



# **West Yorkshire Economic & Transport Insights Report**

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**West Yorkshire Research & Intelligence Team**

**April 2023**

# Executive Summary – Economic Insights

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- The economy did not grow in February 2023. Declines were experienced across the service and production sector, whilst construction output increased. The service sector experienced industrial action throughout February, which contributed to the decline in output.
- Inflation slightly eased in the 12 months to March 2023, however it remains above 10% (10.1%). The market was anticipating inflation to drop beneath 10%, but food inflation has continued to increase. Food inflation hit 19.2% - the highest increase in 45 years. Inflation is expected to drop quickly this year due to wholesale energy prices falling, but food inflation plus OPEC's decision to cut oil supply could reduce the speed of the drop.
- The employee count across West Yorkshire remained static between February and March 2023 (there were small increases in Bradford and Wakefield), following 12 months of growth. The unemployment claimant count increased by 5% (+3,100 claims) between February and March. Across the UK, the increase was 3%, so this could be a sign that the West Yorkshire labour market is softening at a quicker rate than nationally.
- The monthly count of online job postings in West Yorkshire has fallen for two consecutive months but remains at very high levels in historic terms, with opportunities being greater in West Yorkshire than nationwide. All local authorities barring Calderdale experienced a second consecutive drop in vacancies (March is Calderdale's first drop). Sales and construction jobs experienced the sharpest drop (-12% and -11% respectively).
- Business registrations increased significantly in March 2023 with over 2,400 new registrations being made at Companies House. Kirklees accounts for around 18% of existing businesses across West Yorkshire, but was the location of 20% of the new registrations made in March. Liquidations continued to hover around 1,400, meaning that West Yorkshire has experienced one the largest increases in net-new registrations since the Pandemic.

# Executive Summary – Transport Insights

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- Nationally, bus use outside London remains around 80 to 90% of pre-pandemic levels on weekdays with weekend usage spikes, exceeding 100% on several Sundays. Rail use remains around 85 to 95%.
- Average weekday footfall at Leeds rail station stands at 70% of pre-pandemic levels following the March rail strikes.
- In late March, overall weekday bus patronage (which includes all passenger cohorts) in West Yorkshire was 85% of pre-pandemic levels, up from 78% in the same period in 2022. Adult patronage in the last three weeks of March (after the snow and before Easter) was 13% higher than the similar weeks last year.
- Park and ride use hasn't recovered to pre-pandemic levels and the rate of passenger recovery in the first quarter of 2023 is lower than in 2022.
- Both day time and night-time footfall in Leeds city centre remains lower than pre-pandemic levels; daytime and night-time footfall in March 2023 was 22% and 17% lower than March 2019, respectively. Notably, night-time footfall was also lower than last March than this year. Potential reasons include wet weather and the effects of the cost-of living crisis.
- Bus Real Time Information (RTI) data reveals the share of tracked bus journeys in West Yorkshire, with 80% running on time in February 2023, 2% lower than March 2022.

# Economic Insights

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# The economy experienced no growth in February 2023

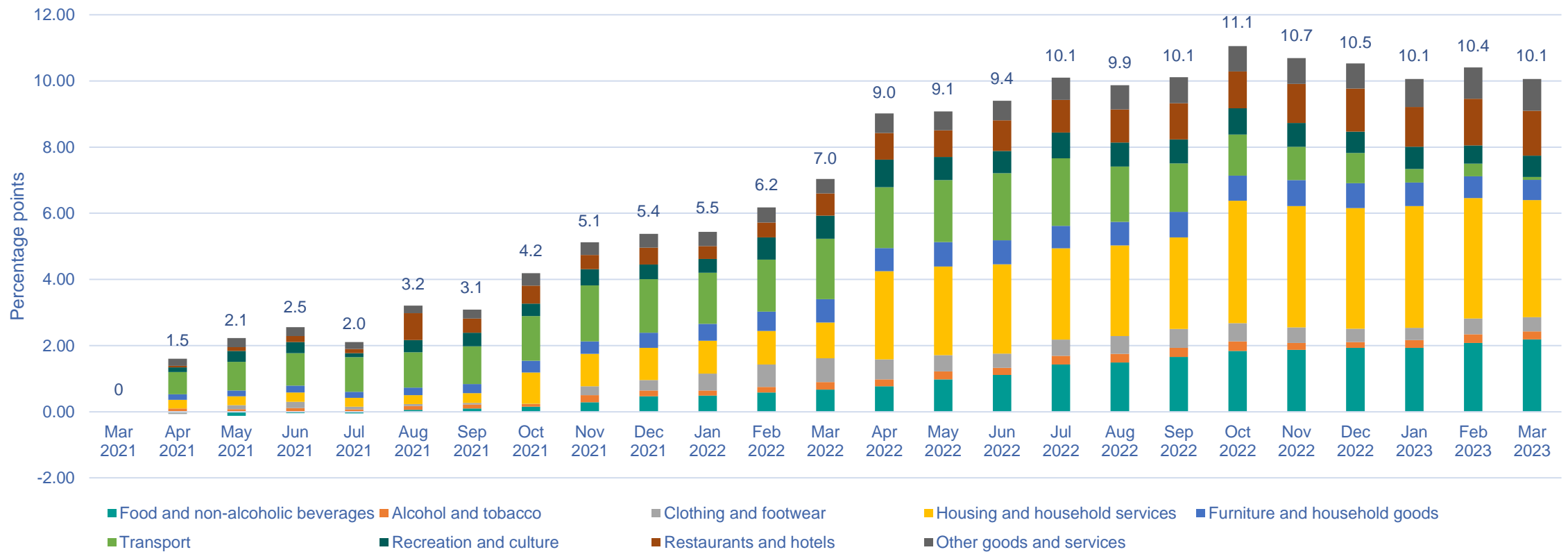
Monthly GDP figures show no growth in February 2023, with the service and production sector both experiencing declines. Construction on the other hand did experience growth. The largest service sectors drops came in those areas which were disrupted due to ongoing industrial action such as education and public administration. The Arts, Entertainment and Recreation sector experienced minor growth. On the production side, the largest declines were experienced by manufacturers of chemical products, electrical equipment and wood, paper and printing products.



Source: ONS

# Inflation eased slightly in the 12 months to March, with food and non-alcoholic beverages increasing in price by 19% in the last year

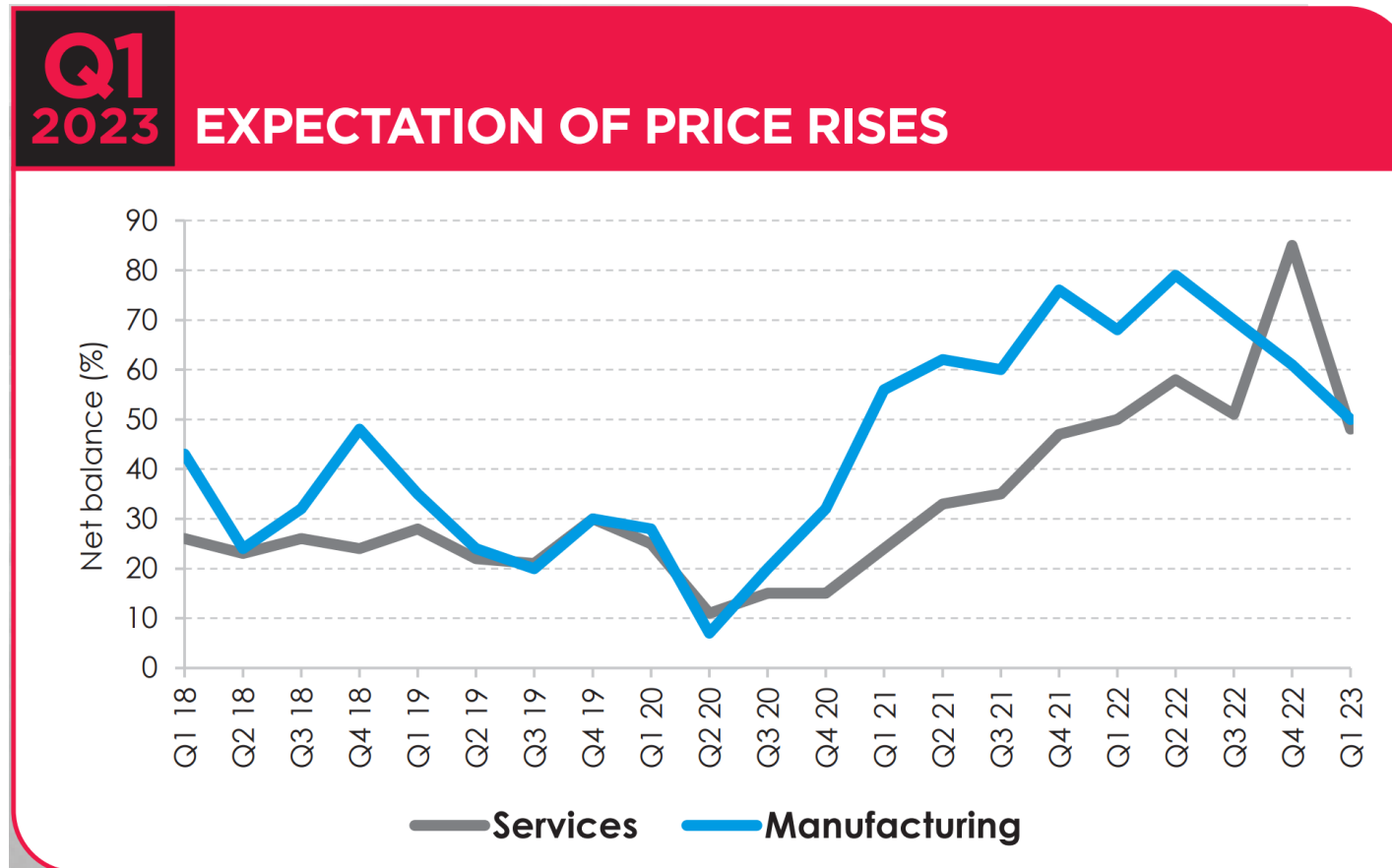
Food and non-alcoholic beverage prices rose by 19.2% in the year to March – the highest annual rate for food price rises in 45 years. This rise has held CPI inflation above 10%, offsetting falls across motor fuel prices and a slight fall in housing and household services costs, which, whilst falling, still remain high by historic levels. Prices for recreation and culture goods are rising at a time when households have lower levels of discretionary spending.



