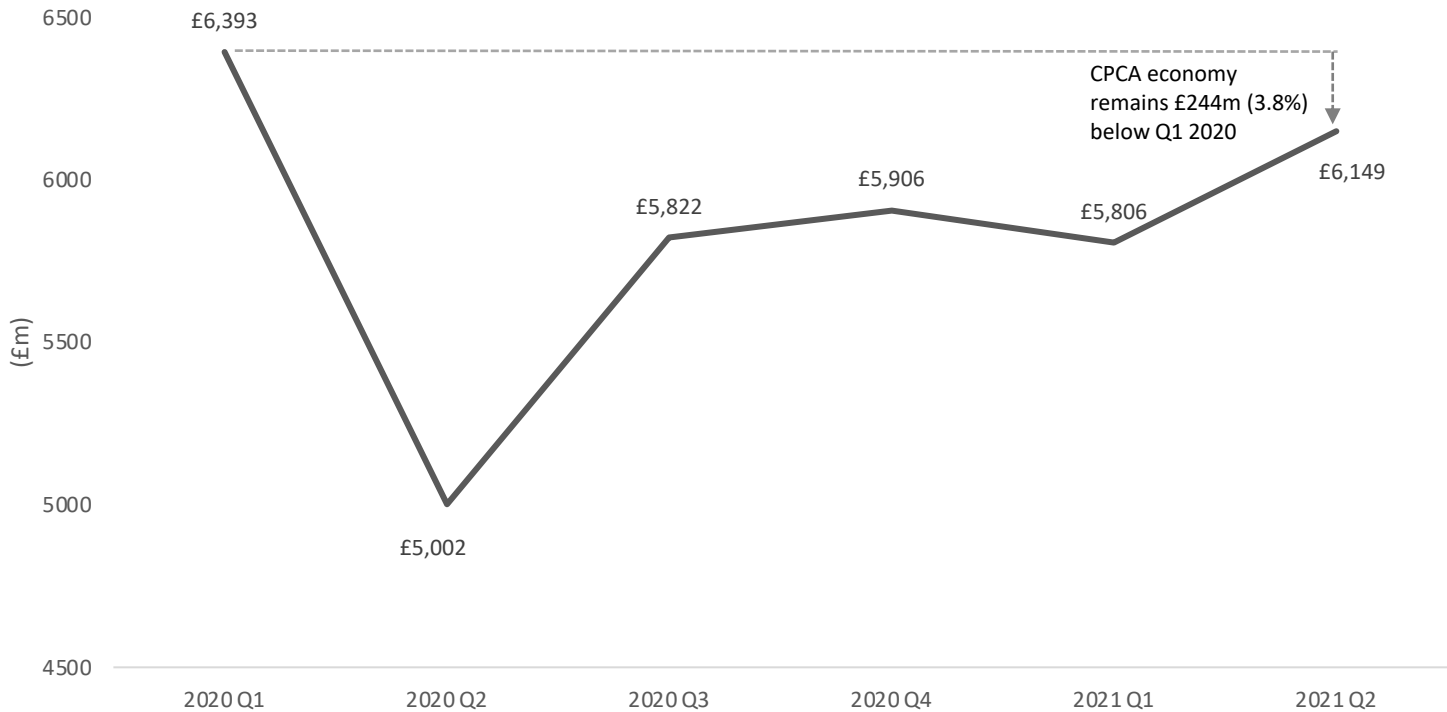
# The Cambridgeshire and Peterborough economy remains 3.8% smaller than it was before the pandemic

This graph shows modelled estimates of economic output loss across Cambridge and Peterborough since the onset of the pandemic in March 2020.

**As of Q2 2021 (the latest quarter of data) economic output in C&P remains £244m below Q1 2020 levels, despite significant output growth in Q2 of 2021.**

Nationally, output saw a drop in 2020 Q2, although the rate of recovery has been slightly faster with the economy now returning to near Q1 2020 levels, highlighting a gap between the CPCA and the national economy.

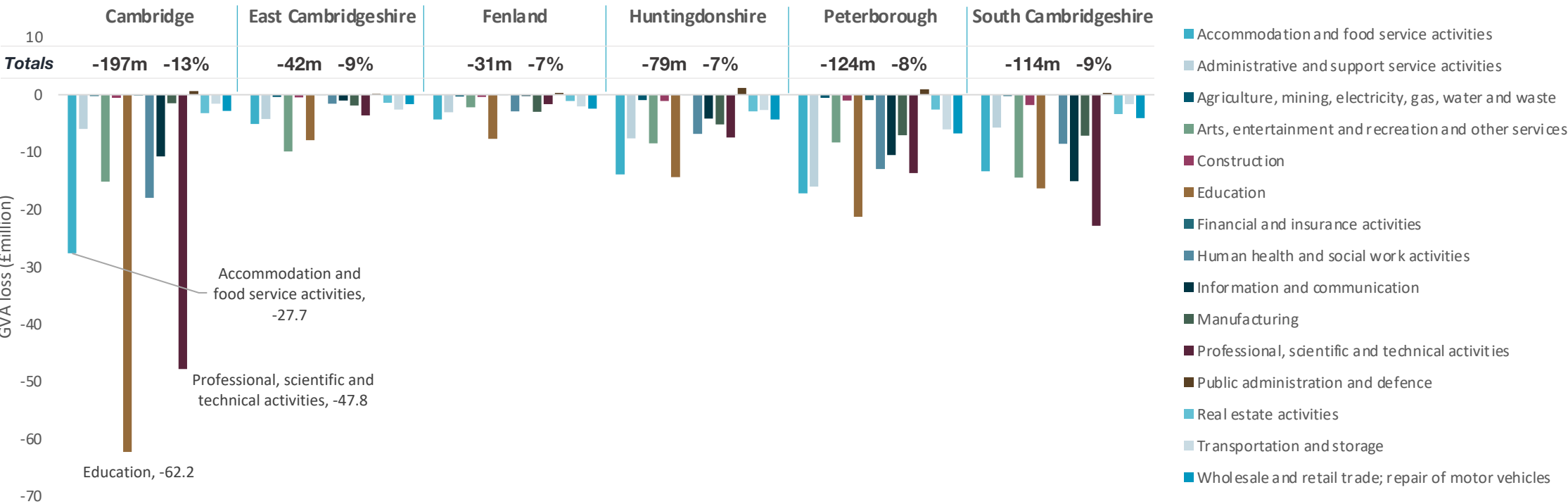
Modelled estimates of output loss across Cambridge and Peterborough Q1 2020 to Q2 2021



# Sectors are on diverging recovery pathways, with significant implications for the economic performances of districts across Cambridgeshire and Peterborough

The chart below highlights the sectoral change in output (£million) since the start of the pandemic. Across all C&P districts output remains below Q1 2020 levels, with the greatest absolute losses seen in Cambridge.

