



West Yorkshire Economic & Transport Insights Report

West Yorkshire Research & Intelligence Team

July 2023

Executive Summary – Economic Insights

- The Bank of England is expecting food inflation to remain elevated throughout 2023. Food inflation is currently at 18.7% in the 12 months to May 2023, but products such as sugar have increased by 50% year-on-year. Input inflation, supply chain problems and climate change are all contributing to elevated food prices.
- The cost of housing on an ongoing basis has increased considerably as interest rates have gone up. Whilst current rates are slightly beneath levels pre-Global Financial Crisis, the cost of property is significantly higher now. This combined with other increases in living costs will be squeezing West Yorkshire residents hard. Similar effects are being felt in the rental sector. Between September 2019 and March 2023, rent prices nationwide increased by 18%, compared to 26% in West Yorkshire. Individuals are responding by drawing down on savings where possible.
- Vacancies data suggests sign of slowing labour demand, but employee and out-of-work claimant count data continue to show a strong labour market across West Yorkshire. Employee numbers continued to tick up in May across West Yorkshire, and the out-of-work claimant count declined, after increases earlier in the year.
- Business registrations increased in May, but so did liquidations. This is common in times of economic volatility. There are sector-specific effects at play as well. The Retail and Accommodation & Food Services sectors are over-represented in both the registration and liquidation data.

Executive Summary – Transport Insights

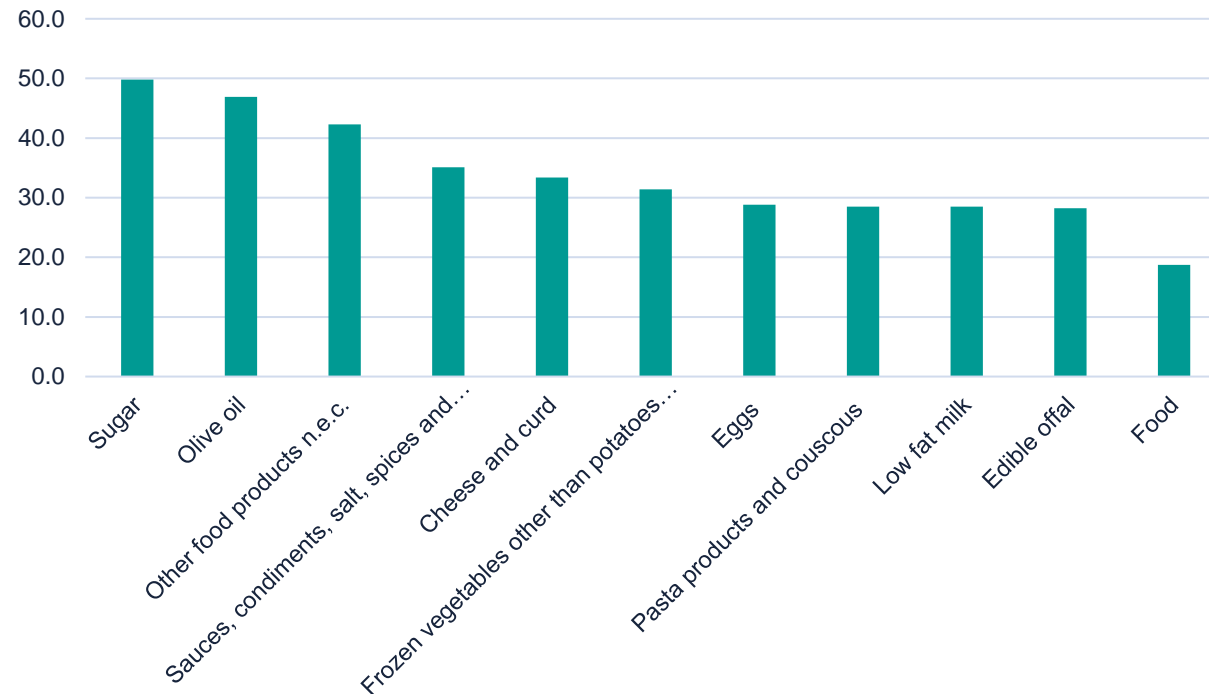
- National weekday public transport recovery lags motor vehicles at 95% and 90% of pre-pandemic levels for rail and bus use outside of London, respectively. At weekends motor vehicle use is exceeding pre-pandemic levels, and bus recovery outside London peaked at 109% before returning to baseline. In contrast national rail use fell back to 84% of pre-pandemic levels.
- Locally, average weekday footfall at Leeds railway station reached 64% of pre-pandemic levels in the most recent full week, whilst weekend use remains higher at 85% of pre-pandemic levels.
- The First Bus drivers strike in mid-June combined with seasonal academic patterns resulted in lower bus patronage over the last few weeks, with patronage. In the week commencing the 27th June weekday patronage was recorded at 79% of pre-pandemic levels.
- Analysis of a sample of bus use data by time of day reveals that under 19 bus patronage is greater at weekends than pre-pandemic & adult bus patronage has recovered more at weekends compared to weekdays
- Elland Road Park & Ride patronage rose slightly to 49% of the equivalent month's pre-pandemic levels (June 2019). This follows service changes made at the end of May to improve daytime frequency and provide new evening journeys following a prior change earlier in the year.
- In the first half of 2023, the share of tracked buses (from the bus real time system) that ran on time was 76%, amongst the lowest levels in the last 5 years.
- Between March & May in 2023, cycle counters recorded an 8.8% increase in the number of cyclists relative to pre-pandemic (2019), whilst number of cyclists passing the counters during weekdays remained lower than pre-pandemic records.
- Average footfall during peak hours at Leeds railway station remains lower than pre-pandemic (2018) levels, whilst weekends have recovered more than weekdays reflecting the residual changes to mid-week commuter habits.
- In May 2023, Leeds city centre weekday daytime footfall recovered to its highest levels since the pandemic, whilst nighttime footfall exceeded pre-pandemic levels in May. So far in 2023, Leeds city centre average weekday footfall was 10% higher than in 2022, with Fridays the slowest to recover.

Economic Insights



Food prices in the 12 months to May 2023 increased by 18.7%, but plenty of food products increased by much greater amounts

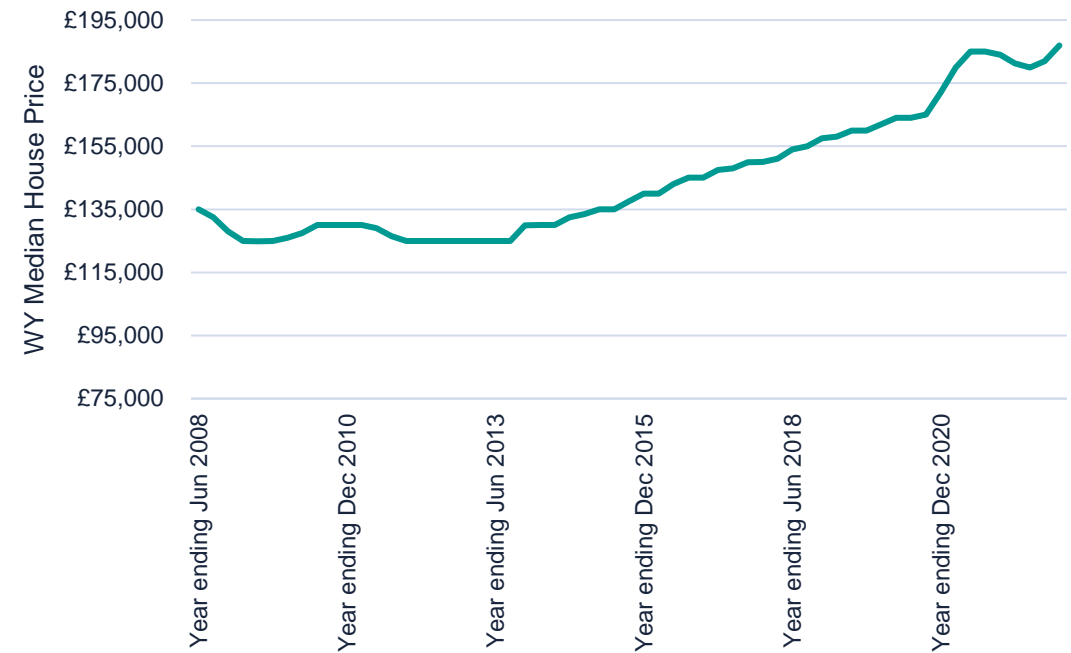
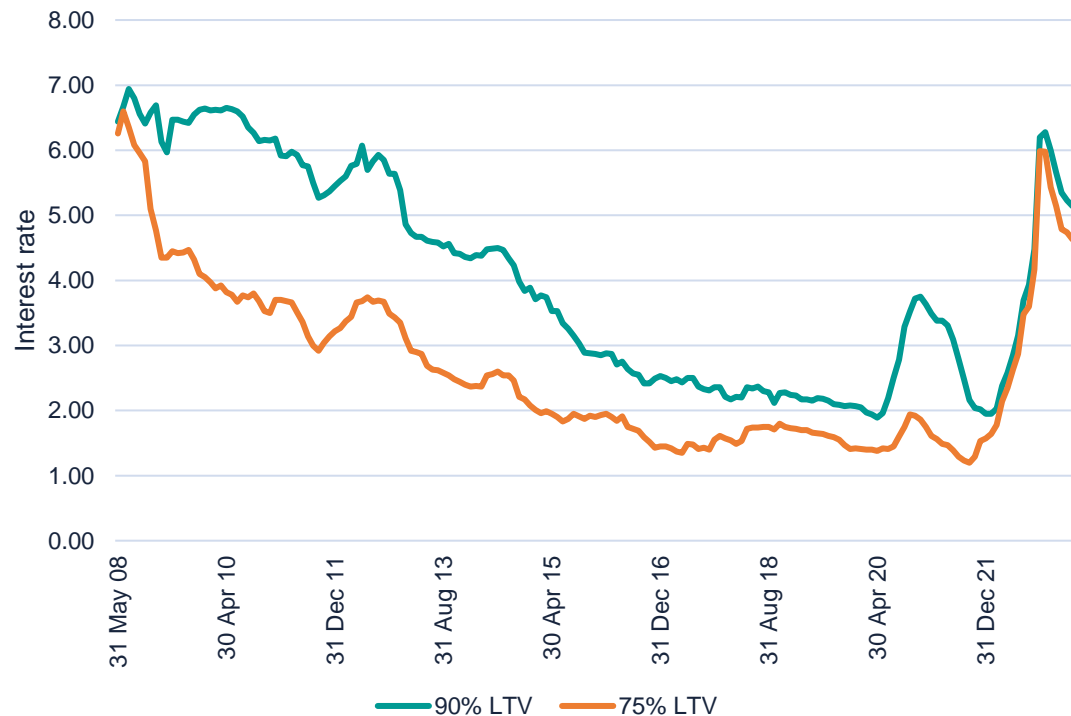
The graph below shows the ten food products which have increased in price the most over the 12 months to May 2023. Food inflation is expected to remain more of a challenge to drop as well for a number of reasons. Firstly, the increased energy costs pushes up production costs for food producers (combined with fertiliser price increases). Secondly, there are the well-reported labour shortages within the agricultural sector, meaning that supply is struggling to increase. Thirdly, climate change is increasingly causing problems for food producers. For example, Spain and Morocco suffered incredibly high temperatures earlier in 2023, which reduced the amount of olive oil that could be produced. Food and drink sales increased by 9.8% in the three months to June, helped by people eating and drinking more as the hot weather spread across the UK.