Source: ONS

# Inflation remains a key concern for businesses within the region

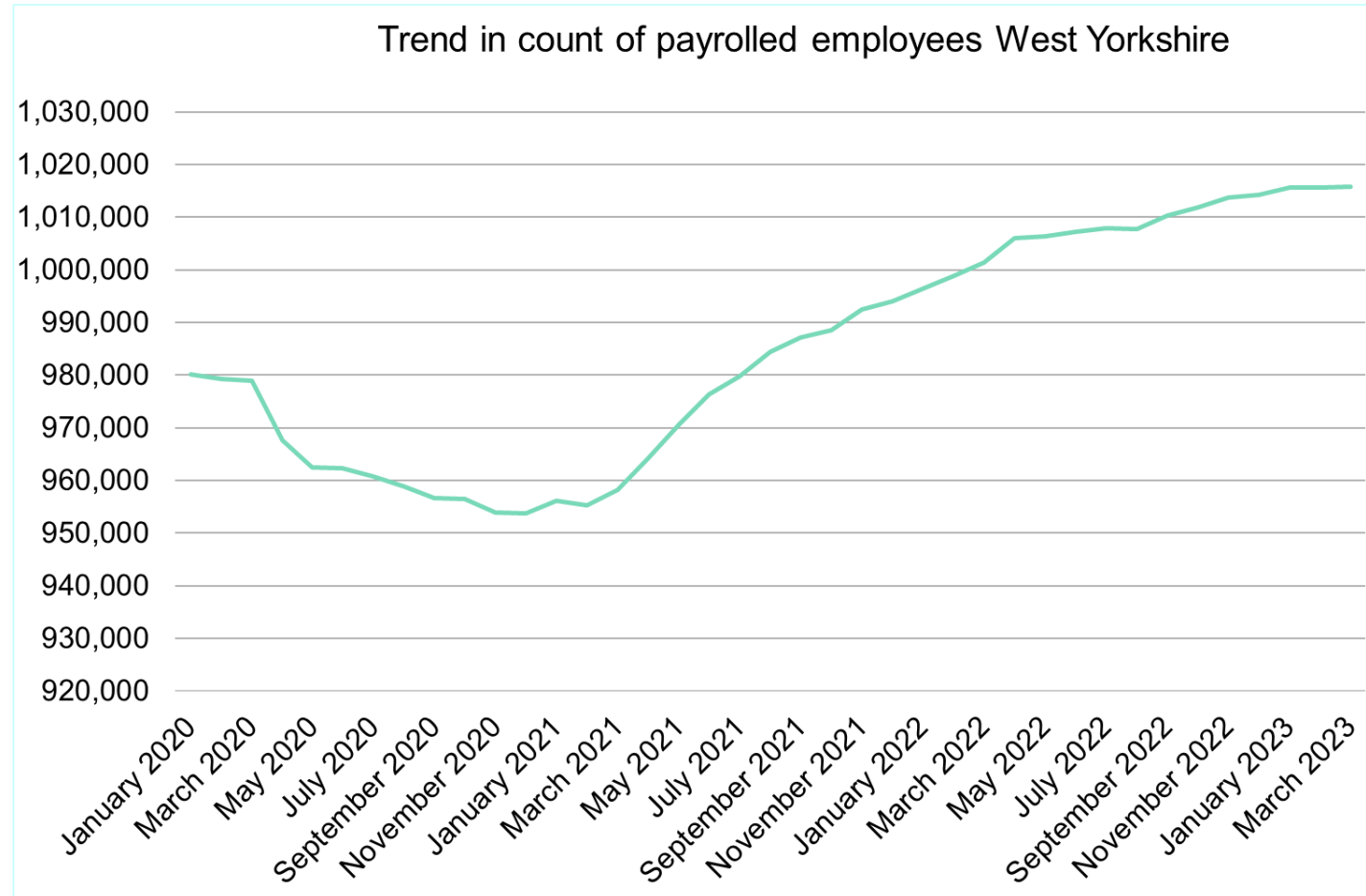
The most recent QES from the West and North Yorkshire Chambers of Commerce show that, despite a sharp decline on the previous quarter, over half of the region's firms expect input prices to rise in Q2. Only 4% of businesses expect prices to fall, meaning that stability is perhaps the best that businesses within the region can hope for.



Source: West and North Yorkshire Chambers of Commerce

# West Yorkshire's employee count remained static in March, following a period of sustained monthly growth since early 2021

Based on revised figures the seasonally adjusted number of payrolled employees in West Yorkshire has remained largely static between January and March. This follows sustained growth since early 2021, which may suggest a softening in the labour market – a picture reinforced by iclaimant count and pay data (see below).

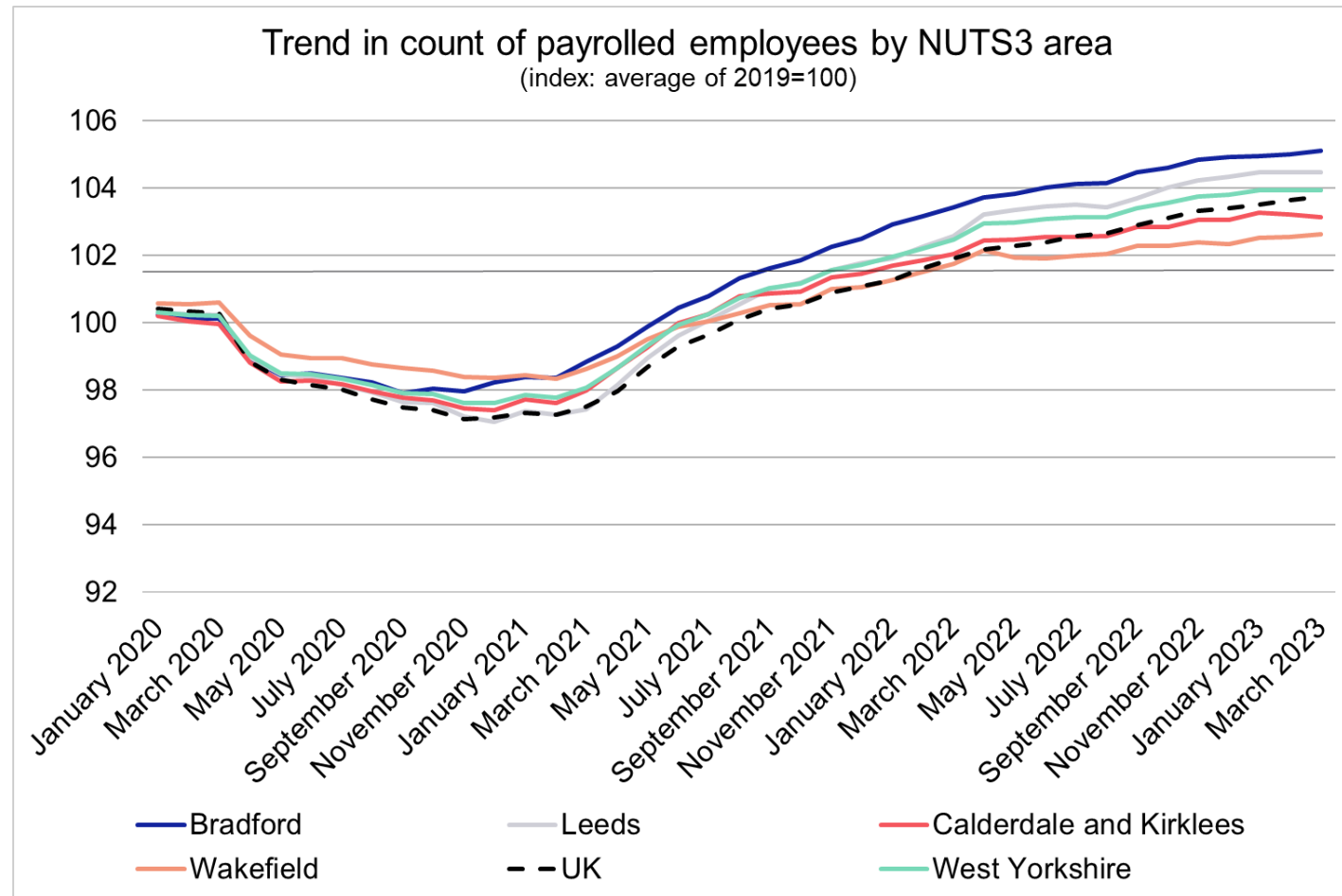


Source: HMRC



# Employee count fell in Calderdale / Kirklees in March 2023 and was static in Leeds but growth continued in Bradford and Wakefield