Sector change in output between Q1 2020 and Q2 2021 - (£million)



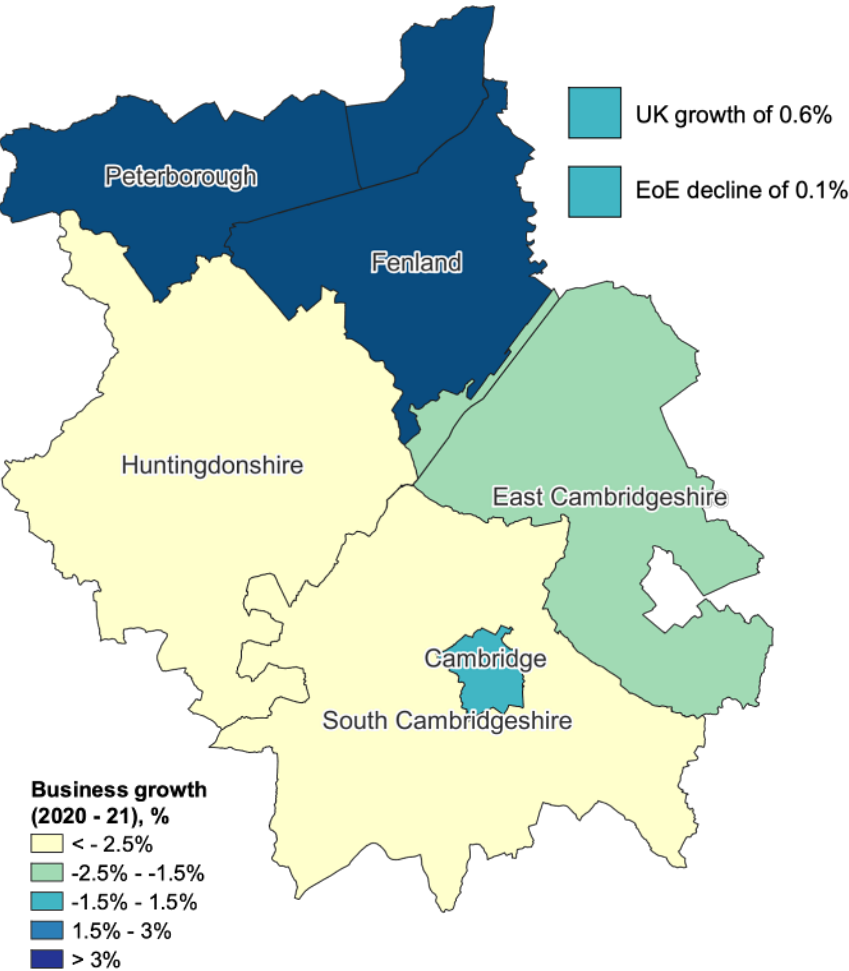
# The business base has contracted slightly across C&P, but the overall figure masks significant differences between places and across sectors

Overall, there has been a 0.1% contraction in the business base across C&P since the start of the pandemic, which is in line with the East of England but at odds with the 0.6% increase in business counts across the UK.

Peterborough and Fenland have seen the highest growth across the patch, with an increase of 4.1% and 3.0% respectively. South Cambridgeshire, East Cambridgeshire and Huntingdonshire have all experienced contraction to their business bases. Huntingdonshire has seen the steepest decline at 3.2%.

Looking across industries we see significant divergences in the count of businesses, with the steepest falls occurring in Primary industries (-9.5%), Manufacturing (-5.9%) and IT (-4.2%). The fall in manufacturing is particularly striking against overall UK growth of 1.7% for the sector.

% change in business counts across districts, 2020 - 2021



Business change (2020/21 by sector)

Sector	CPCA	East	UK
Admin and support	-1.4%	0.3%	-2.4%
Arts, recreation and other services	-0.2%	0.4%	0.5%
Construction	1.1%	2.0%	2.4%
Education	-1.3%	0.0%	1.1%
Finance and insurance	1.6%	1.0%	-1.2%
Health	0.8%	1.8%	1.2%
Hospitality	7.5%	2.8%	3.3%
Information and communication	-4.2%	-6.7%	-5.7%
Manufacturing	-5.9%	-0.3%	1.7%
Primary industries	-9.5%	-7.6%	-4.5%
Professional, scientific and technical activities	-1.5%	-3.0%	-3.1%
Property	1.1%	2.6%	3.0%
Public admin and defence	-2.5%	1.1%	0.4%
Retail	3.4%	1.7%	5.0%
Transportation and storage	9.2%	9.0%	12.5%

High performer Mid performer Low performer

**The visitor economy has been able to partially recover during periods of eased restrictions, but significant fragility remains. Reduced trading plus anticipated supply chain and staffing issues over the 2021 Christmas period present major new threats businesses must deal with**

The table shows business and job change in the visitor economy. Overall the visitor economy business count grew by 3.6% between 2019 and 2021, marginally below the UK rate of 4.6%. Fenland experienced the most pronounced increase, with growth of 12.3%, followed by Peterborough at 7.3%. Both East Cambridgeshire and South Cambridgeshire have experienced declines in the observed period.

Considering changes in jobs in the sector between 2019 and 2020, we observe an overall increase in visitor economy jobs of 2.2% across C&P, which marks a contrast to the decline experienced across the rest of the UK.

Cambridge has observed an increase in job numbers by a significant 11.7%. Cambridge would appear to be driving the positive change in C&P overall.

Business and job change in the visitor economy

Local authority	Business change (2019/21),%	Job change (2019/20), %
Cambridge	4.1%	11.7%
East Cambridgeshire	-2.5%	-1.4%
Fenland	12.3%	2.6%
Huntingdonshire	2.3%	-0.6%
Peterborough	7.3%	-0.4%
South Cambridgeshire	-1.5%	-2.7%
Cambridgeshire and Peterborough	3.6%	2.2%
Great Britain	4.6%	-1.7%

This data, from UK Business count and BRES, presents a mixed picture of the visitor economy, with business counts and employment increasing by dramatic levels in some places and less so in others. It should be noted that the 'jobs change' detail is for September 2019 to September 2020. The root causes of these figures will be explored more as partners across C&P develop an Economic Strategy in early 2022.

# Commercial property vacancy rates have risen across all property types, with office vacancy rates across C&P now at their highest level since 2014

