

Leeds City Region COVID-19 Monitor 23rd April 2020

Introduction

- This report presents the latest developments with regard to COVID-19 for Leeds City Region. It draws on a number of official and unofficial data sources to present the latest intelligence, and is primarily focused on the economic impacts.
- It includes analysis of anecdotal evidence from interactions with businesses, and it is recognised that this analysis is based upon subjective views from those businesses which may or may not reflect the views of the wider business community.
- Where available, data is presented for Leeds City Region (covering Barnsley, Bradford, Calderdale, Craven, Harrogate, Kirklees, Leeds, Selby, Wakefield and York). Other geographies are used where data is not available at that level. In some cases, data is presented for a single authority or area. In those instances, further data is being sought to enable more comprehensive analysis of other areas. If you have any data to contribute for analysis or any comments on this report please contact Research@westyorks-ca.gov.uk.

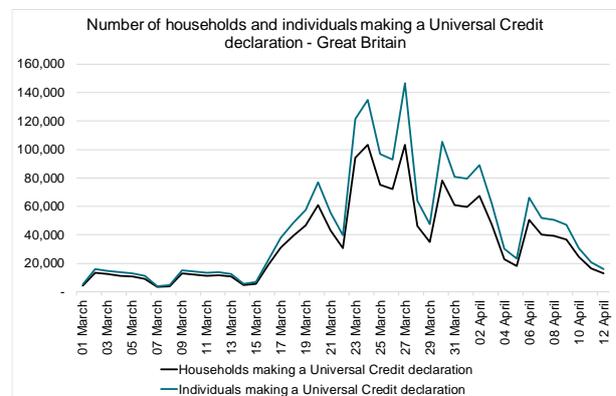
Key local insights

- The key issues facing businesses remain the same as in previous reports – principally cash flow and finance – though support is now reaching businesses as more of the funding mechanisms become operational. Around 50% of grant funding to small businesses has now been paid, and the launch of the Job Retention Scheme (JRS) portal for furloughed staff means money should soon start reaching recipients through that source too.
- However, there remain concerns about eligibility and gaps in support, particularly for some smaller businesses. Those who pay business rates as part of a package with landlords or similar arrangement continue to express concern that they may not receive funding through rates relief / grant schemes.
- Also, although some businesses are now reporting successfully receiving funding through the Coronavirus Business Interruption Loan scheme (CBILs), others continue to report issues. In particular, those without an existing arrangement with an accredited provider of CBILs are struggling to access the scheme as some banks prioritise existing customers. There are also calls in some quarters for the government to look at guaranteeing 100% of loans for small businesses who may struggle with eligibility criteria and application requirements.
- Some of this week's data gives an insight into how households and individuals are being affected economically. 30% of business respondents to the latest Chambers of Commerce survey said they had furloughed 75-100% of workers, whilst the latest Office for National Statistics survey suggested around 25% of firms had temporarily ceased trading and those continuing to trade had, on average, furloughed 21% of their staff.
- Whilst we won't have a clear picture until data on the JRS becomes available, the numbers are clearly significant as reflected in the "unprecedented demand" for Universal Credit reported by DWP, with the number of declarations five times higher than the same period last year.
- Surveys suggest that a third of households have seen their income reduce and, coupled with data showing a tripling of uptake for mortgage holidays shows that household finances are under strain.
- Historically low oil prices and lower inflation may help to mitigate some of this strain, whilst also enabling the government and Bank of England to maintain more accommodative monetary policy, with lower risk that increasing demand would drive up inflation as might usually be expected in more usual times.