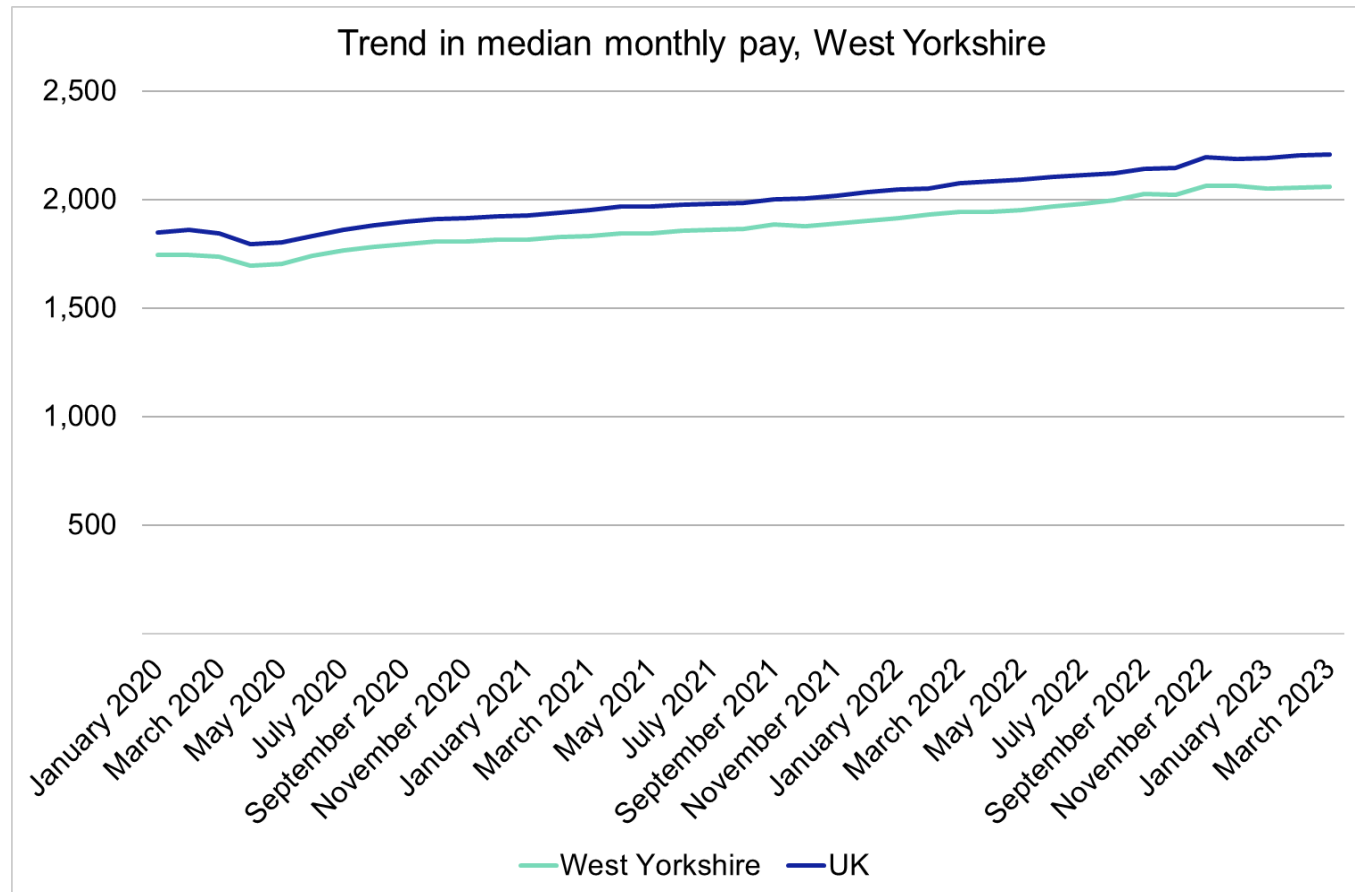
Bradford and Wakefield saw continued growth in their employee counts between February and March 2023. Leeds' position was static and there was a reduction in Calderdale and Kirklees' combined employee figure.



Source: HMRC

# Trend in median monthly pay shows signs of flattening out in recent months

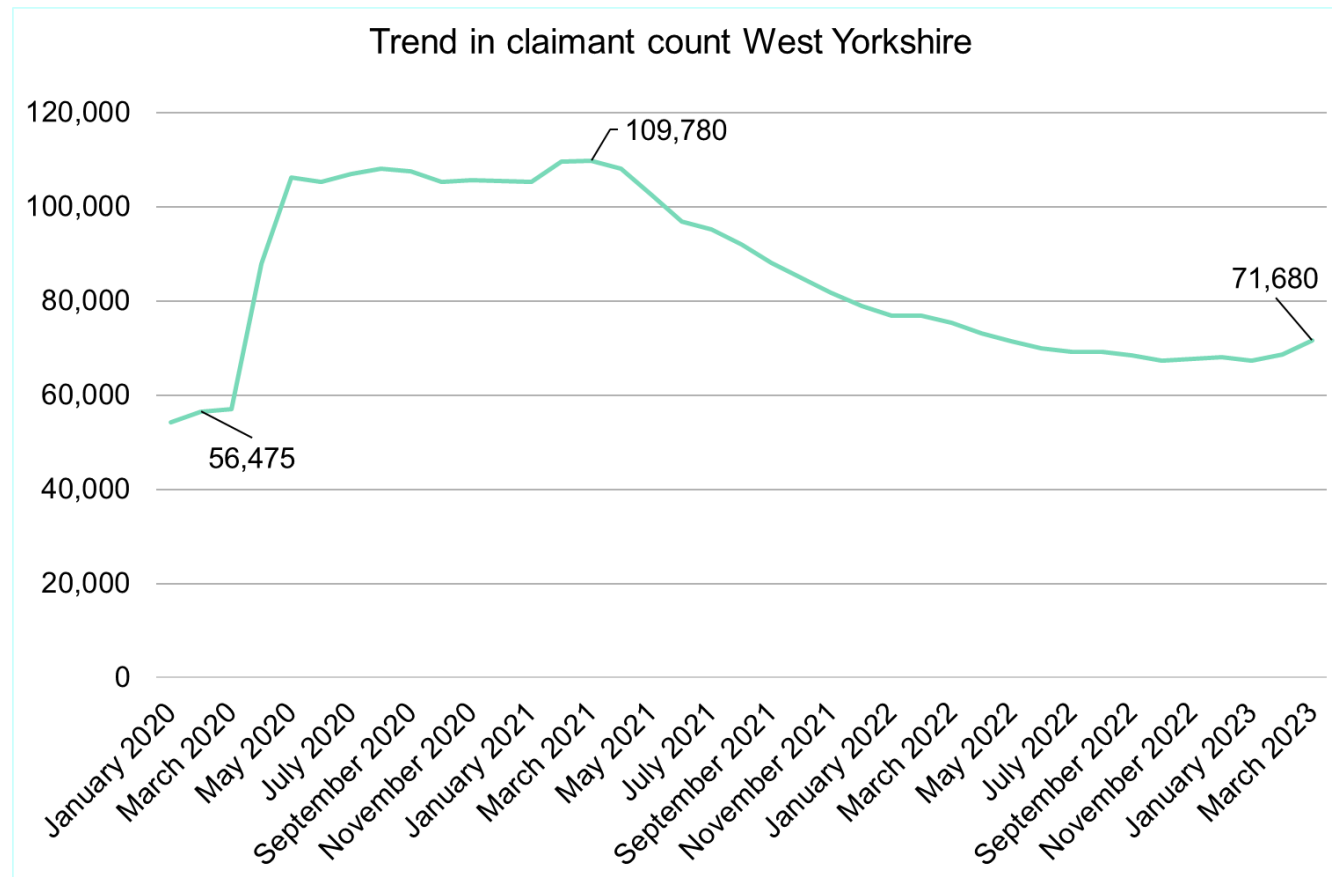
At £2,057, median monthly employee pay in West Yorkshire is 93% of the UK average. Median monthly pay grew by 6% year-on-year in West Yorkshire in March 2023 (similar to UK average). However, as chart shows, annual change figures conceal the fact that the median **level** of pay has remained flat since November 2022.



Source: HMRC

# West Yorkshire's unemployed Claimant Count grew by 3,100 or 5% in March 2023 compared with previous month

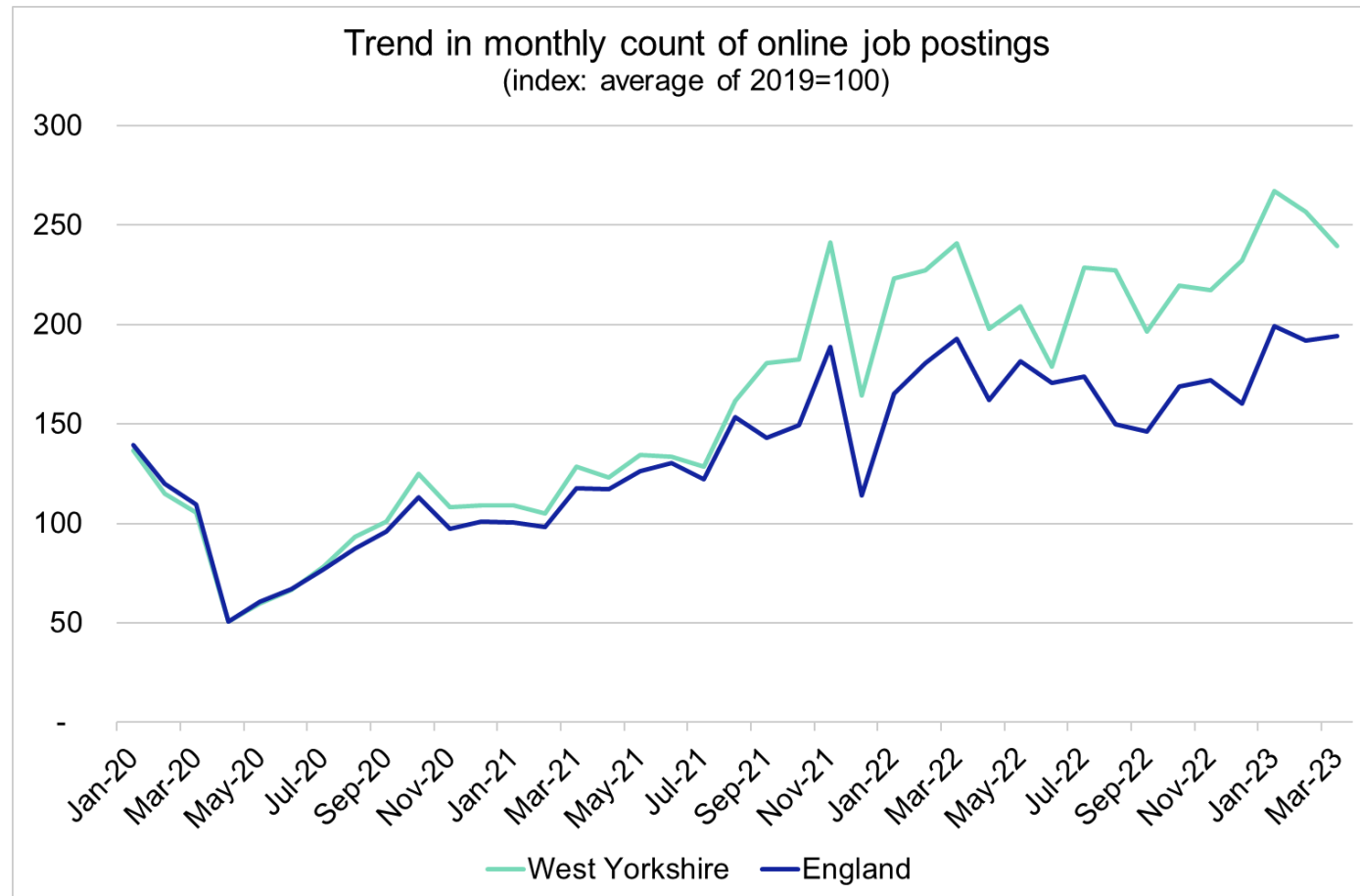
The latest claimant count figures for West Yorkshire, which relate to the number of people on out-of-work benefits, show a substantial increase of 3,100 or 5% between February and March 2023. A similar level of increase was seen across West Yorkshire local authorities but at national level there was claimant growth of 3%. The count is now 27% (15,200) higher than pre-pandemic (February 2020). West Yorkshire's claimant rate of 4.8% (6.7% in Bradford) is above the national average of 3.8%.