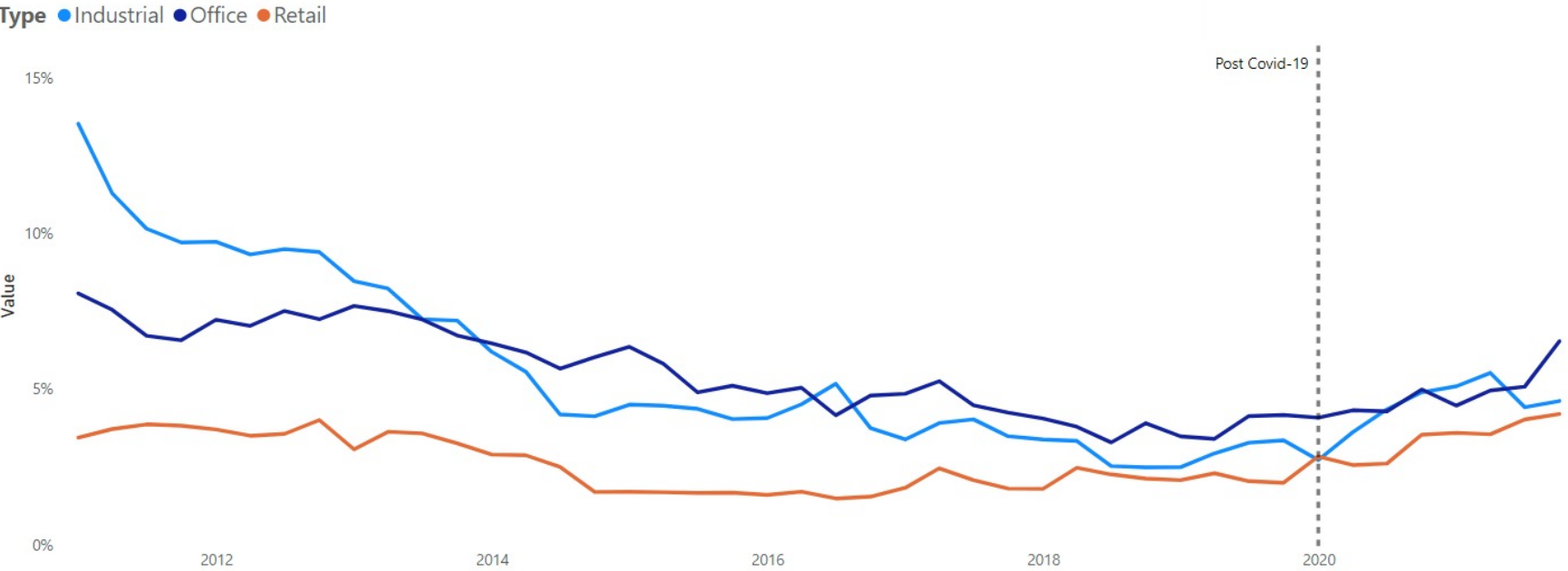
This graph shows commercial property vacancy rates across Cambridge and Peterborough by Industrial, Office, and Retail use classes, up to October 2021.

Total commercial vacancy rates have increased by 2% since the start of the pandemic, now at 4.9% on average across the three classes, up from 3.1% in Q1 2020.

Industrial property showed a reduction in vacancy between April and June 2021, the only use class to do so. However, all classes are up from their pre pandemic vacancy rates. Office space has the highest vacancy at 6.5%, perhaps linked to higher capability to work from home.

Higher vacancies are seen in Peterborough and South Cambridgeshire which currently have total vacancy rates of 7% and 7.7% respectively.

Property vacancy of Industrial, Office, and Retail units. Up to October 2021



Source: Metro Dynamics analysis of CoStar data

# EU and Non-EU exports slightly below pre-pandemic level

This graph shows the national total exports to EU and Non-EU countries.

EU exports have recovered from the sharp drop seen in January 2021, as the UK departed the EU, and are now slightly above pre-pandemic levels, **at £13.6bn from a low of £7.9bn in January 2021.**

Non-EU country exports have been falling since May 2021, reducing by £1.8bn to £12.8bn.

**Total Exports remain slightly below pre-pandemic levels**, currently at £26.4bn compared to £27.2bn in February 2020.

EU and Non-EU exports (£bn), Apr 2019 to Sept 2021, National

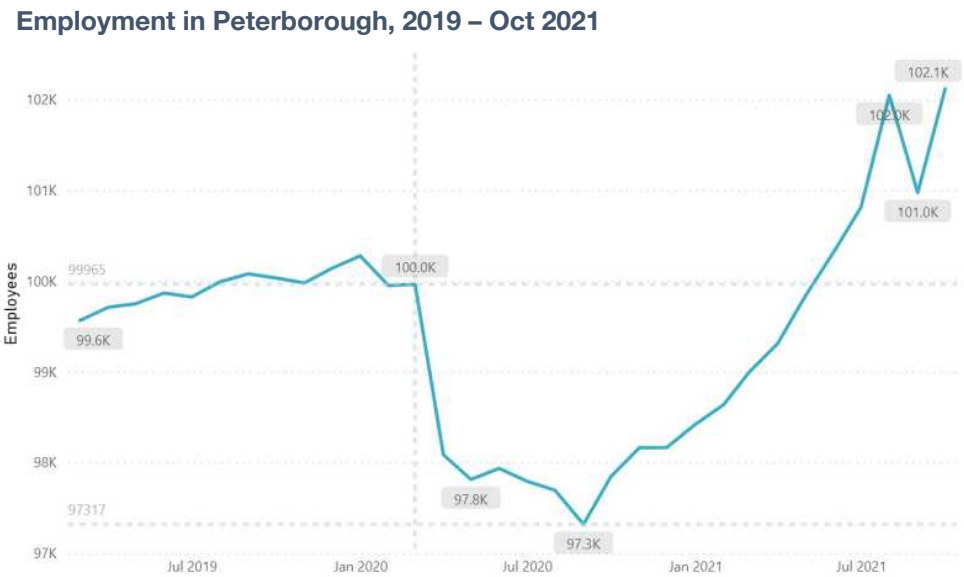
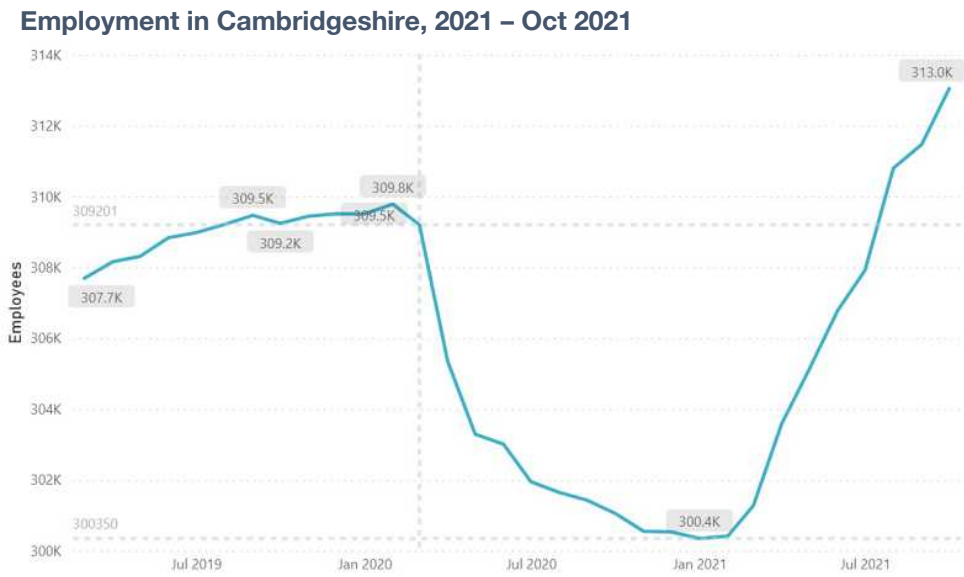


# Despite output being smaller across C&P, more people are in employment now than there were pre-pandemic

These graphs show the monthly change in employment for Cambridgeshire (left) and Peterborough (right) using statistics released by the ONS which tracks real time Pay As You Earn (PAYE) data. This means it shows the number of people receiving paid remuneration, including those who have not done work but are an employee (furloughed/paid time off).