Source: ONS

Mortgage rates have increased rapidly and the savings from a 75% LTV have reduced

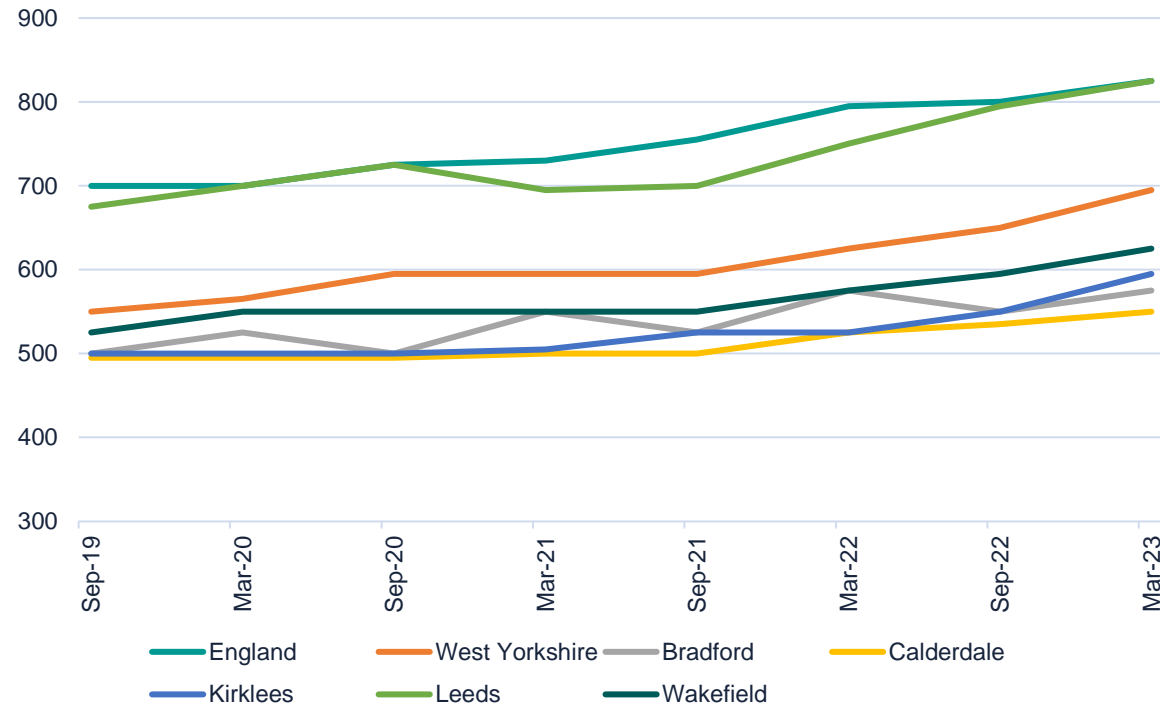
Net approvals of mortgages have continued to tick up after falling at the start of 2023. There were 50,500 approvals in May, compared with 49,000 in April (remortgages also went up from 32,500 to 33,600). Mortgage rates declined after November 2022 from a peak of 6.2% (90% LTV) and 5.98% (75% LTV), but have been climbing up again as interest rates have been increased by the Bank of England. Even though mortgage rates are lower than 2007/8, house prices are considerably higher now (as are other living costs), putting increasing pressure on household budgets.



Source: Bank of England, ONS

The median rent across West Yorkshire is £695 per month, compared with £825 across England, although there are large variances within the region

As of March 2023, Leeds had the most expensive rent in West Yorkshire (£825), followed by Wakefield (£625), Kirklees (£575), Bradford (£550), and Calderdale (£550). Between September 2019 and March 2023, median rents went up by 18% nationally, compared with 26% in West Yorkshire. Leeds has experienced the largest increase but did have a dip during the Covid-19 Pandemic, likely due to people moving out of cities where rent tends to be more expensive. Calderdale has had the lowest increase between September 2019 and March 2023. It is likely that interest rate increases will feed into higher rental prices due to landlords passing on increased mortgage costs (often interest-only)



Source: ONS

Households withdrew £4.6bn of savings in May, the highest level of withdrawals on record

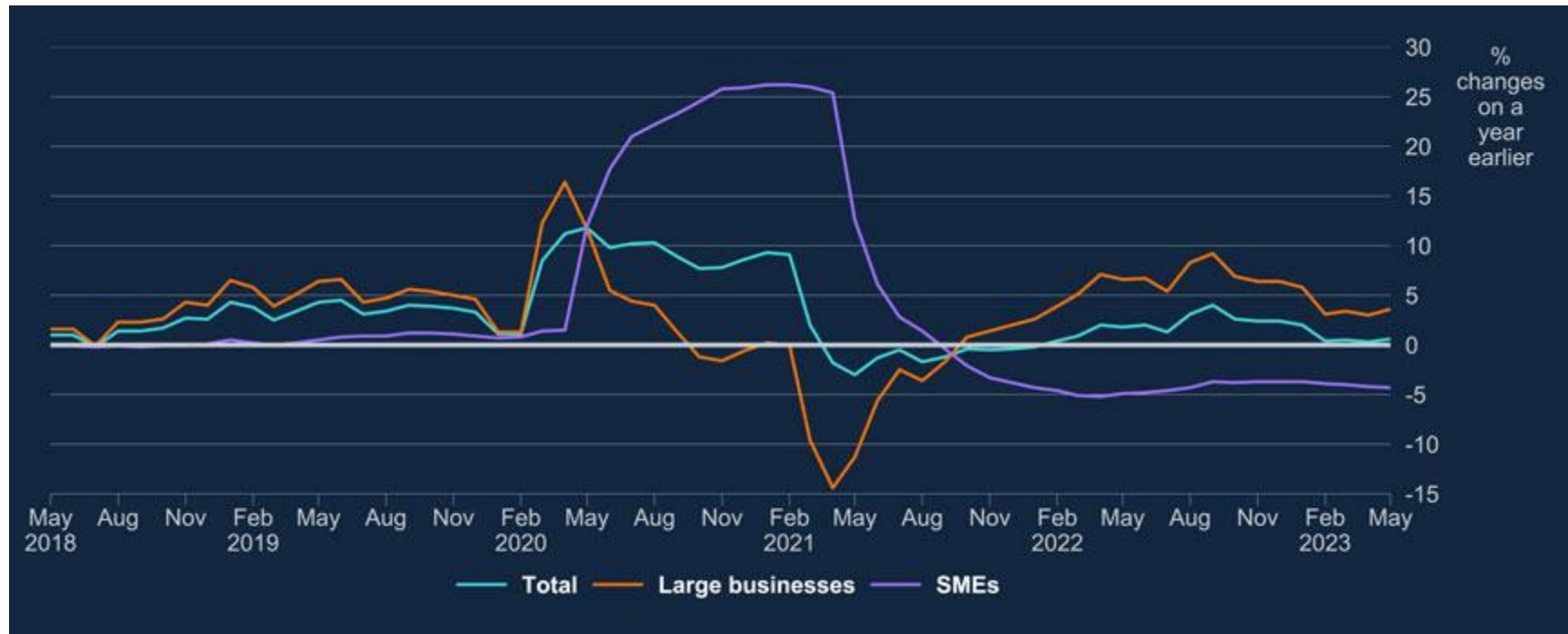
In April, there were £3.7bn net deposits made, however this flipped in May as households withdrew £4.6bn net from banks and building societies. This is the highest withdrawal on record, and suggests that the cost of living crisis is beginning to cause problems for middle earners, as lower earners are considerably less likely to have savings to withdraw. Retail sales ticked up in June as the hot weather hit, however value of sales increased at a quicker rate than number of sales, showing the impact inflation is having on consumption. There has been an increase in gross deposits as interest rates have increased, however, it appears that the increased cost of living is causing more people to withdraw savings, instead of adding to them.