Latest headlines and trends

Main national economic developments

- The portal for employers to register furloughed staff launched at the start of this week, enabling payments for workers temporarily stood down to begin to flow. 140,000 applications were received on the first day from companies employing around a million people, according to Chancellor Rishi Sunak, and the job retention scheme has now been extended until the end of June.
- Companies continue to furlough staff as the scheme launches according to the latest British Chambers of Commerce survey (15-17 April), which found the number to have furloughed some staff increased from 66% to 71% over the past week. 30% say they have furloughed between 75% and 100% of their workforce.
- JRS payments should begin to be made around six days after completion of the details, so around the end of April. Some data this week gives an early insight on the impacts on individuals and households.
- According to DWP, there has been “unprecedented” demand for Universal Credit during the current crisis, mainly as a result of people losing their jobs or as self-employed people become unable to work. In the 6 weeks to 12 April 2020, the DWP received over 1.8 million declarations to Universal Credit. This is almost 5 times higher than the amount of declarations received in the same period last year. (Not all declarations will go on to receiving a payment.)
- Following the Chancellor’s announcement on additional support for the self-employed, declarations peaked at over 100,000 per day in late March. Since then volumes have started to move towards normal levels. The number of declarations during this period is equivalent to 50% of the number of individuals on Universal Credit at 12 March 2020. If we apply this proportion to West Yorkshire, it would suggest that there were approximately 60,000 Universal Credit declarations locally over this period.
- Consumer confidence fell at its fastest rate since 2009 in April, according to IHS Markit’s Household Finance Index, falling from 42.5 in March to 34.9. Around a third of households reported a drop in income, and confidence in job security fell to its lowest level in the survey’s history. So far, it appears that households are not increasing debt to cover their expenses, though it is not clear how far this is because they are managing within their resources or because finance options are less readily available to them.
- The number of mortgage payment holidays in place more than tripled in the two weeks between 25th March and 8th April, growing from 392,000 to 1,240,000, according to UK Finance. One in nine mortgages in the UK are now subject to a payment holiday.
- UK inflation fell to 1.5% in March, its lowest level since December. Clothing and fuel costs were a big driver of this, though this clearly only covers the early stages of the lockdown. The fall in fuel costs was driven by declining oil prices, and prices have continued to fall since with some measures providing negative prices at points of the last week (meaning suppliers may have to pay for oil to be taken from them).
- Elsewhere in the Chambers of Commerce survey, cash flow remains a major issue, with three quarters of firms saying their domestic sales revenues had decreased, and a similar proportion reporting falls in their cash reserves compared to a week earlier.
- The latest Office for National Statistics Business Impacts of Coronavirus Survey (23rd March – 5th April) found a quarter of businesses had temporarily ceased trading. Of those continuing to trade, 54% said turnover was lower than normal, and 5% said it had increased. Companies said on average, they had furloughed 21% of their workers.

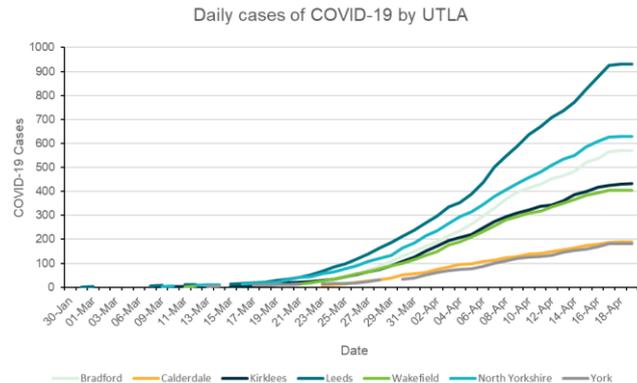


Developments in Leeds City Region

Number of COVID-19 cases in the wider Leeds City Region area

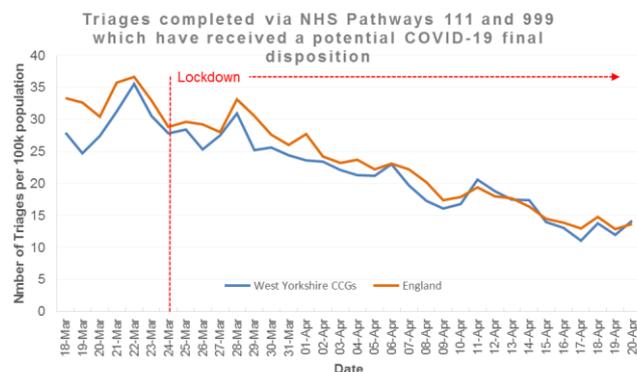
The NHS releases daily information on the number of COVID-19 Cases by Upper Tier Local Authority. Across the Leeds City Region there have been 3,340 (WY: 2,528) cases of COVID-19 as of 19/04/2020. With Leeds having the most case with 930, followed by North Yorkshire with 629 cases.