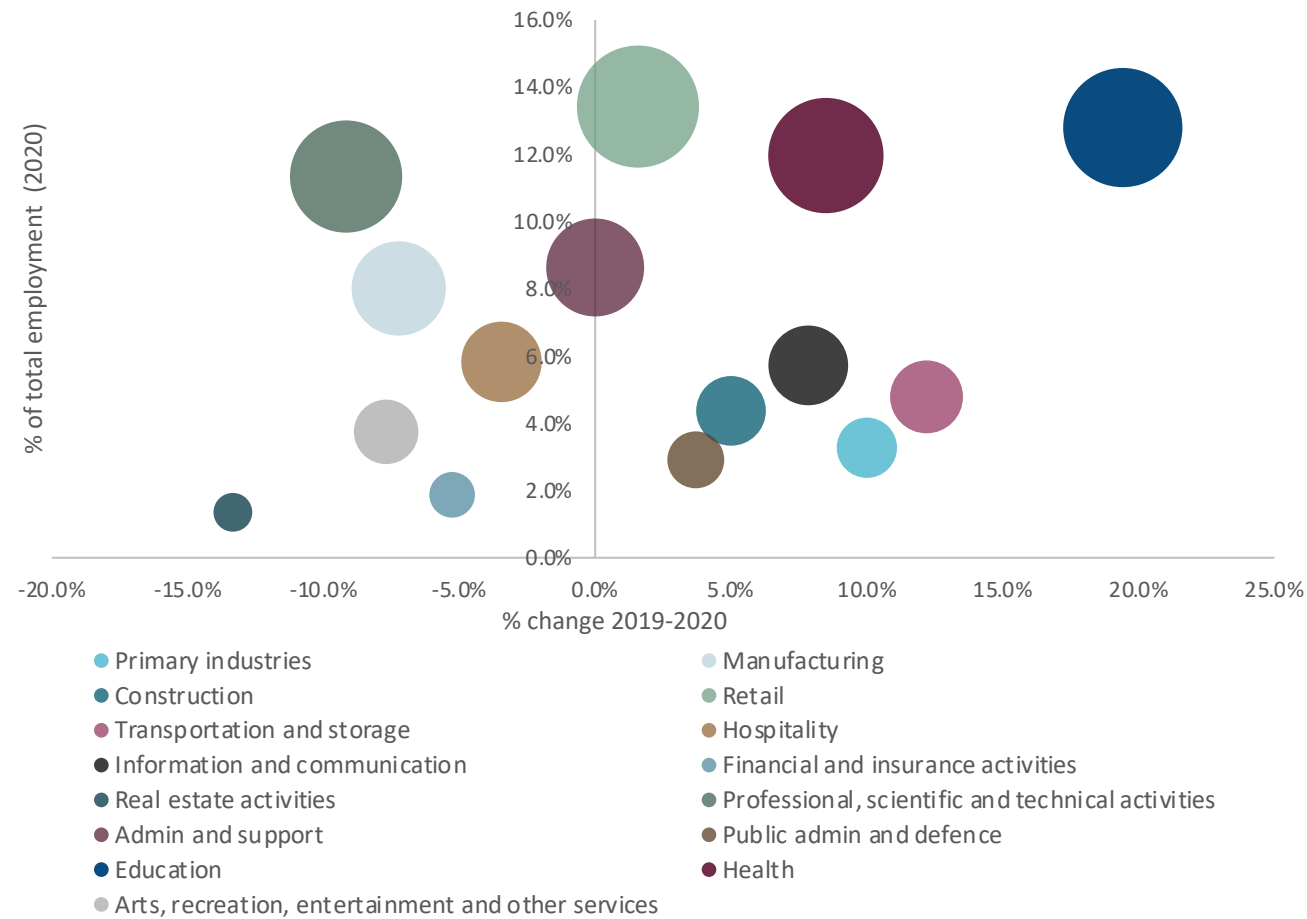
In Cambridgeshire, the low point for employment before recovery started was in January 2021 where **nearly 9000 jobs had been lost** compared to March 2020 levels. This amounted to a 2.9% reduction in employee numbers in the area. Similarly, **Peterborough saw a 2.7% shrink (2,600 jobs)**, reaching this point in September 2020, 4 months earlier than Cambridgeshire’s lowest point.

**Both areas are now above March 2020 employment levels (Cambridge CC: +1.2%, Peterborough: +2.2%).** In total, Cambridgeshire took 17 months to recover to March 2020 levels, Peterborough 15 months. Both areas displayed a fairly ‘U shaped’ recovery, mirroring the national picture. Peterborough saw a slightly faster rate of employment loss and slower bounce back than Cambridgeshire, taking 9 months to go from minimum employment to 100% recovery compared to 7 months in Cambridgeshire.



# Employment growth and decline varies significantly across sectors, with large gains in Education and Health offset by declines in PST and Manufacturing

% change in jobs by sector for C&P, 2019 – 2020



The chart shows jobs change between September 2020 and September 2021 by sector in C&P.

Across the area, **jobs have increased by 2%** in total, better than the national picture of a 2% decline in jobs. A few large employment sectors, including education and health, have experienced rapid growth in the past year at 19.4% and 8.5% respectively.\* Seven other sectors also saw jobs growth over the time period.

Other sectors experienced a contraction in the size of the workforce.

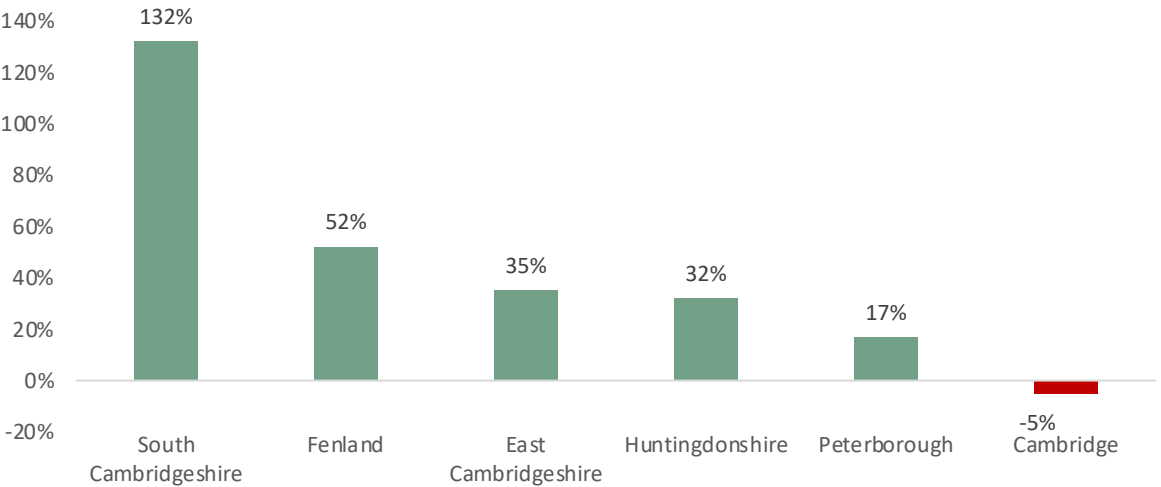
On the other end of the spectrum, there are some sectors (including large employers) where the workforce has contracted. Of particular concern is the Professional, Scientific and Technical sector where jobs have declined by 9.2% in C&P, compared to a national 2% decline across the sector. Manufacturing also represents a large employer of 38,500 jobs and has suffered a workforce decline of 7.2% compared to a 3% decline nationally.