Source: NOMIS

# Recruitment activity continued at a high level in February 2023

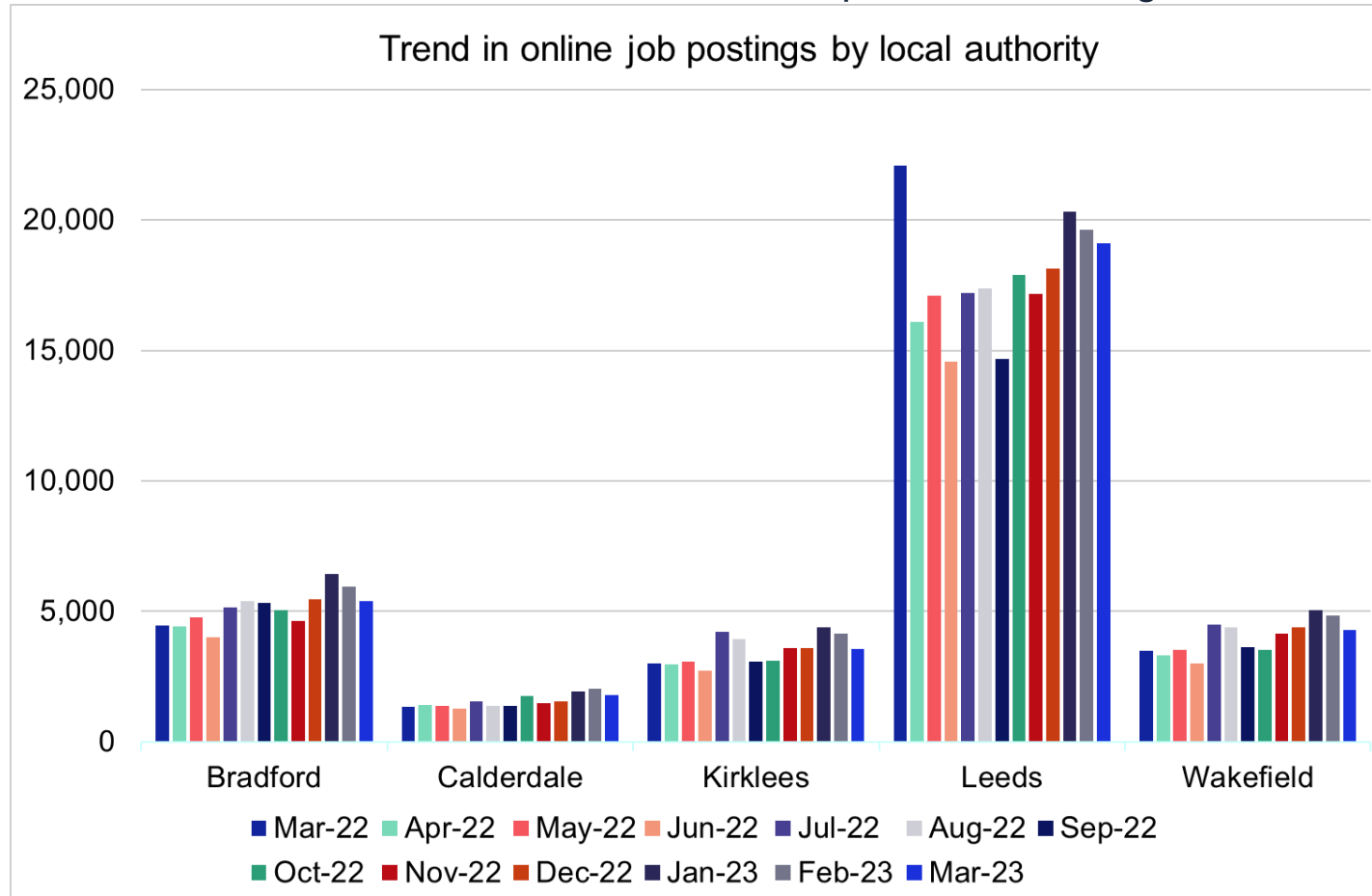
The monthly count of online job postings in West Yorkshire has fallen for two consecutive months but remains at very high levels in historic terms. There were 34,200 unique, new postings recorded in March 2023, similar to the figure recorded in March 2022. West Yorkshire continues to outperform the national picture in terms of the trend in job postings relative to the pre-pandemic period.



Source: Lightcast

# All local authorities except Calderdale saw a reduction in job postings for second consecutive month but volumes of postings remain high

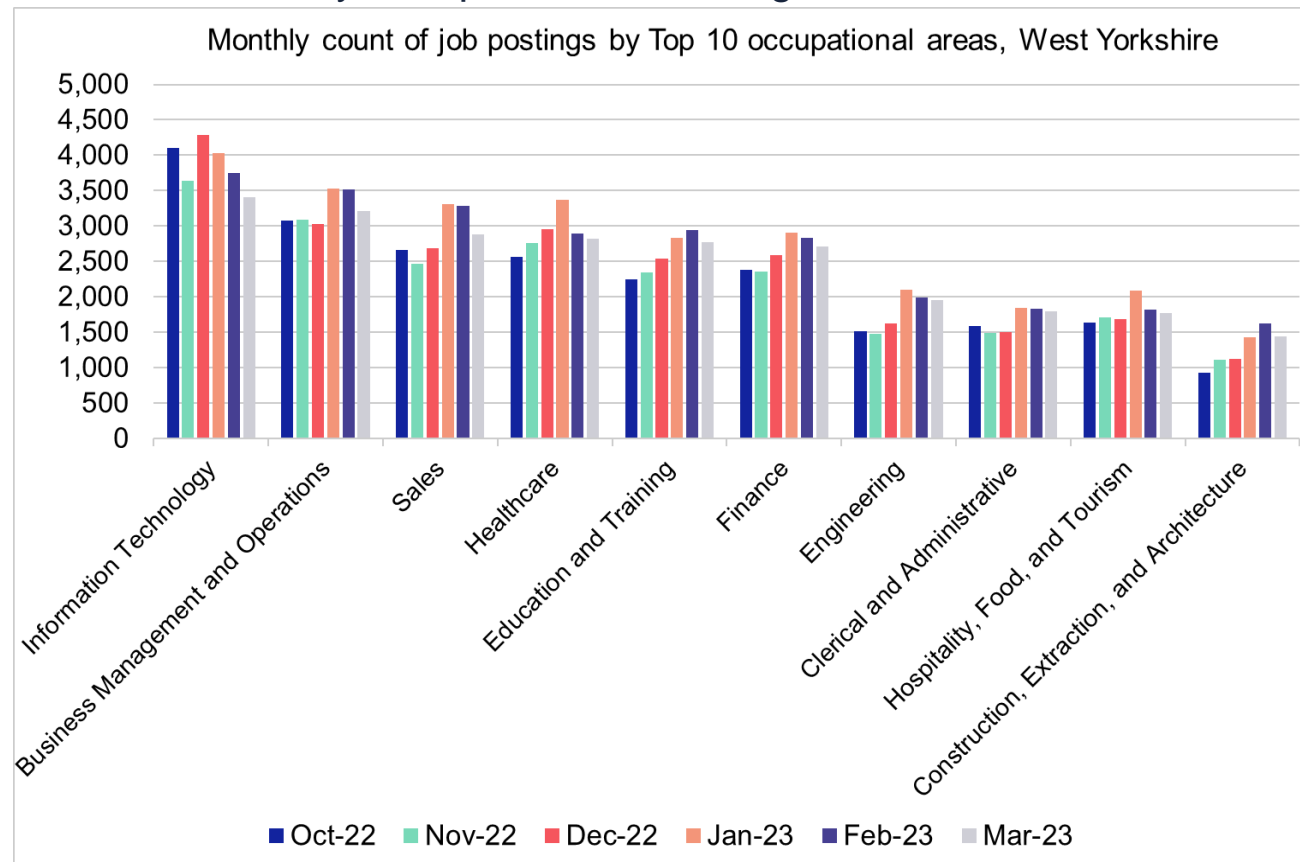
There was a fall in job postings for all local authorities in West Yorkshire between February and March. This was a second consecutive fall for all authorities except Calderdale. The scale of these declines was modest and we cannot yet conclude that there is a sustained downward trend. All local authorities, except Leeds, had higher volume of postings in March 2023 than in March 2022.



Source: Lightcast

# All occupations saw declines in online job postings between February and March but these were mostly modest in scale

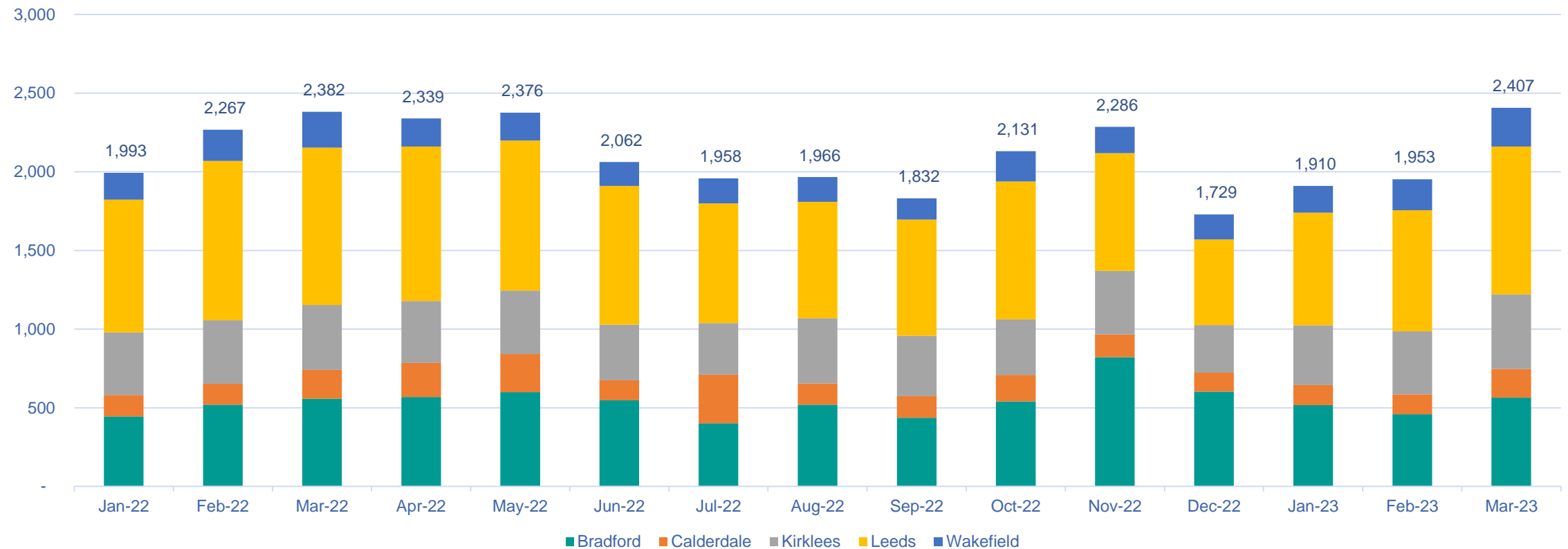
There were declines in job postings for all the top occupational groups during March. These reductions were mostly small, with some groups like Healthcare and Engineering experiencing marginal changes. Sales (-12%) and Construction (-11%) saw the biggest falls in percentage terms. In view of the volatility of this data it cannot be said that there is strong evidence of a softening in recruitment demand for any occupation at this stage.