Since the last update the average growth figure for England has slowed down further to 2.8%, it was 7.1% last week and the week before it was 13%. No local authority in Leeds City Region is below the national figure. Wakefield has the lowest growth figure at 3.1% and York has the highest at 4.5%. However, across the Leeds City Region there has been a significant plateauing of reported cases in the last few days



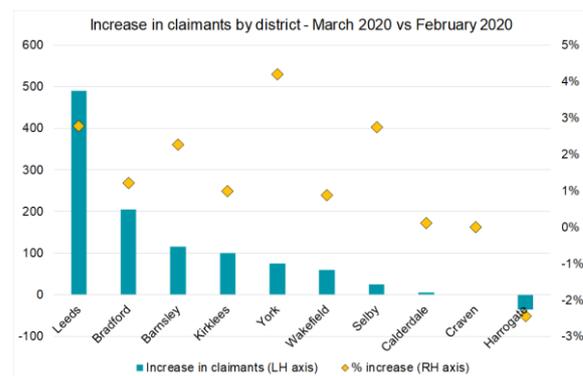
NHS calls/online with a potential COVID-19 final disposition

In Clinical Commissioning Groups (CCGs) covering West Yorkshire, between 18th March and 20th April 2020, NHS digital recorded a total of **17,781 calls to NHS pathways (111 or 999), and 90,493 online assessments where the final disposition was a potential COVID-19 case.** The chart reveals a continued gradual decline (locally and nationally) in the number of telephone and online triages. This could be considered an early indication (before hospital admissions and deaths) that isolation is slowing the spread of the virus with fewer people reporting symptoms. However, this data should be treated *extremely cautiously* as it is based on self-reported symptoms by members of the public to NHS, and is not based on outcomes of tests for coronavirus. Importantly, this is not a count of people.



Labour market trends

In March 2020 there were **67,155 jobless claimants in Leeds City Region**, with 57,330 claimants in West Yorkshire. Between February and March 2020, the count increased by 1,040 (+2%) across the City Region and by 855 (+2%) across West Yorkshire, reflecting the rate of increase seen nationally – also 2%. The claimant rate (expressed as a proportion of adult residents) rose from 3.4% to 3.5% in the City Region and remained at 3.9% for West Yorkshire.

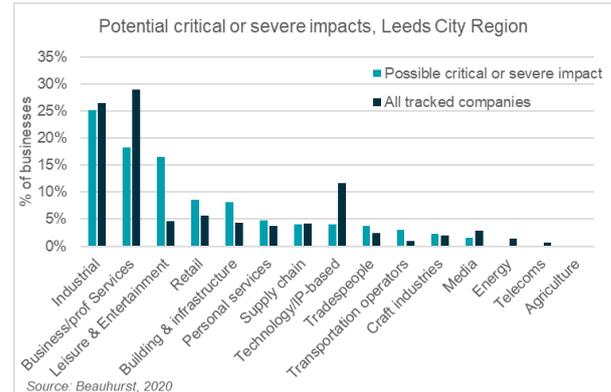


The latest claimant count data available, (published on 21 April) relate to a count before the lockdown arrangements were introduced and before the national surge in claims. It therefore shows a modest increase in the number of people claiming unemployment benefits. We can expect the large nationwide increase in claims observed in the last two weeks of March to be reflected in the April 2020 figures.

According to data supplied by EMSI the number of active job postings in Leeds City Region fell by 23% (or 12,800) between 23rd March, when the lockdown was introduced and 20th April. West Yorkshire saw a similar fall of 23% (9,200). The number of postings recorded on 20 April 2020 was 25% lower than on the same day in 2019 for both the City Region and West Yorkshire. Both areas saw a fall of 4% in the latest week for which we have data (April 13th to April 20th), which suggests that the rate of decline in the number of postings is slowing.