Despite some losses in highly skilled sectors, there have been increases in others, such as information and communication which has grown by 8% relative to the national trend of 1%.

\* This data, from BRES, presents a surprising picture of employment gains and losses in C&P. The root causes of these figures will be explored more as partners across C&P develop an Economic Strategy in early 2022.

# Job vacancies in September 2021 were generally much higher than pre-pandemic levels, with labour market shortages in some sectors creating supply chain issues

% change in vacancies from pre-Covid 12 month average to Sep 21



Area	Vacancies (Sep 2021)	(Aug- Sep) 2021 % change
Cambridge	25,968	4%
Peterborough	12,080	6%
Huntingdonshire	7,396	5%
East Cambridgeshire	2,472	2%
South Cambridgeshire	4,277	5%
Fenland	2,493	5%

The charts and table show job vacancies (measured via online job postings) and change over time across Cambridgeshire and Peterborough.

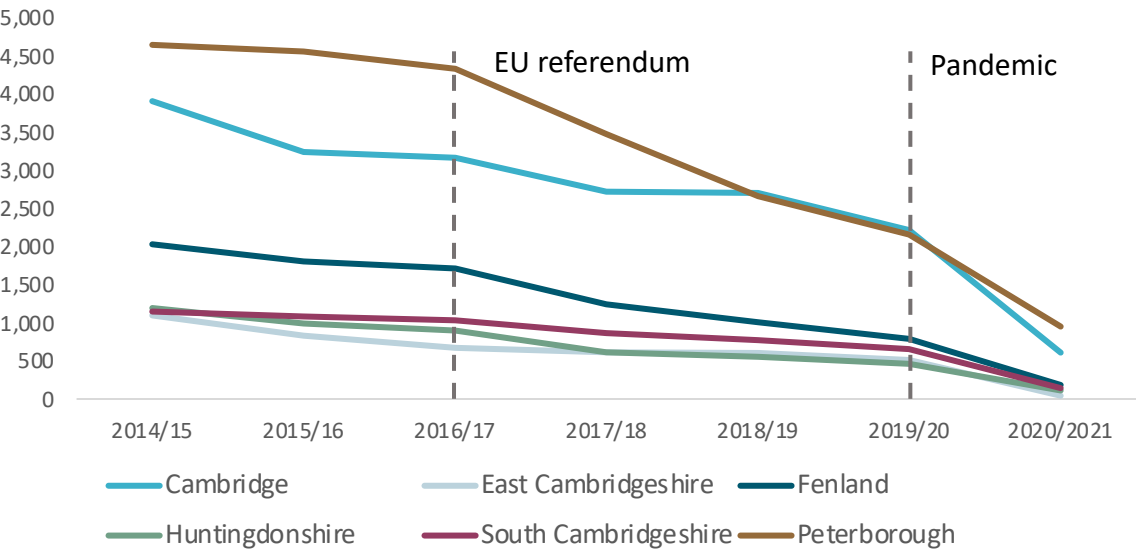
Positively, vacancies in most districts have made a full recovery since the start of the pandemic, with an overall increase in unique job postings of 13% compared to pre-pandemic levels. However this recovery is below the UK average, where job vacancies are now 19% higher than pre-pandemic levels.

The rate of recovery has been most pronounced across South Cambridgeshire and Fenland, where vacancies are 132% and 52% higher than pre-pandemic levels respectively. In South Cambridgeshire in particular this is likely to reflect the resilience of the region’s knowledge-intensive businesses. In Cambridge, however, job vacancies remain 5% below pre-pandemic levels.

There were around 54,700 vacancies across Cambridgeshire and Peterborough in September 2021 (the latest month of available data). Vacancies have been increasing across all districts.

# The pandemic has accelerated a decline in international migration into C&P, with implications for labour markets in key local sectors

Nino EU registrations across C&P districts, 2014 - 2021

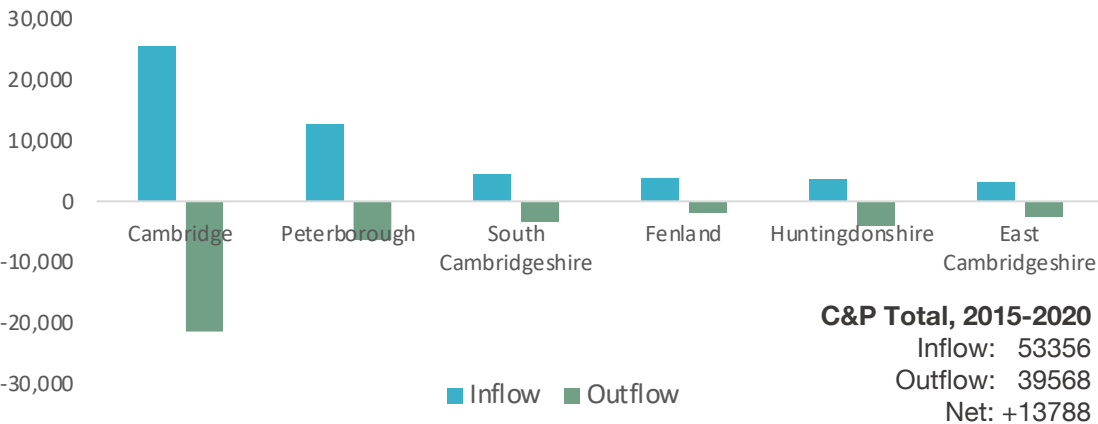


The pandemic has had a significant impact on migration in C&P. The top chart shows EU Nino registrations since 2015, while the bottom chart shows long term international migrations flows between 2015-2020.

EU Nino registrations began to decline across C&P following the EU referendum in 2016, with the decline accelerating from the onset of the pandemic. Huntingdonshire and Fenland have seen the greatest relative change since 2016 with a 61% decline. This presents a particular challenge to the districts’ large agri-food industries, which have historically made use of seasonal EU workers.

Following the start of the pandemic, EU entries were further suppressed, in particular across East Cambridgeshire (-92%), South Cambridgeshire (-78%) and Fenland (-77%) which all witnessed a relatively larger decline than the UK average of 70%.