Source: Lightcast

# Business registrations saw a sharp uptick in March, with new business registrations at a similar level to March 2022

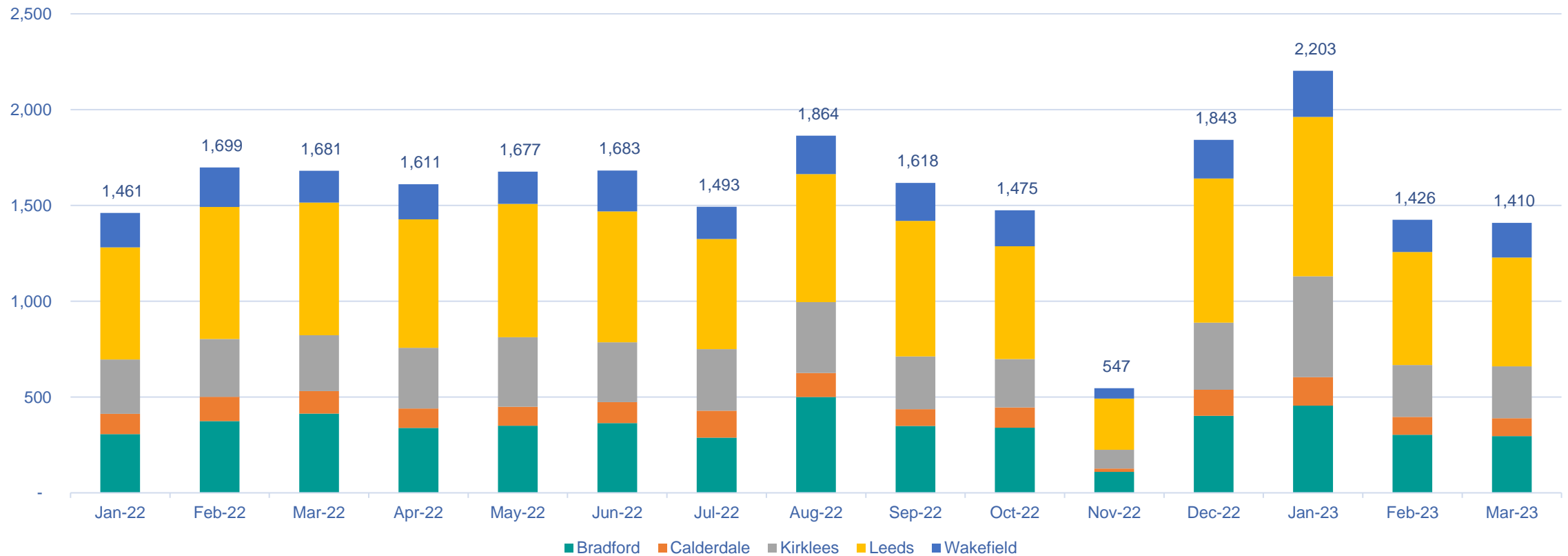
The professional, scientific and technical sector, as well as the construction and wholesale and retail trade sectors saw large rises in the number of business registrations compared with February. There was also a strong representation of new businesses in Kirklees, who account for 18% of the West Yorkshire business base but 20% of new businesses in March.



Source: Bureau van Dijk

# Business liquidations remain low in March 2023 compared with this time last year

There were more than 250 fewer business liquidations in March 2023 compared with March 2022 in West Yorkshire, suggesting a more resilient business base. There were 997 net new businesses in West Yorkshire in March this year – a higher level than any month last year except November, where there was an unexplained decrease in business liquidations that was compensated for in the following months.

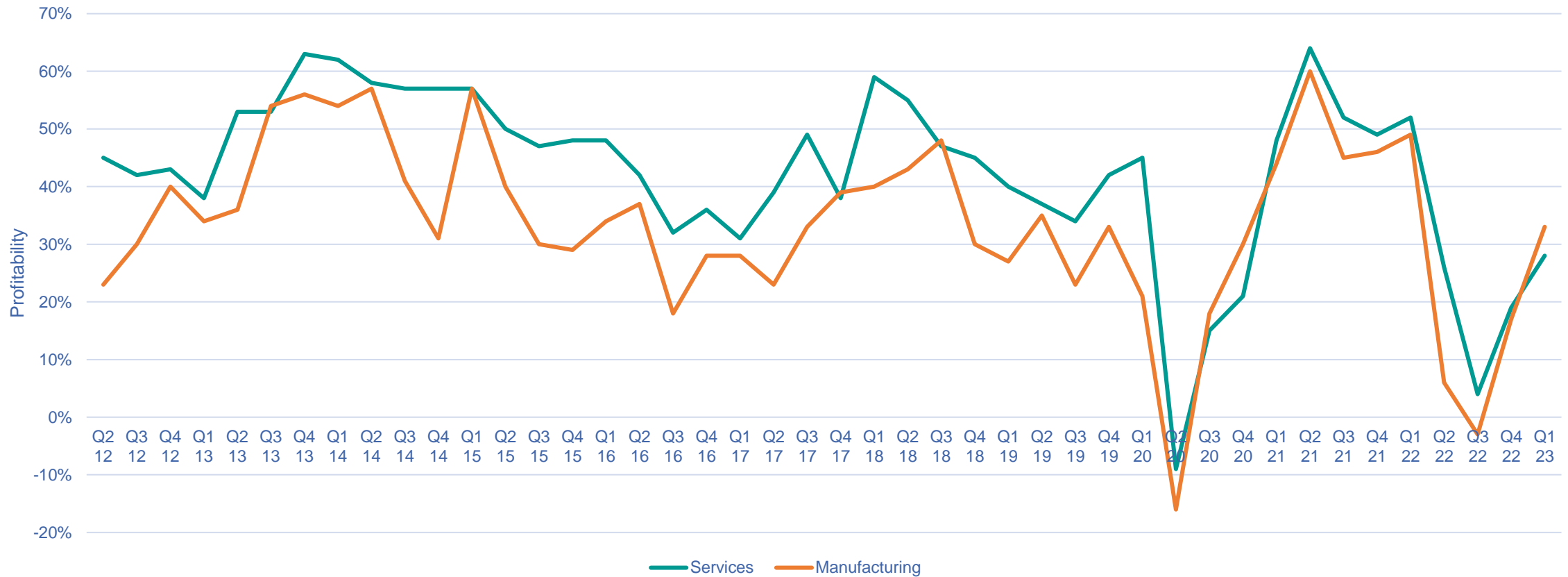


Source: Bureau van Dijk



# Businesses are beginning to feel more optimistic than in recent periods, but remain low by historic standards

The share of businesses in both the manufacturing and services sectors has increased for a second successive quarter from a 2-year low in Q3 of 2022. However, significant concerns about rising input prices are holding firms back from expecting to be profitable in the next quarter. Four in five businesses see inflation as a key concern.



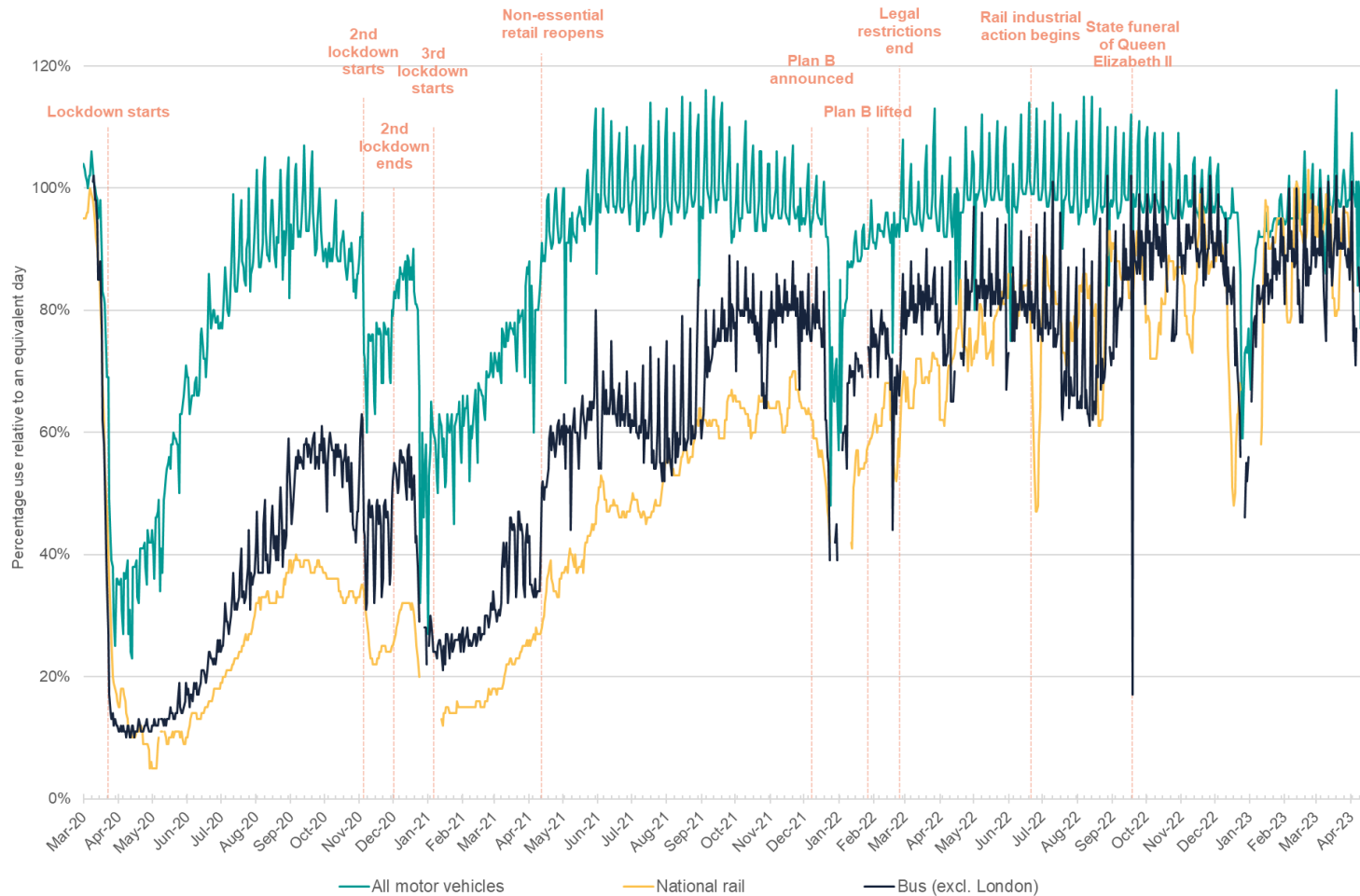
Source: West and North Yorkshire Chambers of Commerce