Business and economy impacts

Analysis by Beauhurst has sought to identify potential impacts on their “tracked” companies from COVID-19. Beauhurst track companies with high growth potential, with 28,000 companies tracked nationally and just over 1,000 in Leeds City Region (800 in West Yorkshire). They have assigned an impact status to these companies based on information published on company websites and social media channels, as well as their business model, target markets and sector of operation to determine the likely impact of the lockdown rules and current economic situation.



234 tracked companies in Leeds City Region (161 in West Yorkshire) were assigned a critical or severe tag. This equates to 22% of tracked companies in LCR and 20% in West Yorkshire, slightly higher than the 18% nationally. These companies were disproportionately more likely to be in leisure, retail and construction sectors. 11% of companies locally and 14% nationally were considered to see potential positive impacts. These tended to be in more tech-based industries, which have seen an increase in demand and may be more adaptable to different working arrangements.

Analysis by the Centre for Progressive Policy sought to rank potential economic impacts on local authorities from COVID-19, applying the sectoral quarter on quarter declines forecast by the Office for Budget Responsibility (OBR) to local economies. This ranked 9 of the 10 worst affected local authorities as in the Midlands and North West. Craven was among the 20 most affected nationally. The table below shows the local rankings. Further work will be done to explore the OBR data locally.

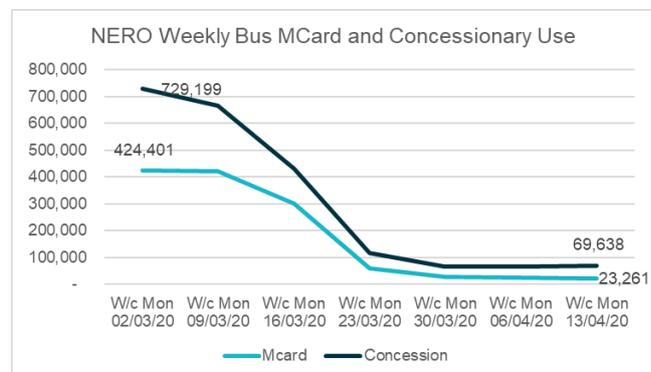
LA name	Rank (1= most affected; 382 = least affected)
Craven	16
Kirklees	66
Selby	148
Barnsley	203
Wakefield	206
Harrogate	229
Calderdale	249
Bradford	264
York	272
Leeds	285

Source: Centre for Progressive Policy, 2020

Transport and people movement trends
Bus MCard and Concessionary Use

For the week beginning Monday 13th April 2020, the combined level of MCard and concessionary fare use shows a **reduction of 92%** against the week beginning 2nd March 2020, and a 4% increase against the previous week due to a slight rise in concessionary fare use.