Source: Bank of England

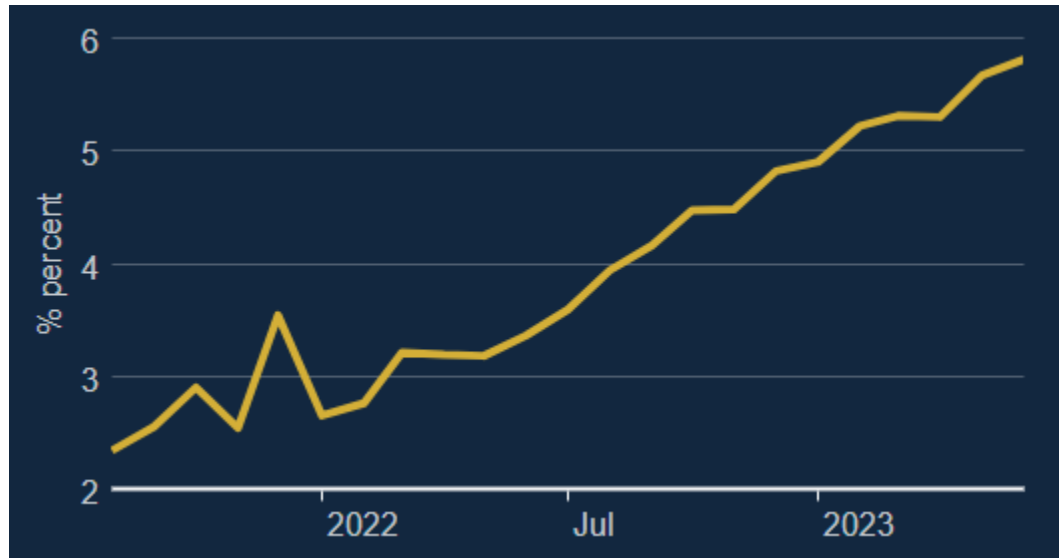
The availability of debt finance to SMES has shrank as interest rates have increased

The annual growth rate of borrowing by large businesses rose from 3.0% in April to 3.6% in May, while for SMEs the rate decreased slightly from -4.2% to -4.3% in May. Lenders often become more conservative as interest rates increase, which is most commonly felt by SMEs who struggle to access finance due to longstanding issues such as collateral requirements. The finance that SMEs do get is more expensive than larger companies (see next slide). Across West Yorkshire, 99.6% of businesses are SMEs. Not every SME will need finance, but a lack of finance may exacerbate long-running issues that negatively impact the economy (e.g. declining business investment, contributing to lower productivity growth).



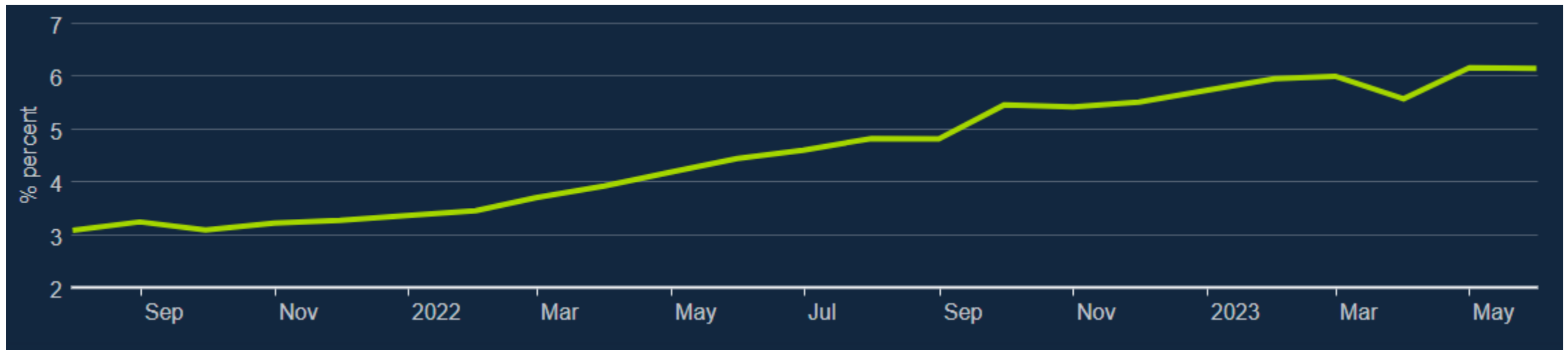
Source: Bank of England

The interest rate on fixed-rate loans to all non-financial companies is 5.81%, compared to 6.15% for SMEs



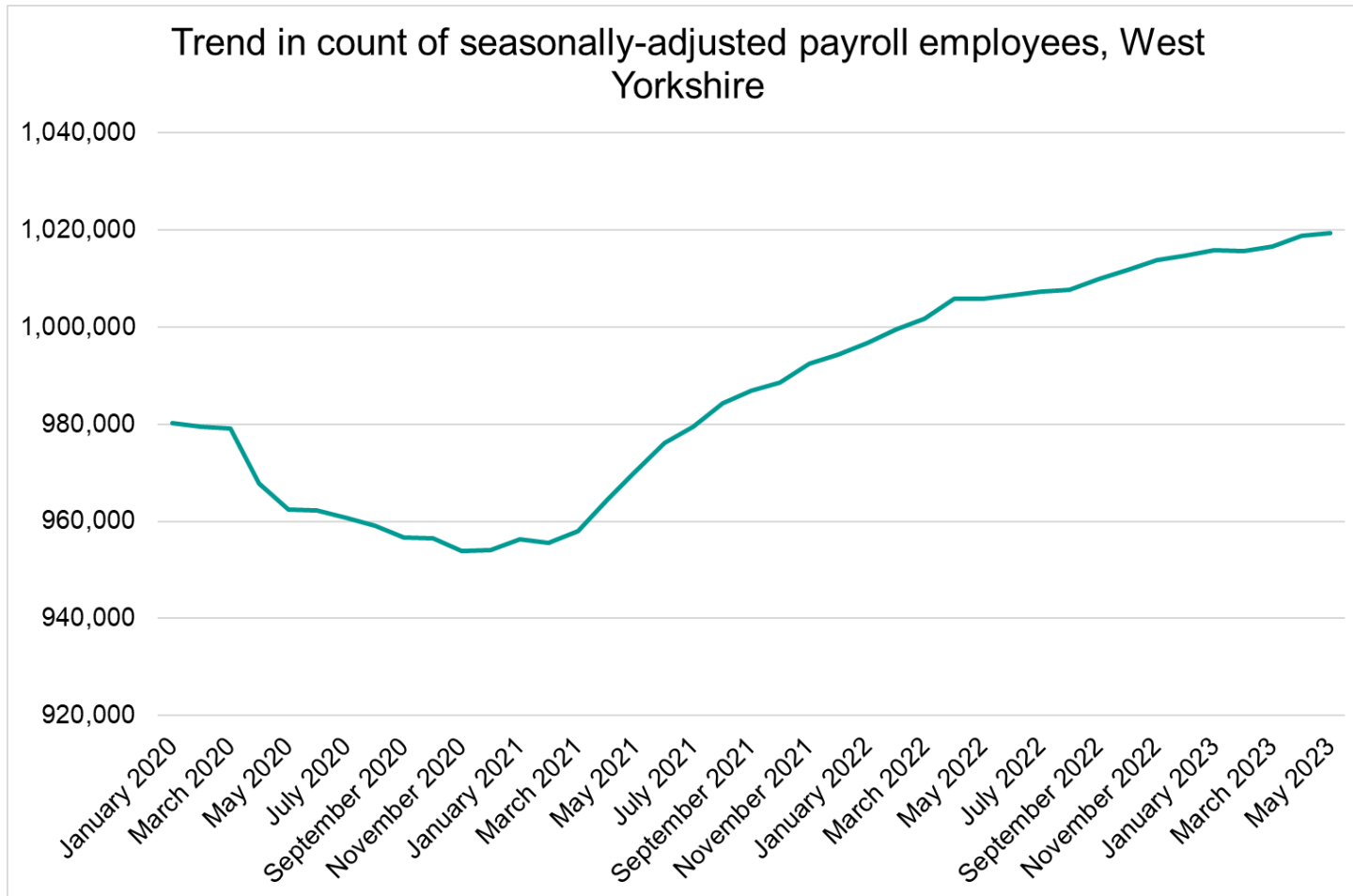
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SMEs



Revised figures show continuing upward trend in employees in West Yorkshire but increase was small in May

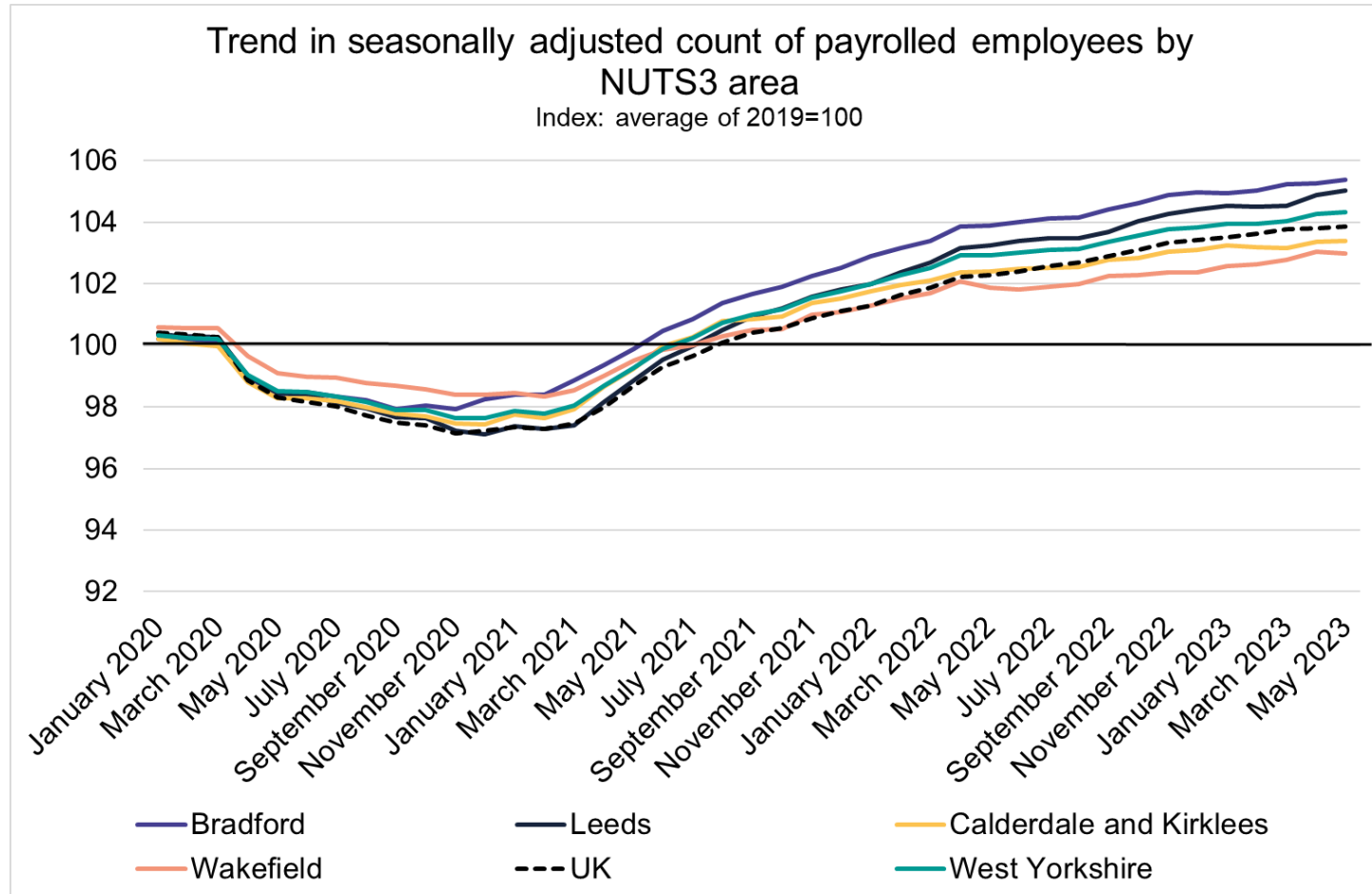
Real-time information on the count of payrolled employees point to a continued upward trend in employment in West Yorkshire, although the increase between April and May was very small (+650). Based on data for May 2023, the count of employees is 40,000 or 4% higher in West Yorkshire than before the pandemic (February 2020) and 14,000 (1%) higher than a year previously.