Long term international migration flows for C&P districts, 2015 - 2020

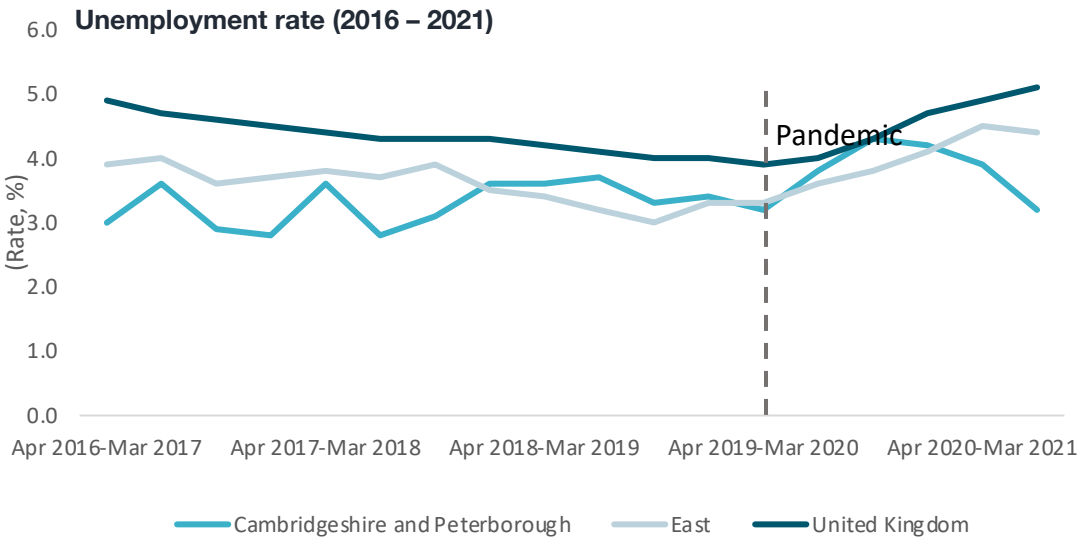
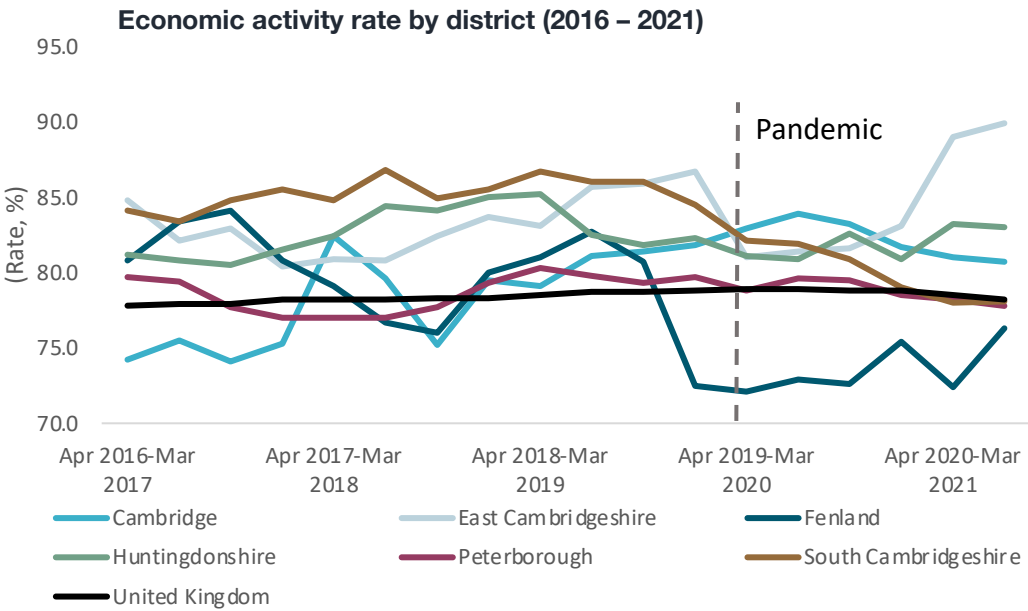


The bottom left chart shows the sum of long term international migration flows (2015-20). The cities of Cambridge and Peterborough experience the largest flows, with positive net flows of 4,140 and 6,330 respectively. Huntingdonshire is the only district to observe an outflow of internationals over the period, with an outflow of 455.

# Labour market participation is up and unemployment is down in C&P relative to pre-pandemic levels, a positive outcome at odds with the national picture

The charts show economic activity rates by districts in C&P (left) and unemployment for the overall C&P area (right). Up to the start of the pandemic, labour market participation (measured by the economic activity rate) was generally higher in Cambridgeshire and Peterborough relative to the UK average, with the exception of Fenland that saw a steep decline in 2019, falling by 8.2 percentage points. Since the onset of the pandemic economic activity appears to have remained relatively stable in most districts, with slight declines in Cambridge, South Cambridgeshire and Huntingdonshire. There has been a significant recent increase in labour market participation in East Cambridgeshire, now with the highest rate in the patch at 90%. Fenland is the only district where labour market participation is below UK levels, although it has recently been increasing.

The chart to the right shows unemployment rates for C&P, East of England and the UK. C&P's unemployment rate has been below the UK average in the past five years, although up to the beginning of 2021 the gap was narrowing. Following the pandemic, rates saw an initial spike up from 3.2% up to 4.3% but have since stabilising and returned to pre pandemic levels in C&P. This is a positive contrast to the regional and national picture where unemployment rates have continued to climb.



\*District level data was omitted, owing to data availability.

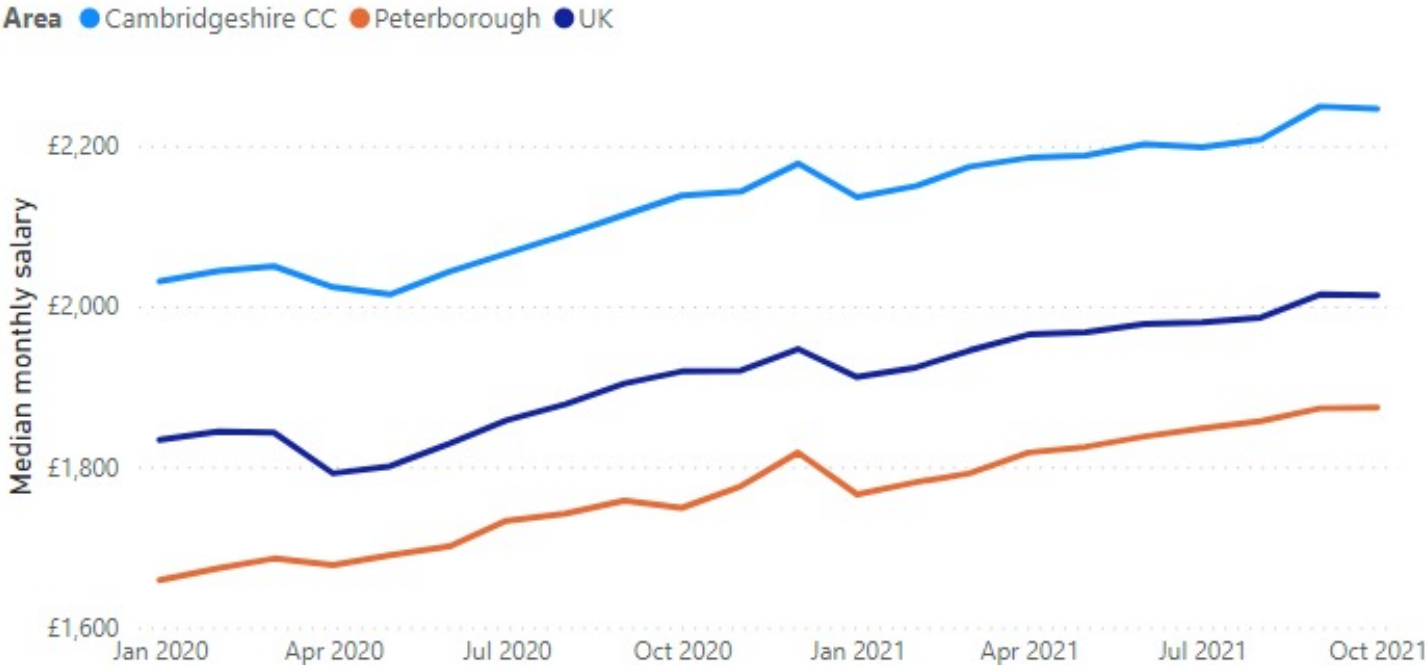
# Median pay has generally continued to increase across C&P and the UK, with dips recorded during national lockdowns

The graph shows the change in median pay in Cambridgeshire, Peterborough and the UK since the start of the pandemic using monthly PAYE data released by the ONS.