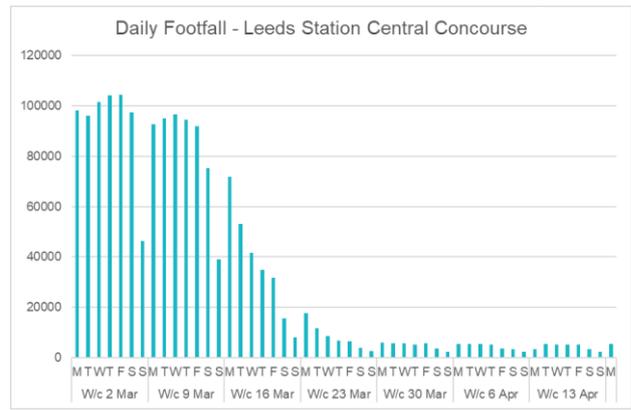
Source: WYCA NERO Reports



Leeds Station Footfall

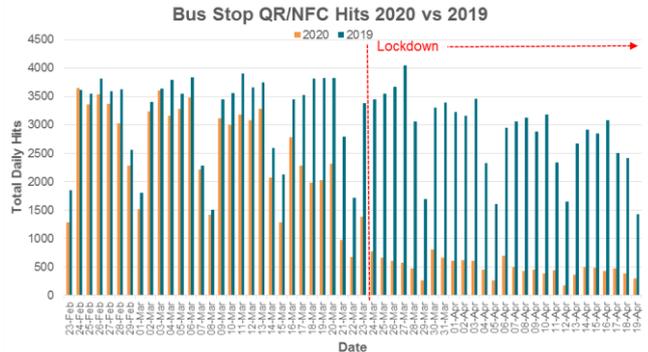
Data from Network Rail shows total daily footfall levels on Leeds Station Central Concourse. For the week beginning Monday 13th April 2020, this shows a **reduction of 95%** against the week beginning 2nd March 2020, and a 1% reduction against the previous week. Comparable data is not available for other stations in the City Region.

Source: Network Rail / Station Capacity Team
stationcapacity@networkrail.co.uk



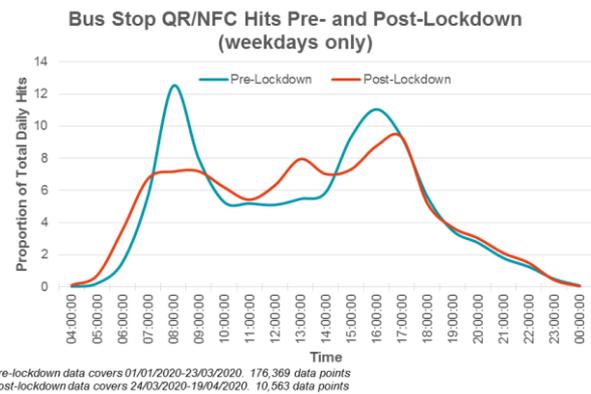
Alternative measures of public transport use

QR codes and NFC tags are located on timetable displays at bus stops across West Yorkshire. Members of the public scan these to access stop-specific real-time information. Scans are recorded, and in the absence of detailed patronage data, could be considered as a proxy for stop-level bus demand. Analysis of this data in the context of COVID-19 reveals a decline in use following the UK lockdown on the 24th March 2020 (chart below), however the number of daily QR/NFC scans began falling gradually from the 15th March 2020 when compared the previous weeks, and previous years (in blue) data.



For weekdays post-shutdown (24th March-17th April) the average number of daily scans was just 561, down 82% compared to the same period last year (3,193 daily scans). In the last week (13th-17th April) there was an average of only 451 daily scans, compared to 656 in the first week of lockdown (24th-27th March).

QR/NFC scan data also reveals a shift in travel times (right chart). The morning weekday peak post-lockdown has been suppressed and the data indicates passengers are intending to travel slightly earlier in the morning compared to 'normal' circumstances pre-lockdown. The data reveals the evening peak has also shifted post-lockdown, with a more noticeable lunchtime peak at 1pm, followed by a considerable drop in QR/NFC scans at 4pm (compared to 'normal' circumstances pre-lockdown).



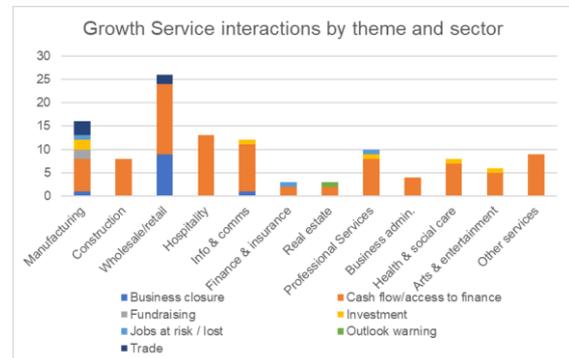
Pre-lockdown data covers 01/01/2020-23/03/2020. 176,369 data points
 Post-lockdown data covers 24/03/2020-19/04/2020. 10,563 data points

Business and stakeholder intelligence

This section presents a summary of key issues emerging from interactions with businesses and other stakeholders in Leeds City Region. Whilst much of this is anecdotal, the below draws out key themes and issues from those conversations. However, it is recognised that this analysis is based upon subjective views from relatively small numbers of businesses which may or may not reflect the views of the wider business community.