# Transport Insights

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# National transport usage remains stable up to Easter bank holidays



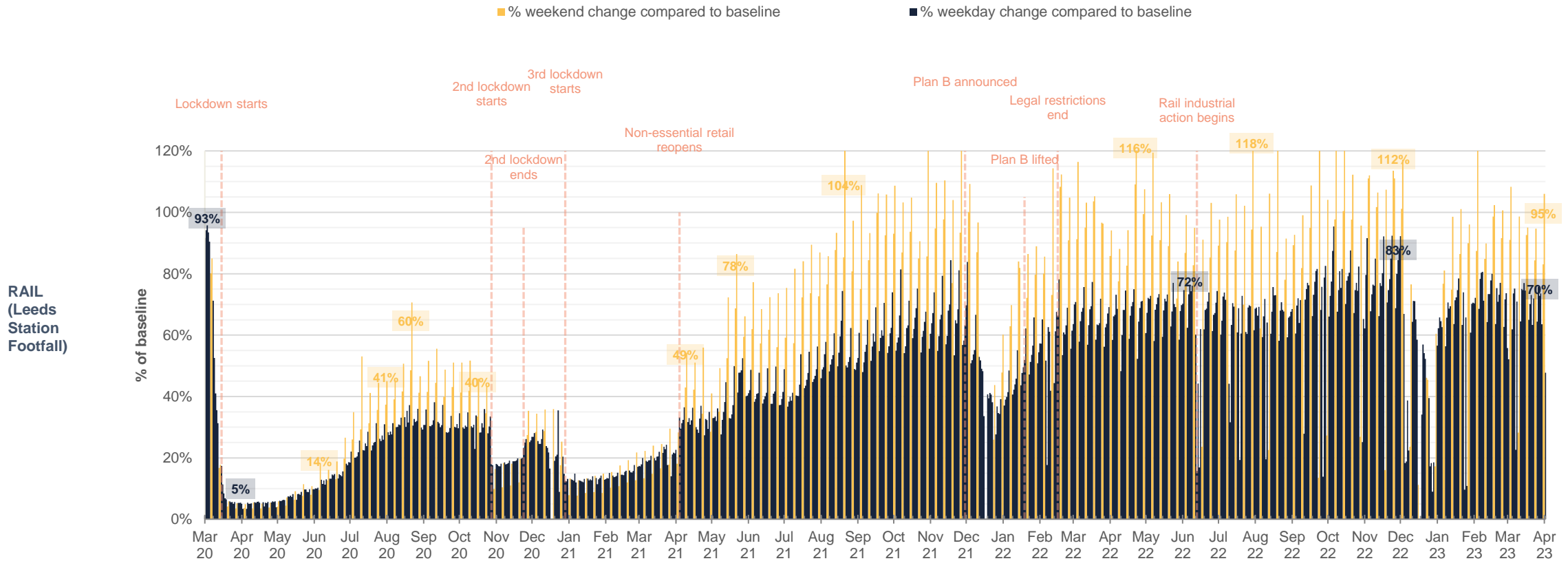
In the weeks before Easter, national road use by all motor vehicles remained around 100% of pre-pandemic levels.

Bus use outside London remains around 80 to 90% on weekdays with weekend usage spikes, exceeding 100% on several Sundays. Rail use remains around 85 to 95%.

Source: <https://www.gov.uk/government/statistics/transport-use-during-the-coronavirus-covid-19-pandemic>

# Weekday footfall at Leeds station back to 70% of pre-pandemic levels following March rail strikes

Average weekday footfall at Leeds railway station returned to 70% of pre-pandemic levels following rail strikes in March. Weekend footfall count remains at similar level to previous month.

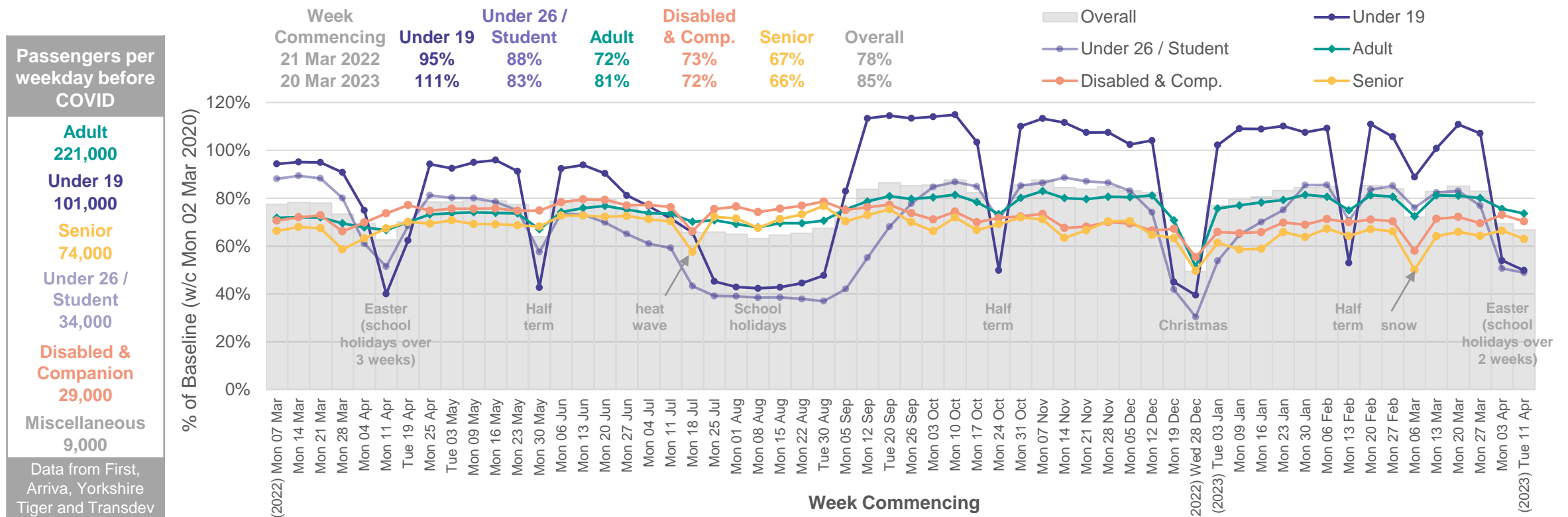


Baseline period is Monday 2nd - Friday 6th March 2020 (weekdays) and 29th Feb -1st March and 6th-7th March (weekends)

Source: Leeds Rail Station Footfall - Network Rail

# Bus patronage since the end of January has been mostly stable

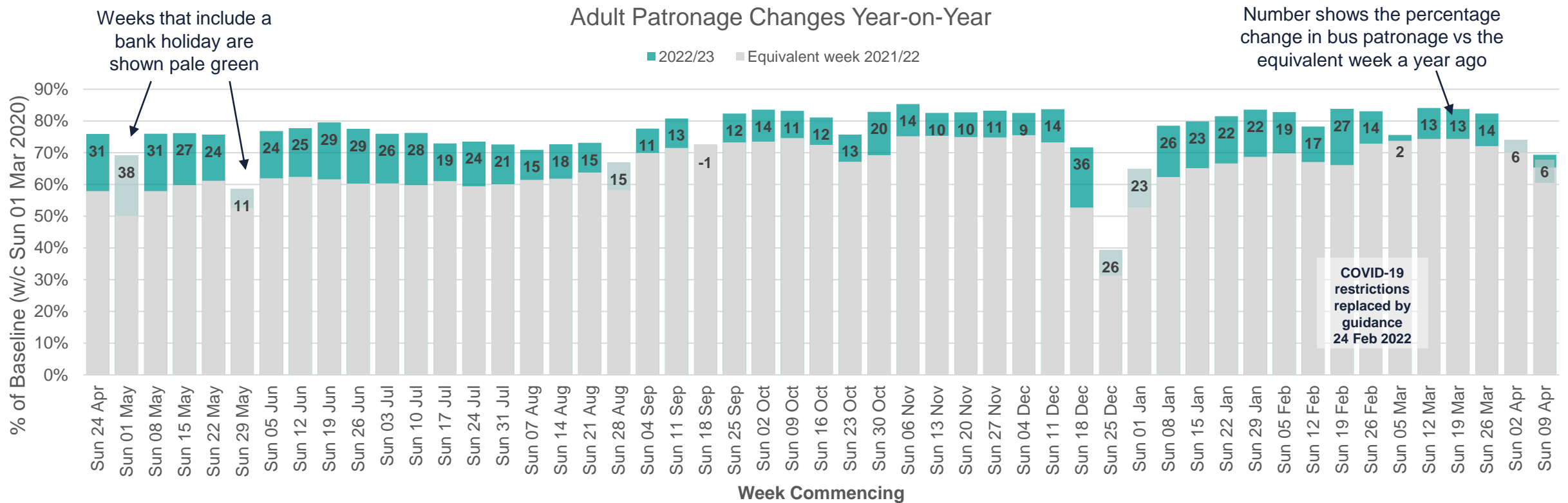
The chart below shows weekday bus use relative to pre-pandemic conditions. A table compares the last full week in March 2023 against the last full week in March 2022, these are comparable weeks in that there were no significant holiday or weather-related impacts. Patronage since the end of January has been stable in normal weeks, with dips for holidays and snow, rather than exhibiting recovery.