Although median wages declined during both the first and second lockdowns, median pay has nevertheless been trending upwards throughout the pandemic, at similar rates in C&P as seen nationally. There is a persistent gap between median salaries for Peterborough and the UK.

This graph also highlights the difference in wages between Peterborough and the Cambridgeshire CC area, with wages in Peterborough still 17% lower in October 2021, a very slight reduction from the 18% gap seen in Jan 2020.

Median monthly salary for Cambridgeshire, Peterborough and UK, Jan 2020 – October 2021

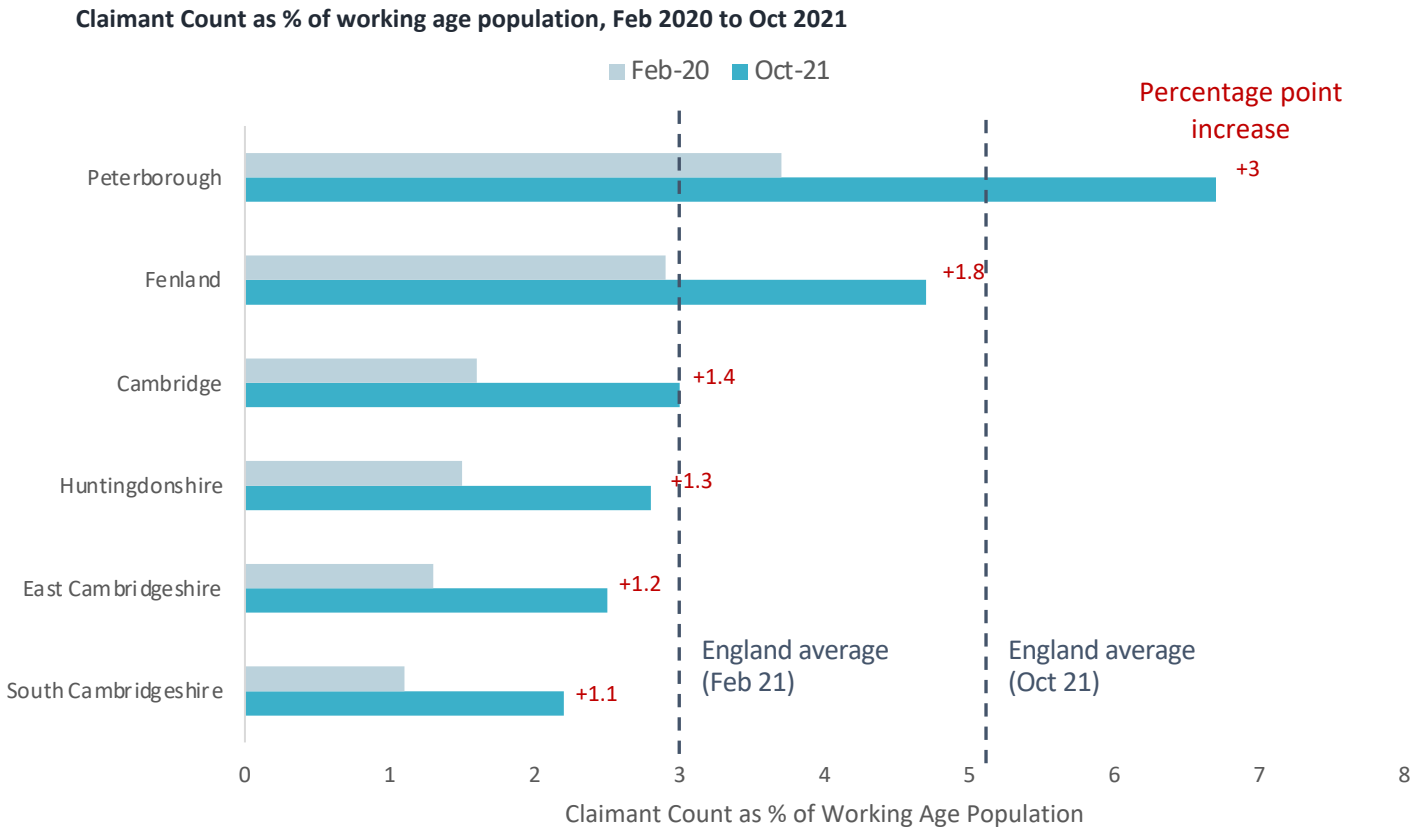


# The Claimant Count has increased significantly over the pandemic, with growth highest in areas with higher rates of pre-existing deprivation

This graph shows the increase in Claimant Count rates between February 2020 and October 2021 (latest available data).

The highest rates are seen in Peterborough (6.7% of the working age population). It is also the only LA above the England average of 5.2%.

Rates have increased across the board however the largest growth is seen in the most deprived areas of Peterborough and Fenland which remain 3 and 1.8 percentage points higher than in February 2020 respectively. This, alongside the higher case rates in these areas highlighted previously, is evidence of the gap in economic and health inequality increasing during the course of the pandemic.



# Deprivation is linked to health outcomes, and the pandemic’s unequal impact on already deprived places is likely to exacerbate pre-existing health inequalities