Source: HMRC

Small increases in employee count at local level in May except for Wakefield

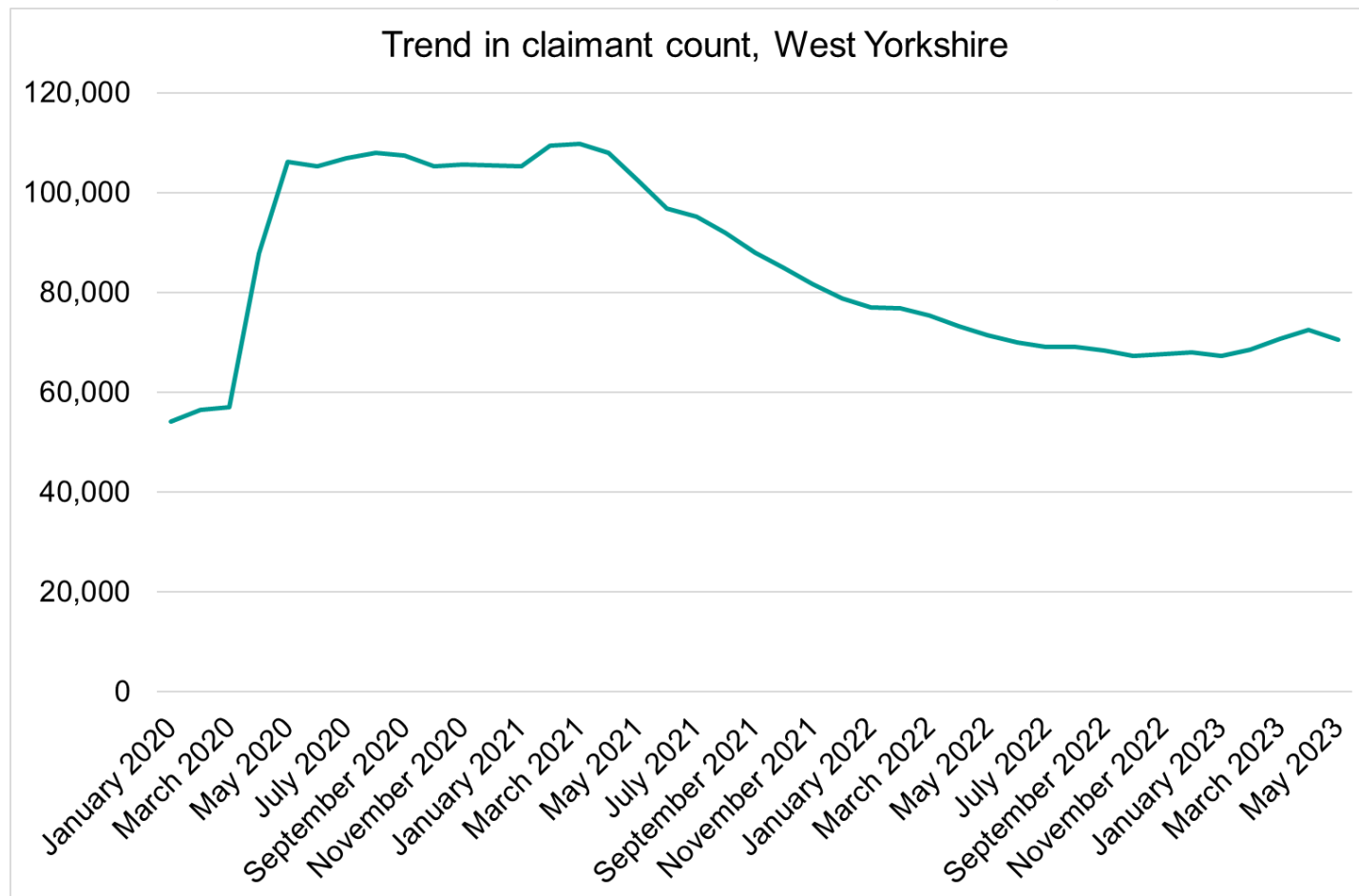
There were also small increases in employees at a local level, with the exception of Wakefield which saw a small decline. Bradford and Leeds have performed strongest in the post-pandemic period with growth above the UK average.



Source: HMRC

The claimant count fell by 3% in West Yorkshire in May

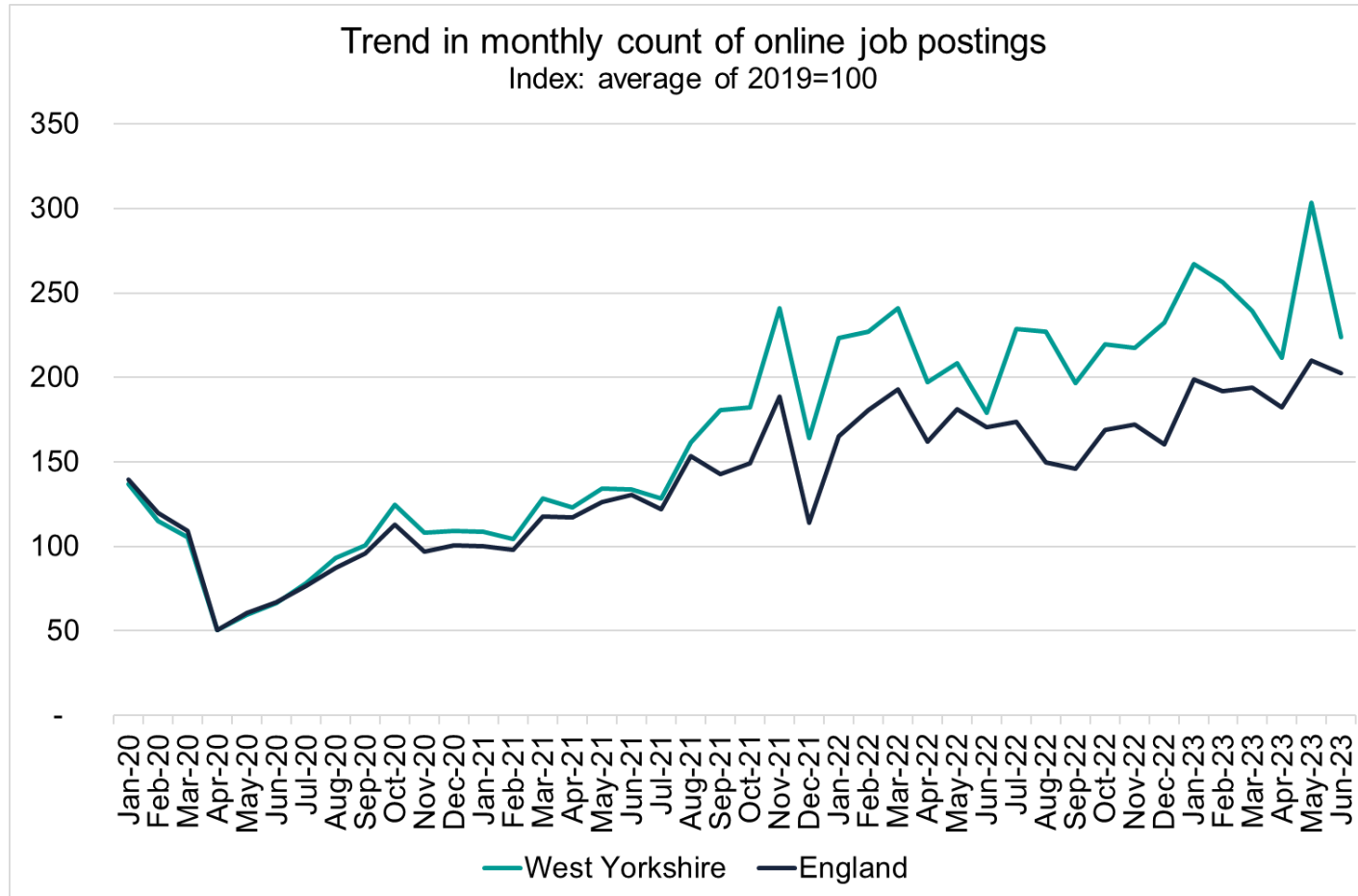
The claimant count – the official count of people who are claiming benefits primarily because they are unemployed has been on an upward trend in West Yorkshire and nationally since October 2022, before seeing a fall of 3% between April and May 2023. The level of claimant unemployment in West Yorkshire is now (as of May 2023) 70,585, 25% higher than pre-pandemic level (February 2020). The claimant rate (claimant count as a percentage of the working age population) is higher in West Yorkshire than nationally, at 4.8% versus 3.8%. At local authority level the rate ranges from 3.6% in Wakefield to 6.6% in Bradford.