**Source:** Baseline period is w/c Mon 02 Mar. Source: Bus operators electronic ticket machine data, passenger boarding locations in West Yorkshire. First, Arriva, and Transdev groups account for over 90% of bus services in West Yorkshire. Graph shows First and Transdev data. Data is for weekdays excluding bank holidays, with ticket types assigned to broad cohorts.

# In the last three weeks of March (after the snow and before Easter) bus use by adults was 13% higher than the similar weeks last year.

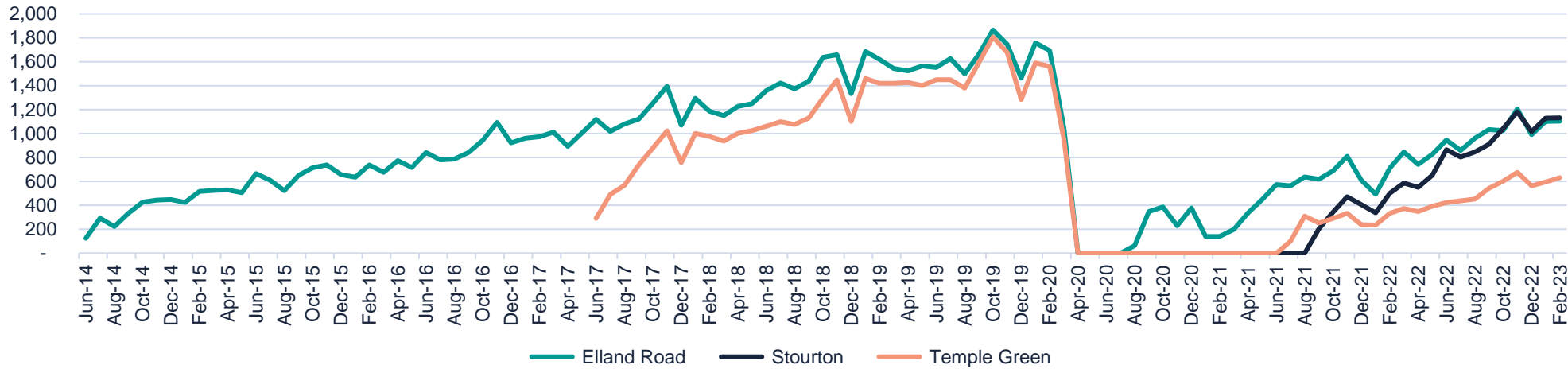
The chart below shows weekday bus use by adults relative to pre-pandemic conditions and showing percentage change since a similar week in the previous year. Note the increase in 2021/22 when COVID-19 restrictions were lifted, and the impact of snow in week commencing 05 March 2023. Easter was a week later in 2022 than in 2023 making April weeks less comparable.



Source: Bus operators electronic ticket machine data, passenger boarding locations in West Yorkshire. Graph shows First, Transdev and Yorkshire Tiger data. Data is for the adult cohort. Bank holiday weeks in 2022, shown in lighter teal, align with 2021 apart from the State Funeral of September. Easter 2023 does not align with Easter 2022. The numbers above each bar are 2022/23 change as a percentage of 2021/22..

# Park and ride use hasn't recovered to pre-pandemic levels and the rate of passenger recovery in the first quarter of 2023 is lower than in 2022

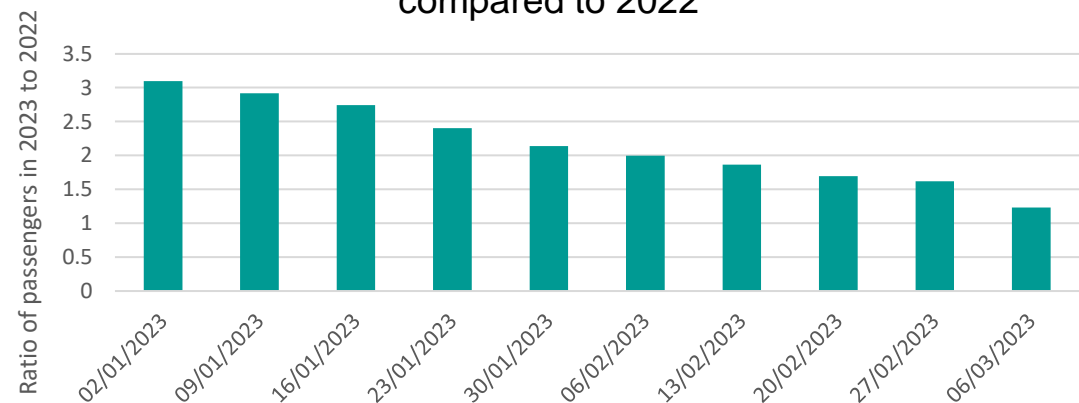
Park and Ride Average number of daily passenger numbers by month



The chart above shows that Elland Road passenger numbers were still only at 68% of pre-pandemic levels in November 2023 (compared to November 2019). Overall passenger numbers in November 2023 were at 89% of November 2019 levels.

The chart to the right shows that the rate of increase from last year's passenger numbers has reduced week on week from the start of the year.

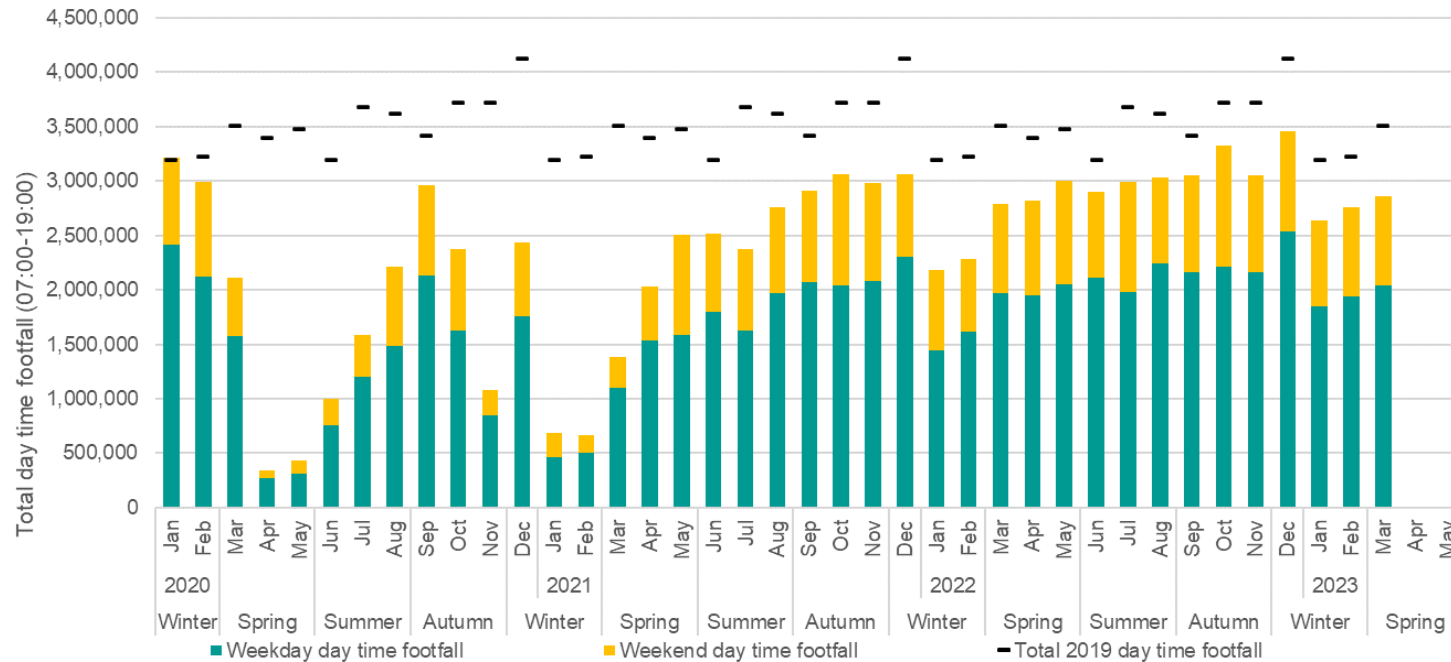
2023 Weekly Weekday passenger numbers compared to 2022



Source: Park & Ride data from the 3 sites in Leeds: Elland Road, Stourton & Temple Green

# Daytime footfall remains below pre-pandemic levels

Leeds city centre day time footfall remains suppressed relative to pre-pandemic; in March 2023 footfall was 22% lower than in March 2019, having not reached 2019 levels since the pandemic began. This is also reflected in the wider UK trend where there is a 0.9% decrease in retail activity between February and March probably due to wet weather. The higher prices of goods because of the cost-of-living crisis is also a factor in the reduced levels of footfall compared to 2019 in Leeds city centre and the UK. There is a slight increase between March 2023 and March 2022 showing a slightly improved situation.