Metrics on enquiries

- The LEP spoke with 185 businesses this week in relation to COVID-19 across Growth Manager and business gateway functions. This is lower than previous weeks, at least in part likely due to Easter.
- Of the 129 of these for which information is available, 20% were in wholesale/retail, 12% were in manufacturing and 10% were in each of accommodation/food and construction.
- Three quarters of interactions this week related to cashflow or access to finance. This is higher than in previous weeks (57% last week) in part due to inclusion of more detailed information from the Growth Hub's business support gateway, who are receiving a substantial number of enquiries with regard to eligibility and timing of Small Business Rate Relief payments.
- As of 20th April, local authorities in Leeds City Region have paid out £383.5m (£254.4m in West Yorkshire) to 32,000 businesses (21,500 in West Yorkshire) as part of two grant schemes established to help businesses through the coronavirus crisis – the Small Business Rate Relief Scheme and the Retail, Hospitality and Leisure Business Grants Fund. Although there is variation across districts, 50% of money has been paid out nationally, with 52% paid out across the City Region (46% in West Yorkshire).



Workforce

- Companies continue to report furloughing staff, in many cases to help with cash flow but in others to help them remain operational whilst also managing social distancing requirements.
- Some of those furloughing staff for cash flow reasons are beginning to flag concern about the viability of their operations after the initial furloughing period ends. The recent extension of the Job Retention Scheme through June should help in this regard.
- Although early signs are that the JRS portal is operating effectively, some have expressed concern that guidance and directives are not consistent on the issue of obtaining express consent from employees to furlough or on employers' requirement to take holidays during furlough.

Investment and funding

- Businesses who pay business rates as part of a package to landlords or have other similar arrangements (e.g. those on business parks) continue to raise concerns about their inability to access business rates relief.
- Anecdotal evidence shows the VAT deferral is helping some businesses with regard to cash flow, though this issue remains a key concern for many.
- The number of businesses discussing CBILs is small, but views are mixed even in reference to the same banks, with some reporting a helpful approach but others saying this was not the case.

Business activity

- Analysis of survey returns and web contact forms for both the LEP and some districts provides some insight into businesses' response to the crisis and key concerns. Although numbers of responses are relatively small, just over half of businesses in some surveys and those using the LEP's contact form said they had closed temporarily.
- In York, 39% of respondents said they were either closed or operating on significantly reduced resources. 52% said COVID-19 would their revenues or profits would be significantly decreased. 28% said they had or were likely to apply for CBILs.
- Anecdotally, companies report subdued orders for work in the short term, particularly among those who supply the retail sector. The outlook for the longer term remains highly uncertain.

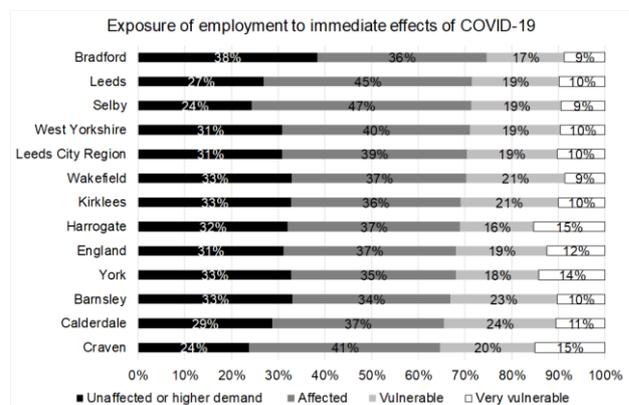
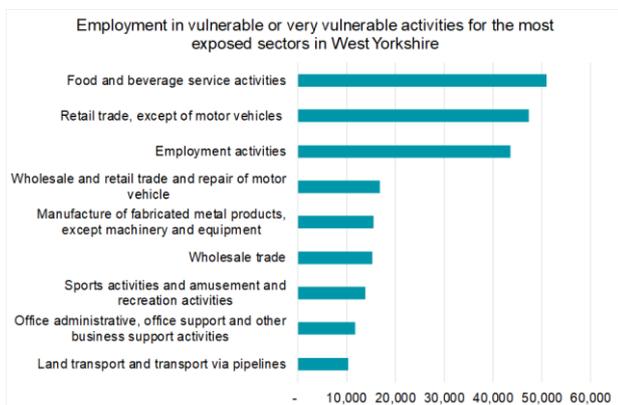
Local insight and analysis