Source: NOMIS

The monthly count of job postings fell back in June but remains at high levels

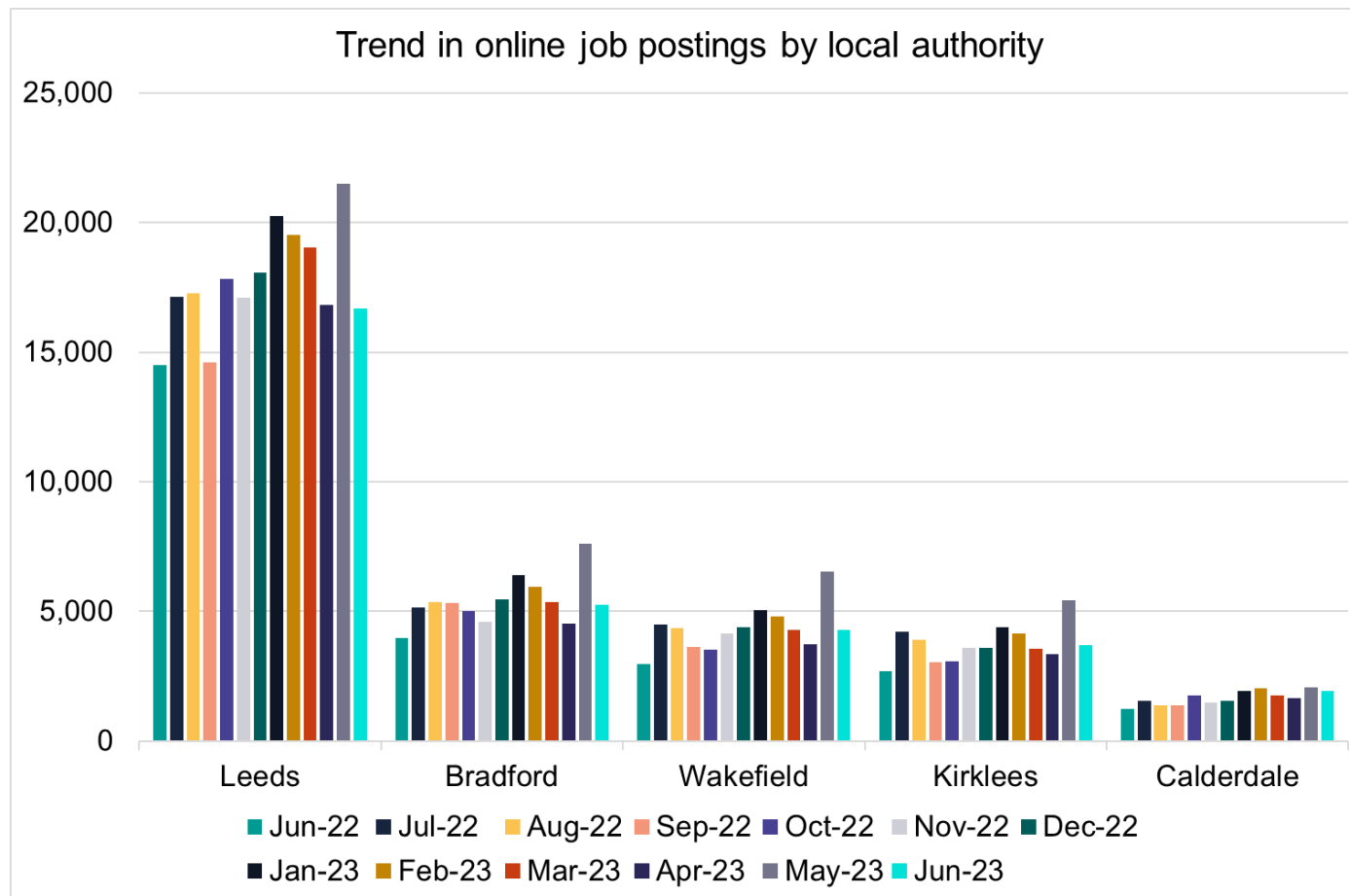
Recruitment demand in West Yorkshire has been stronger than nationally since the pandemic and remains at high levels. The monthly volume of online job postings in West Yorkshire in June 2023 was 124% higher the average for 2019, whereas the equivalent national growth figure was only 102%. The monthly count of job postings saw several consecutive months of decline in early 2023 before reaching a new peak in May 2023 and then falling back in June.



Source: Lightcast

Job postings fell back from high levels in June across all five local authorities

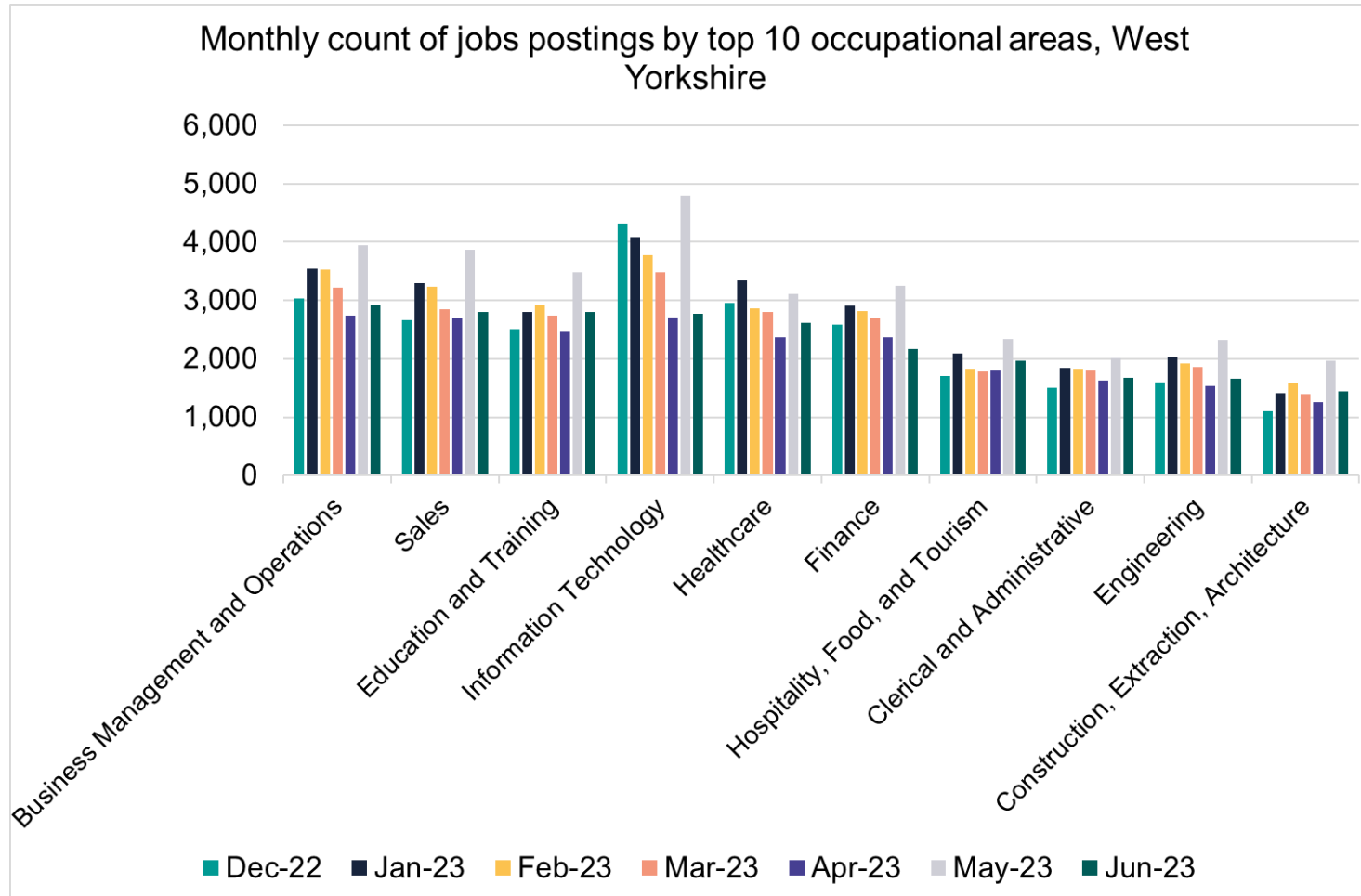
Mirroring the West Yorkshire picture all five local authorities saw a spike in postings in May prior to a reduction in June 2023. There has been year on year growth for all five local authorities. The biggest growth (comparing June 2023 with June 2022) has been for Calderdale with an increase of 56%; in contrast, Leeds grew by only 15% over the same period.



Source: Lightcast

There was a decline in postings across all of the biggest occupational categories in June following strong growth in May

All of the occupational categories shared in the spike in postings recorded in May but then all categories fell back in June. Information Technology postings are now 36% lower than in December 2022 whereas postings have grown by 30% in Construction and by 16% in Hospitality, food and tourism.