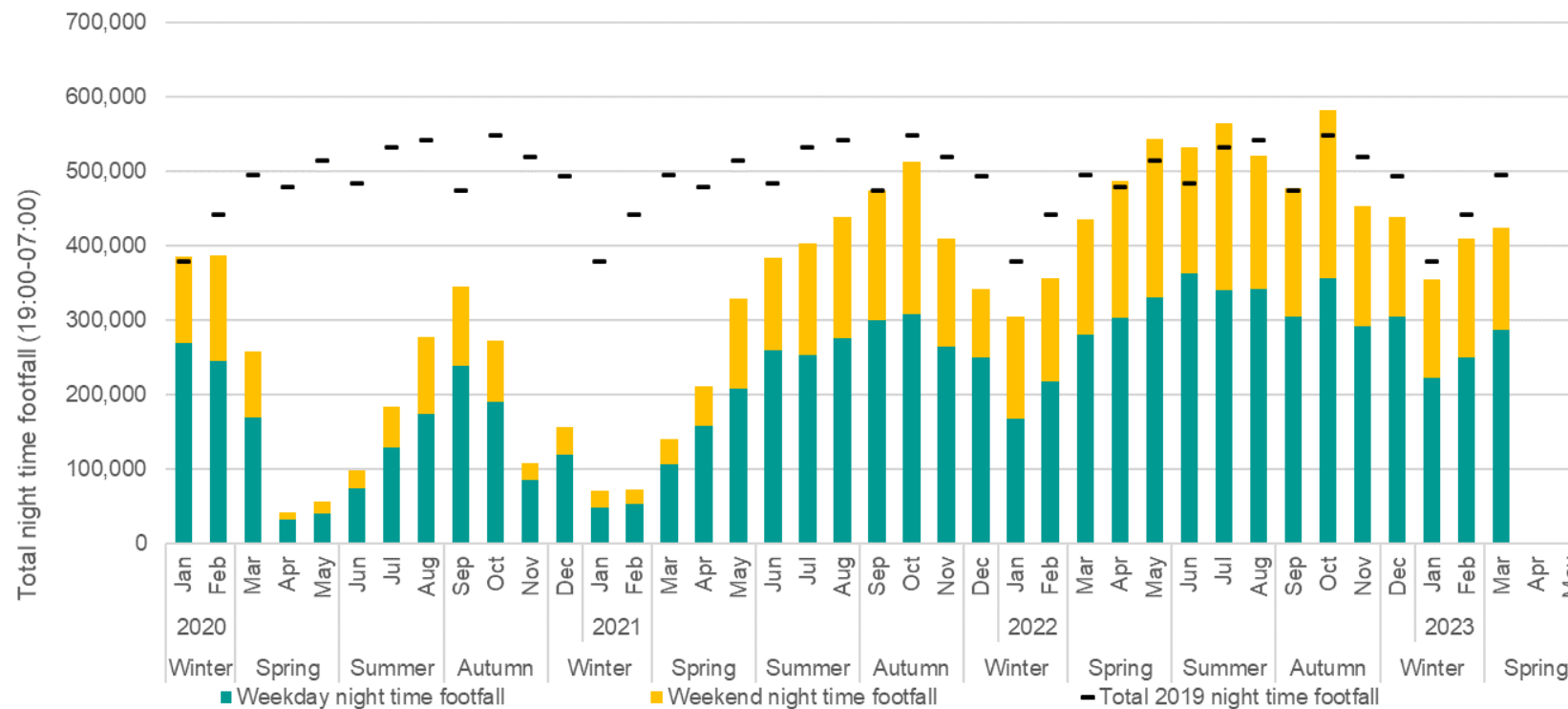


Source: Leeds City Council , [Rainfall washes out retail sales in March - BBC News](#)



# March night-time footfall also remains lower than pre-pandemic levels and lower than the same time last year

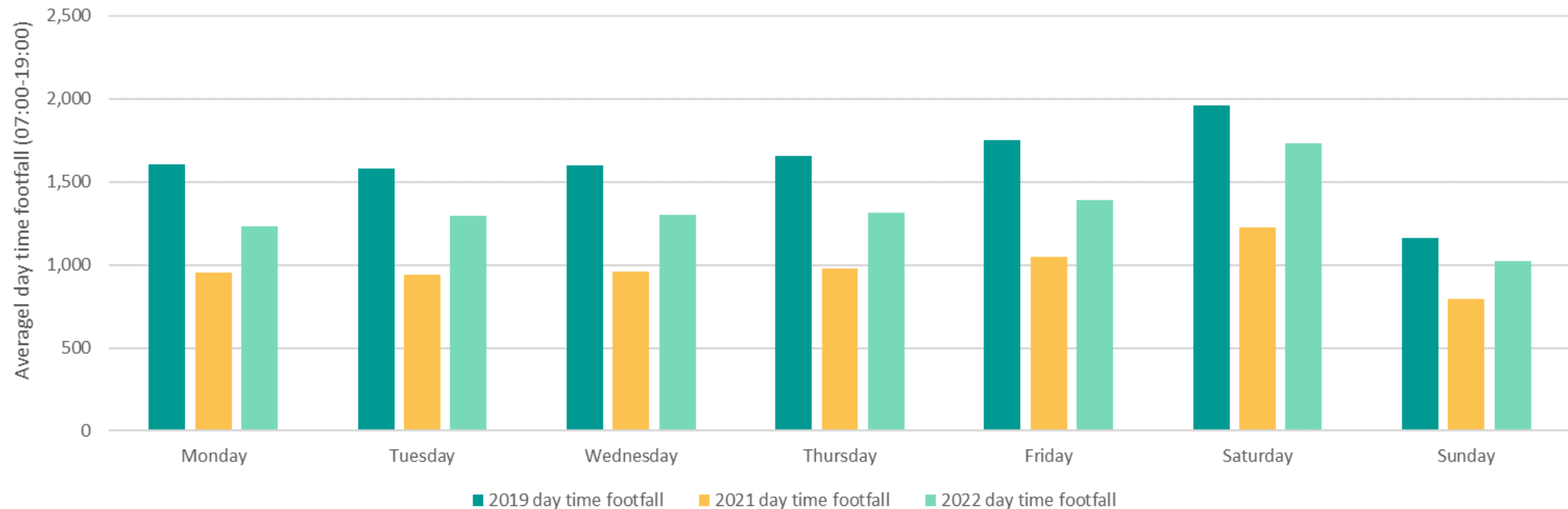
Leeds city centre night time footfall in March 2023 remains 17% below the equivalent pre-pandemic month (March 2019) and was lower than March 2022. Weekday night time footfall increased between February and March 2023. Weekday night time footfall also increased slightly in March 2023 in comparison to March 2022.



Source: Leeds City Council

# Average daily day time footfall levels rise between 2021 and 2022

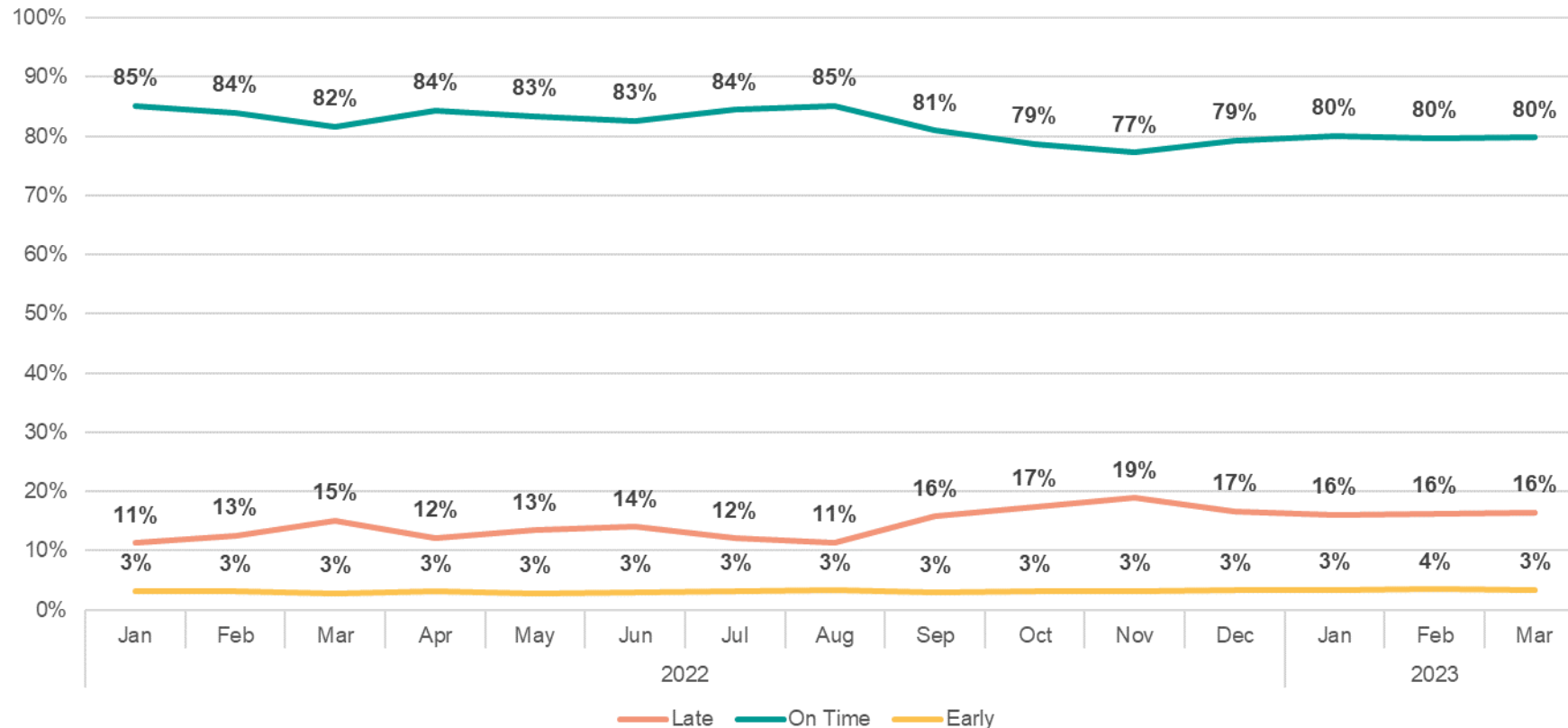
Leeds city centre average daily day time footfall increased by an average of 25% between Monday and Friday while Saturday saw an increase of 29% between 2021 and 2022. The weekend day time footfall averages in 2022 are closer to 2019 levels than the weekday averages with percentage difference of 0.5% and 1% on Saturday and Sunday respectively.



Source: Leeds City Council

# Bus punctuality consistent at 80% on time across Q1 2023

Bus Real Time Information (RTI) data reveals the proportion of tracked bus journeys in West Yorkshire running on time remained at 80% in March, 2% points lower than March 2022, but above the low of 77% in November 2022. Anecdotally, the lower punctuality in 2023 (when compared with 2022) may be linked to the recovery of vehicle traffic post-pandemic. Buses using roads without segregated bus infrastructure (such as bus lanes) tend to be vulnerable to delay caused by general traffic, especially during peak hours.



Source: West Yorkshire Combined Authority Real Time Information system. 'On time' is defined as between 1:00 minutes early and 5:59 minutes late against the scheduled time.