This section presents a summary of analysis undertaken locally to inform our understanding of and response to the pandemic. Further detail can be provided on request. Unless otherwise stated, data is sourced from the Office for National Statistics, with analysis undertaken by West Yorkshire Combined Authority.

Understanding vulnerable sectors

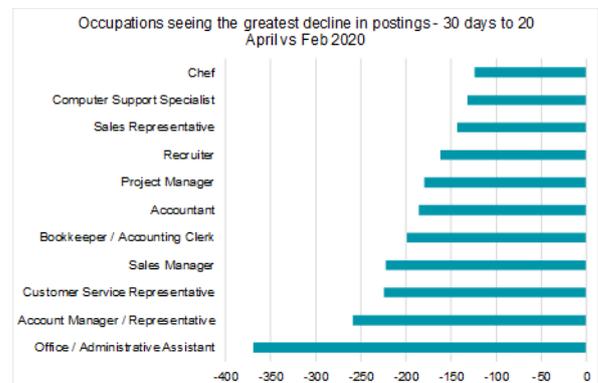
A recent [study](#) from Centre for Cities sought to assess the impact of COVID-19 on different sectors of the economy. Around 10% of employee jobs (140,000) are classed as being very vulnerable in Leeds City Region with a further 19% (270,000) considered vulnerable. Accommodation and food activities form a major part of the employment in the very vulnerable category.

Service sectors tend to be most exposed to the impact of the virus. For example, more than 50,000 people in West Yorkshire are employed in activities within Food and beverage services that are rated as either vulnerable or very vulnerable.



Job postings by occupation

Analysis of job postings data from Labour Insight allows us to profile the change in job postings by occupation. The decline in postings is broad-based, affecting areas such as administrative roles, sales, customer service, digital, as well as expected areas like chefs. Not all occupations have experienced decline. A small number have seen growth, mostly within the health, care and education occupational areas, as might be expected.

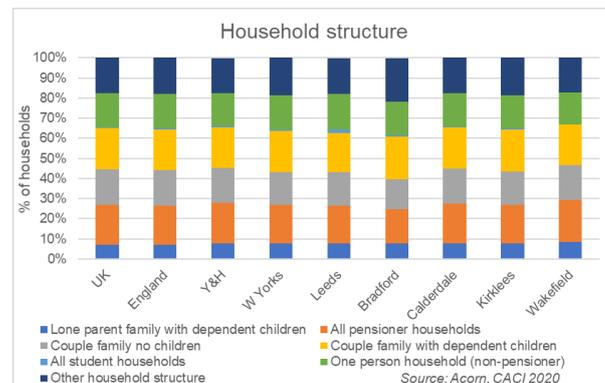


Source: Labour Insight

Socio-demographic groups at greater risk

Using modelled data from Acorn to identify groups and areas where there may be greater risk:

- All West Yorkshire districts are estimated to have a greater proportion of lone parent families compared to UK average.
- Bradford is estimated to have a greater proportion of couple families with dependent children. These groups may be currently be struggling to manage work and childcare.
- Estimates indicate that rates of saving are lower than the UK average, and comparatively fewer people have a savings account or investments. This suggests that locally, without a savings/investments buffer, a greater proportion of people could be at financial risk in the current COVID-19 crisis.



Source: CACI / Acorn