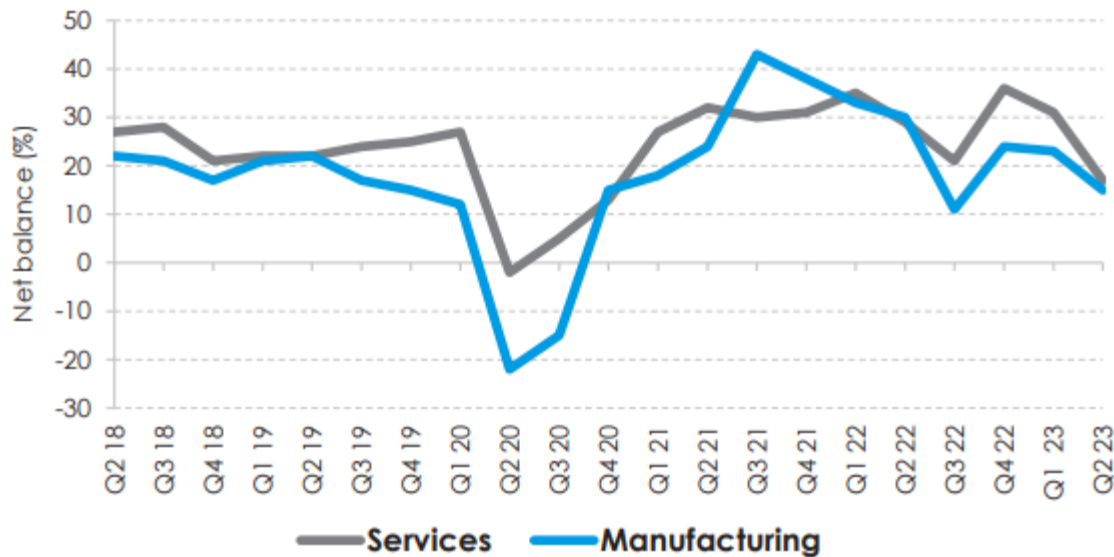


Source: Lightcast

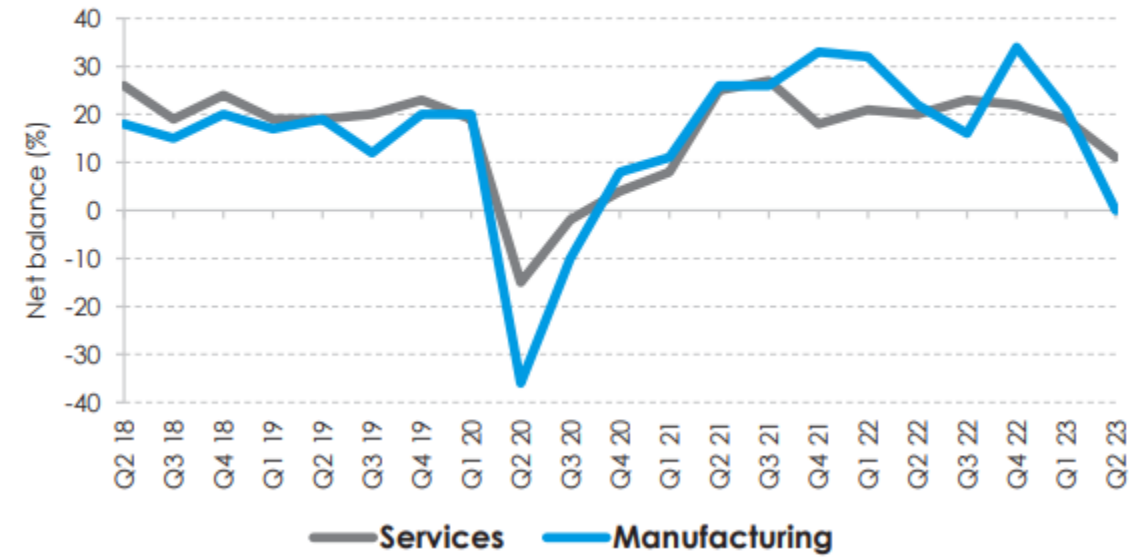
Future investment in people and capital across West & North Yorkshire has been weighed down by the ongoing economic situation

Future recruitment intentions have been subsiding over the last few quarters across both the manufacturing and services sector. Recruitment challenges persist but have eased somewhat. Investment intentions for manufacturing firms have seen their sharpest two-quarter drop since the Pandemic. This is despite the support in the Spring Budget for capital investment.

Q2 2023 WORKFORCE CHANGES - NEXT QUARTER



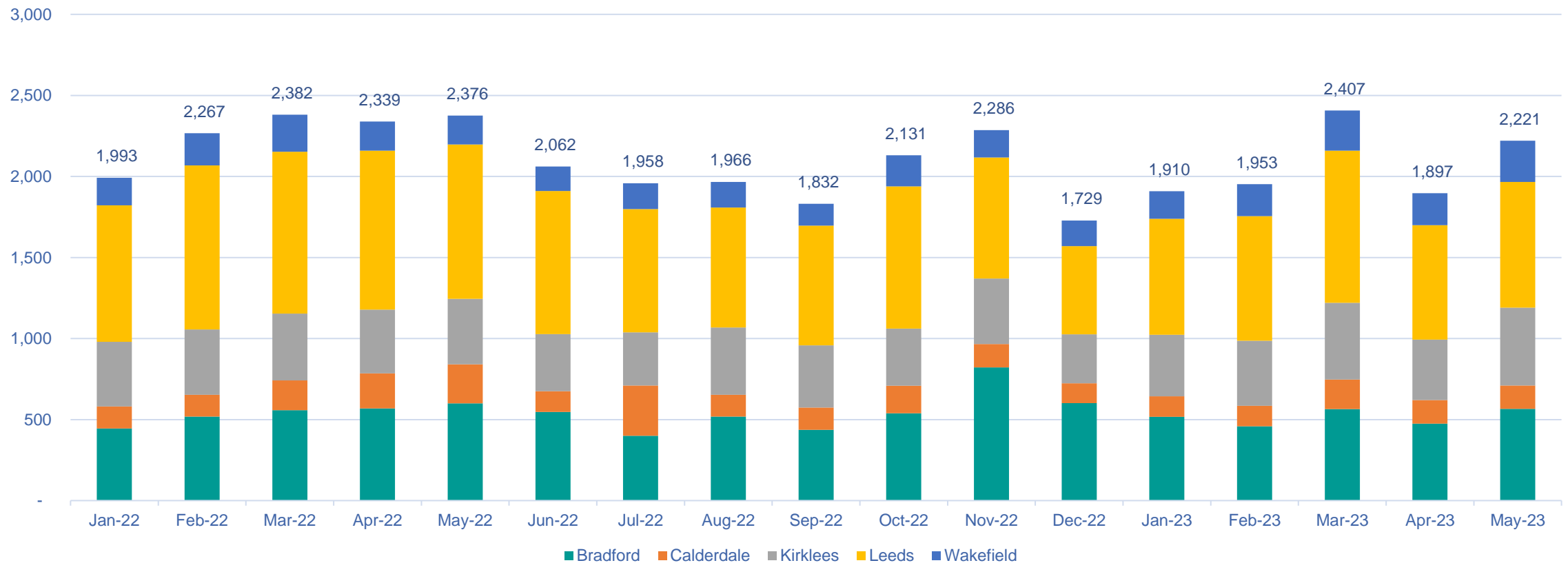
Q2 2023 CAPITAL INVESTMENT



Source: West & North Yorkshire Chamber of Commerce

Business registrations show strong growth on last month, but are lower than the same month last year.

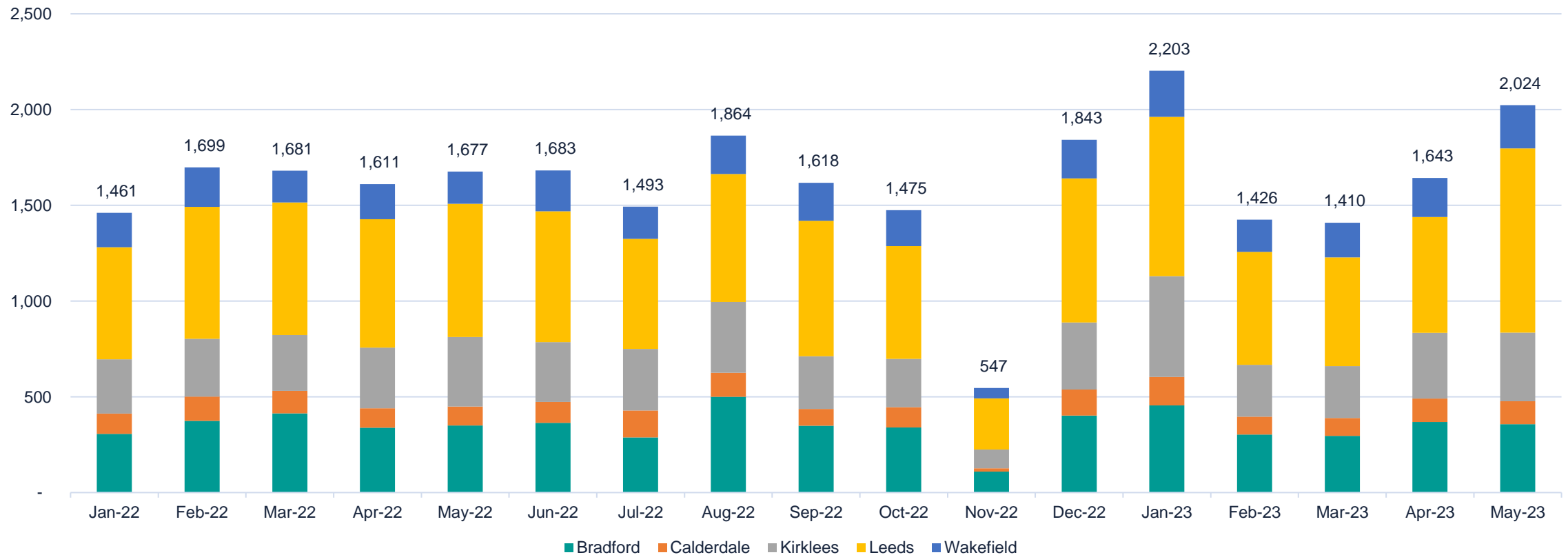
May saw 2,221 business registrations in West Yorkshire, a 17% increase on April. Registrations were particularly strong in Bradford and Kirklees, with both districts seeing their strongest business registration figures of 2023 so far. The wholesale and retail sector, and the accommodation and food services sector were over-represented in the latest business registration data compared with their share of the total business base.



Source: Bureau van Dijk

Business liquidations also pick up in line with registrations, reflecting the uncertain environment businesses are operating in.

West Yorkshire had 2,024 business liquidations in May, up considerably on both the previous month and the same month of the previous year. Leeds was significantly over-represented in the business liquidation data, accounting for almost half of West Yorkshire's liquidations in May. The wholesale and retail sector, and the accommodation and food services sector are also over-represented in the liquidations data, showing that these sectors are particularly volatile given the current economic climate.