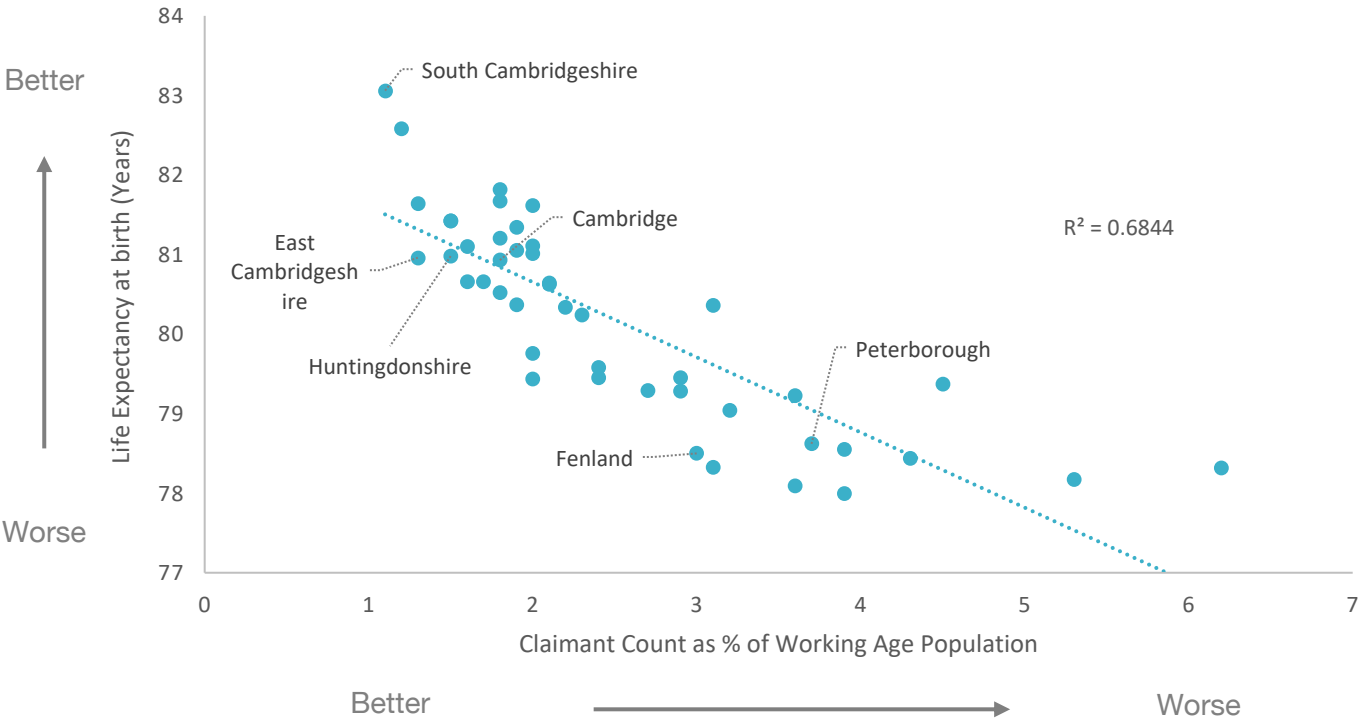
An increase in claimant count can not only have an impact on the economy but also on the health and life of people. One of the links between health and wealth is shown in this graph which looks at the Claimant Count rate and Life expectancy of males for all LAs in the East of England.

The graph shows a negative correlation, indicating that places with higher Claimant Counts generally have lower life expectancy.

Peterborough and Fenland, two areas within CPCA with higher deprivation show up as having amongst the highest Claimant Count rate.

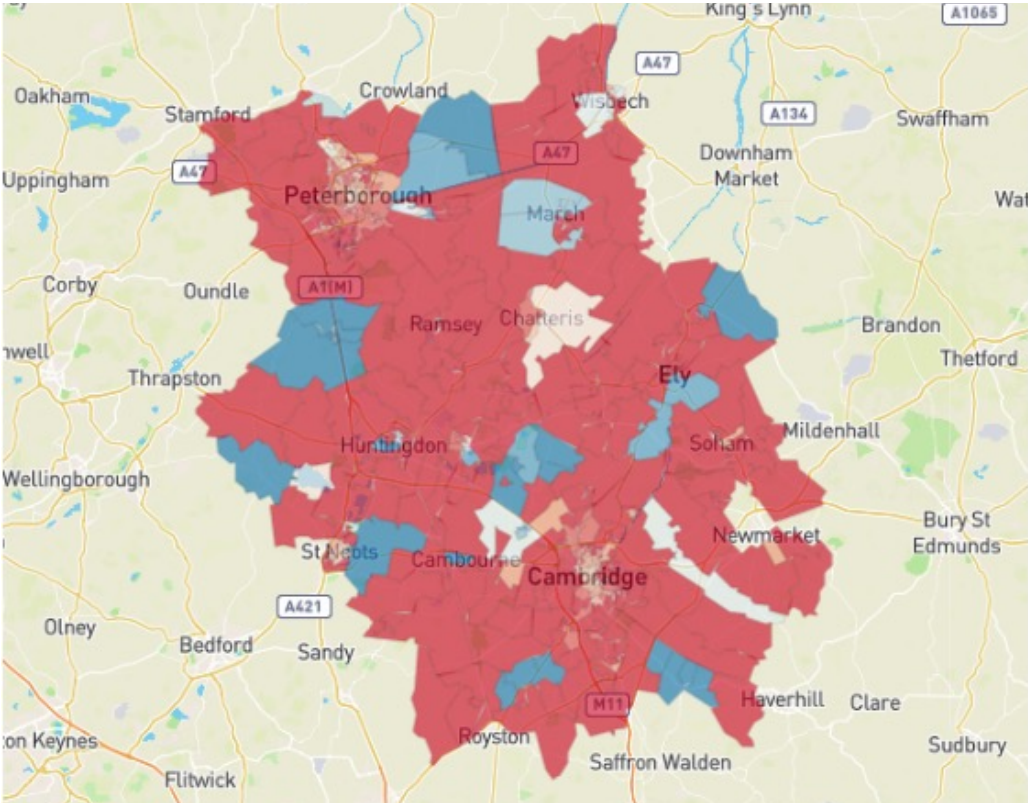
Notably, South Cambridgeshire has the lowest Claimant Count and highest Life Expectancy of all LAs in the East of England.

Claimant Count vs Life Expectancy for all LAs in the East of England (Males)



# The region’s rural geography and limited public transport infrastructure means many residents are reliant on their local labour market for employment, or must have access to private transport

Access to jobs via public transport



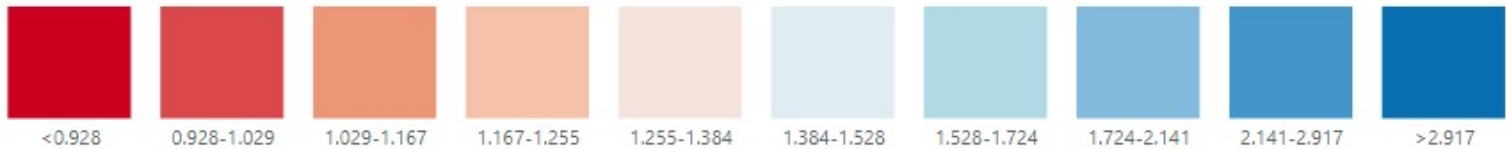
This map shows how accessible jobs are via public transport across C&P. It measures the number of jobs reachable within 60 minutes by public transport for each job within a five mile radius. It highlights the lack of connectivity to jobs within Cambridgeshire and Peterborough, with most places having fewer jobs accessible via public transport than within a five mile radius (i.e <1). This means that, without private transport, workers in most places are contained to their local labour market.

Across the districts, the only place to have a ratio higher than one is Fenland at 1.1, but this is still low compared to the national average of 1.8. This is followed by the urban centres of Peterborough and Cambridge with a ratio of 0.97. East Cambridgeshire has the lowest access to jobs via public transport with 0.6 jobs reachable within 60 min journey for each job within a five mile radius. This highlights both the region’s rural geography and poor transport infrastructure.

There are neighbourhoods across Cambridgeshire and Peterborough that experience higher levels of job access via public transport, including Shepreth in South Cambridgeshire (10.8), ,Steeple Gidding (8.3) in Huntingdonshire and Thorney in Peterborough (3.5). Interestingly the places that have the overall lowest job access via public transport are near neighbourhoods that have the highest, highlighting the unevenness of job access across C&P due to public transport availability.

The low jobs ratio found in the CPCA can be attributed to both its lack of reachable distance via public transport as well as its lower jobs density. However, given the number of people living there and the proximity of the area to London, the difficulty in making journeys across the patch is particularly striking.

Jobs reachable within 60 min of public transport for each job within a five mile radius



## Metro — Dynamics

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