Source: Bureau van Dijk

Transport Insights



Recent transport research summary

[Motivations and barriers to bus usage - Transport Focus](#)

Transport Focus undertook research in March 2022 and again in March 2023 to understand how the pandemic, cost-of-living crisis, bus service changes and other contemporary factors have influenced bus use. Headline findings show that:

- Despite recent improvements, bus patronage has been lost through the pandemic
- Preference towards car use will be hard to overcome
- Network and reliability improvements are clear needs
- Capped fare schemes provide value for money and encourage use
- Promoting bus services could encourage lapsed and non-users to return

[Increasing bus patronage through an audience strategy - GOV.UK \(www.gov.uk\)](#)

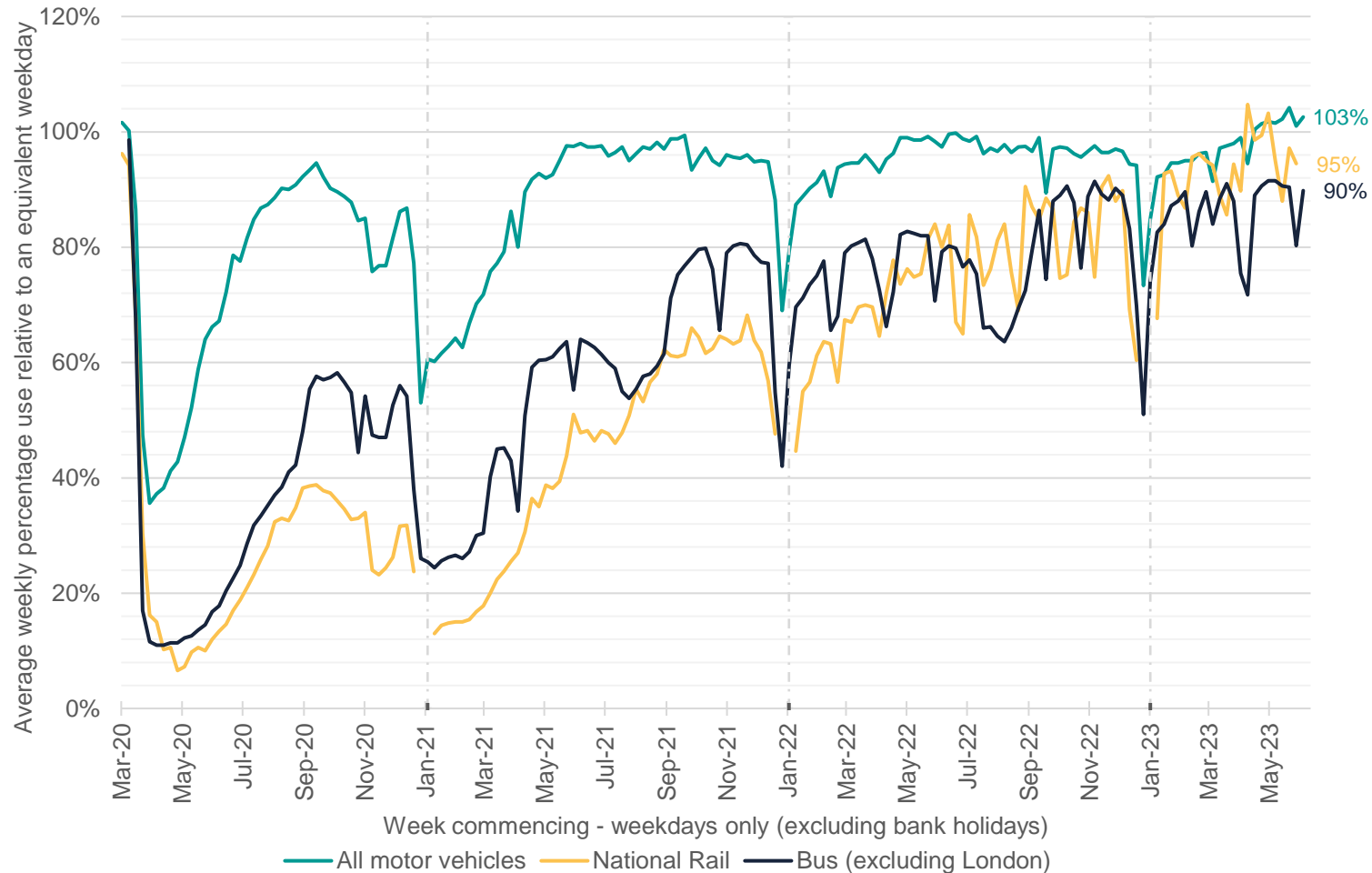
DfT commissioned research to explore what factors would increase bus usage through strategies and policies designed to drive behaviour change. Headline findings are that:

- Bus usage is low due to car dominance
- Buses underperform on key metrics including reliability and punctuality
- Buses appeal more to existing users with particular demographic characteristics in age, ethnicity and location

[Rail travel emits 10 times less carbon than car travel, new figures show \(raildeliverygroup.com\)](#)

Preliminary results suggest that rail travel creates 10 times less carbon emissions per passenger than the equivalent car journey, and 13 times less than air travel.

National weekday public transport recovery lags motor vehicle



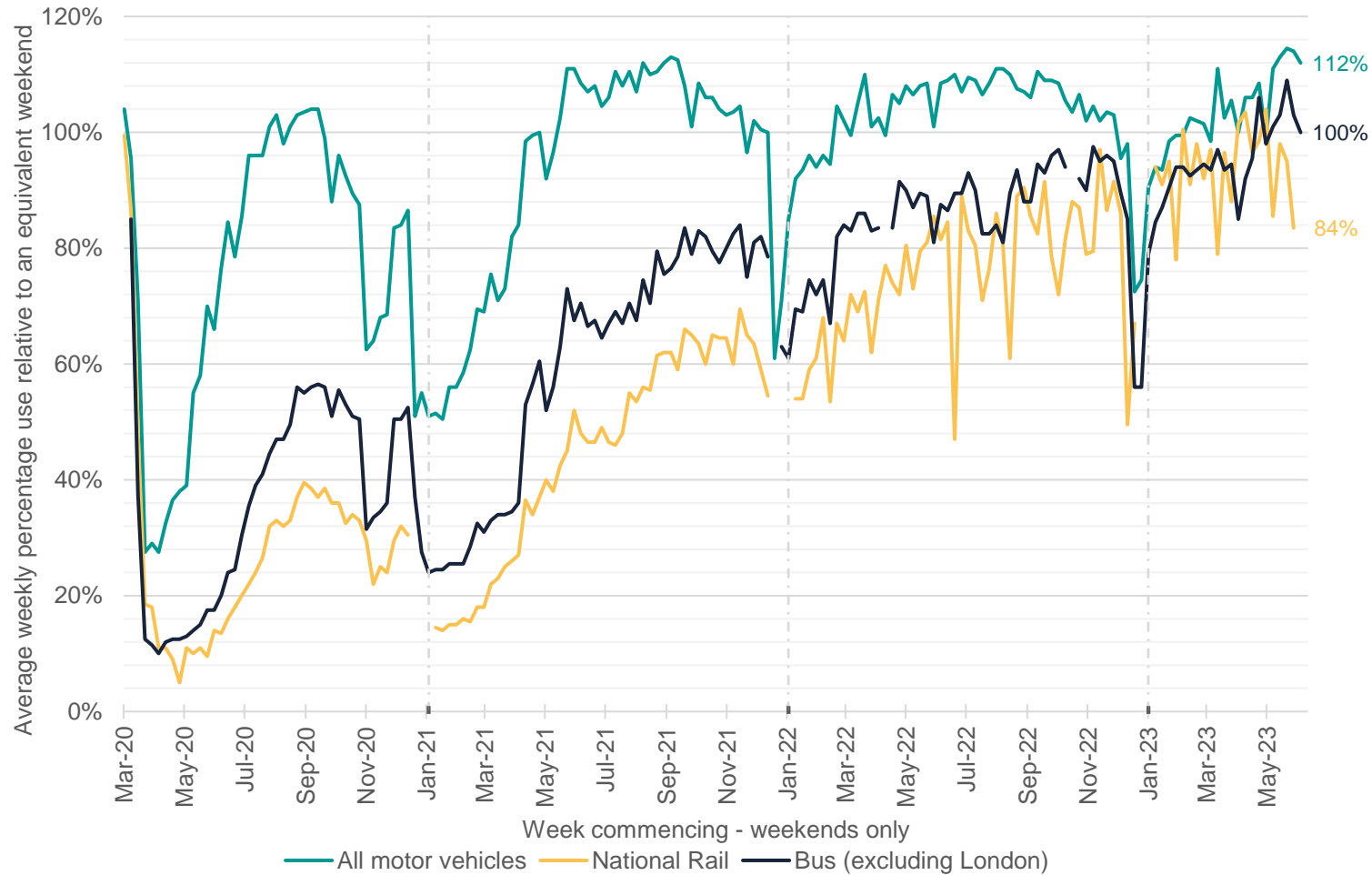
By the week commencing 5th June 2023, weekday motor vehicle recovery levels remained in excess of baseline conditions.

Weekday public transport recovery levels fell slightly compared to the previous report, at 95% for rail and 90% for bus outside London.

While there has been some fluctuation within the past month, this continues the broad trend through most of 2023 of weekday rail recovery outperforming bus.

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

National weekend motor vehicle and bus recovery remain strong



Over recent weekends motor vehicle recovery peaked at 115% of baseline levels before falling back slightly.

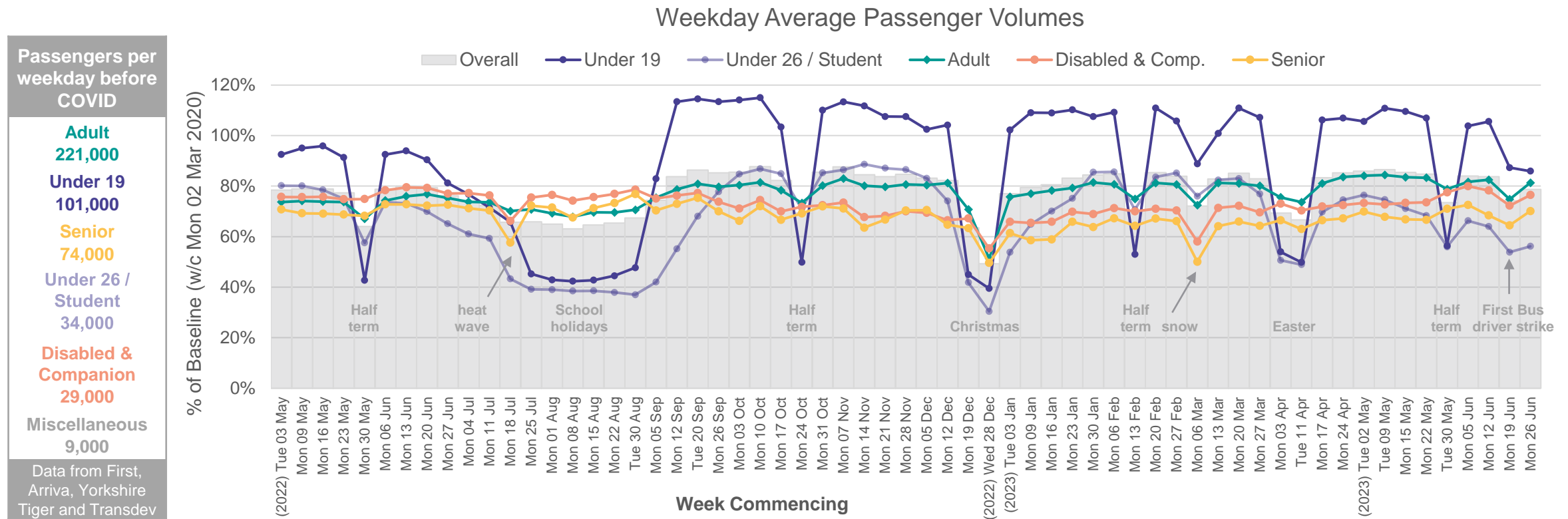
Bus recovery outside London peaked at 109% before returning to baseline.

Weekend rail recovery fell notably to 84%, though rail data in recent weeks (although this source is subject to revision). If confirmed, this is a distinct pattern compared to weekdays, with bus outperforming rail in recent weekends.

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

First Bus drivers' strike and seasonal academic patterns resulted in lower bus patronage over the last few weeks

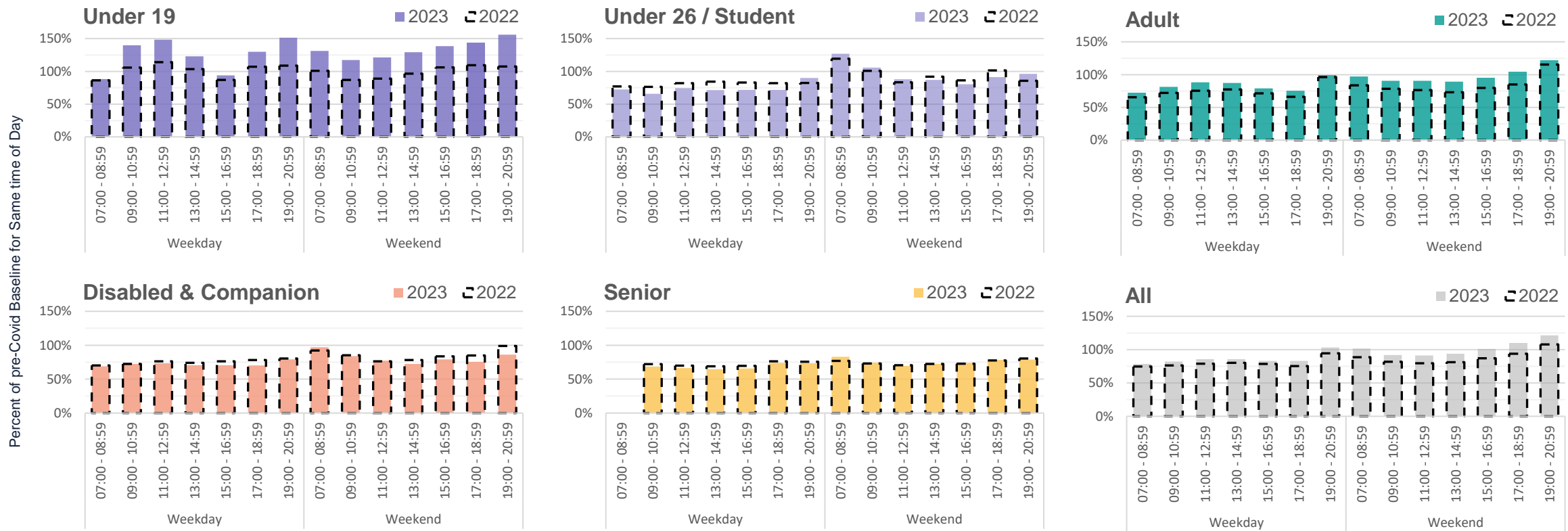
The chart below shows weekday bus use relative to pre-pandemic conditions. There was a dip in the week commencing 19 June, largely a result of a strike by some First Bus drivers. Recent patronage has not beaten the peak in the week commencing 9 May and in the most recent week weekday patronage stands at 79% of pre-pandemic levels. The approach of the academic year end is evident in the reduction in use of Under 19 and Under 26 / Student tickets. In the most recent week use of Under 19 ticket use was 86% of baseline compared to 81% last year and Under 26 tickets was 56% compared with 65% last year, this continues a four-month pattern of Under 26 tickets being used less than in comparable weeks of last year.



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.

The increase in the use of Under 19 tickets appears to be driven by factors other than travel to school

The graphs below compare week commencing Sunday 23 April 2023 and a similar 7 days in 2022 relative to pre-pandemic conditions at various times of day. The Under 19 cohort shows some reduction in use at the traditional school travel times, indicating that the increase in the use of Under 19 tickets is driven by something other than travel to school. The best performing time for Under 26 / Student is from 07:00 on Saturdays, this could indicate a small increase in this cohort traveling to work at weekends. The lowest recovery in the Adult cohort is at traditional commuting times, while the best results are weekend evenings.



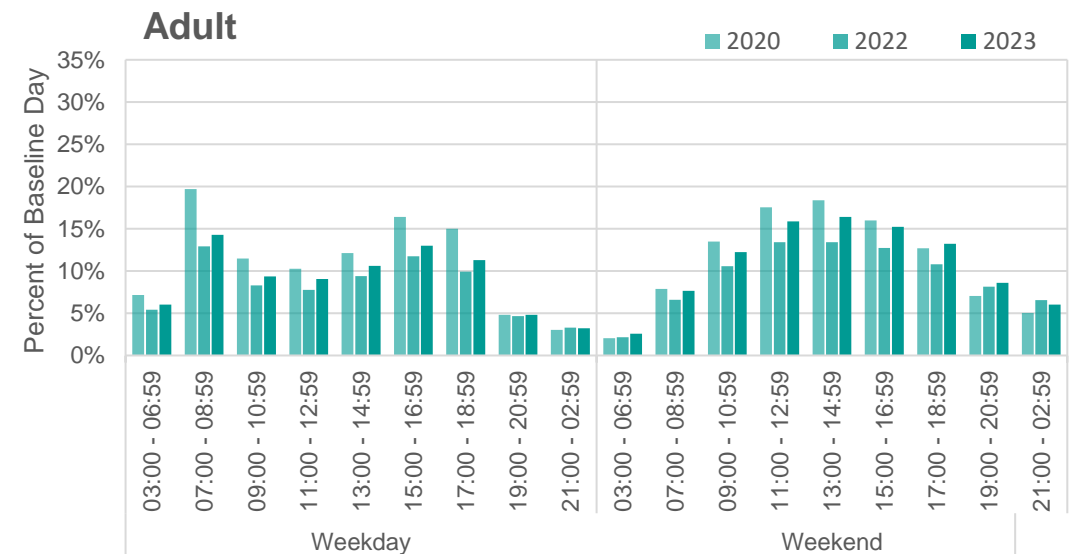
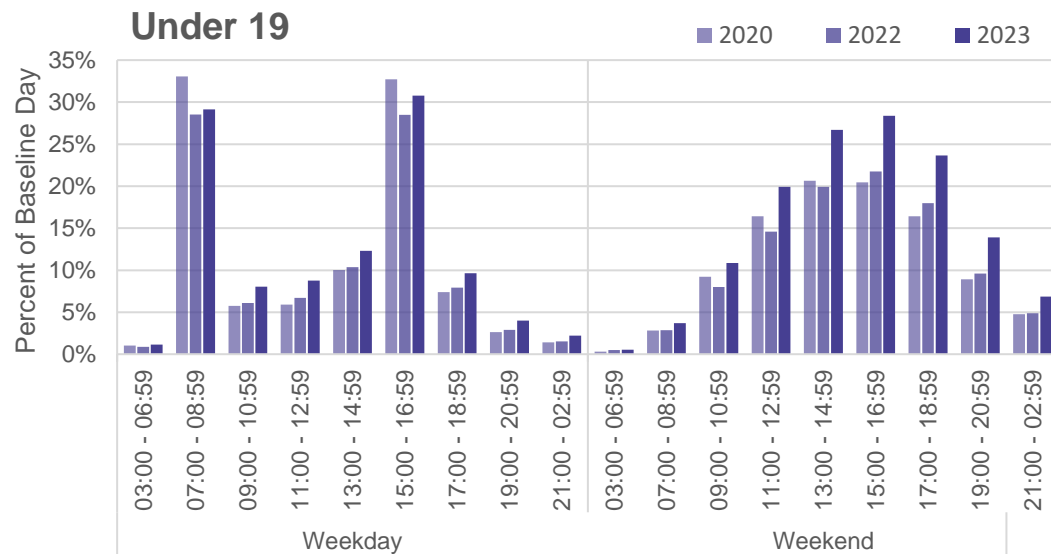
Source: First West Yorkshire ticket machine data, 01 to 07 Mar 2020, 23 to 29 April 2022, 23 to 29 April 2023. Each graph shows time of day in the given year compared against the whole day in 2020, with types assigned to broad cohorts.

Under 19 bus patronage is greater at weekends than pre-pandemic & adult bus patronage has recovered more at weekends compared to weekdays

The graphs below use a small sample of data to examine changes in bus use by time of day for weekdays and weekends.

The Under 19 cohort shows less use at the traditional school times but increases at other times, particularly at weekends, compared with the baseline. The traditional travel to school time peaks still exist but the increase in overall use appears to be driven by something else.

The slowest recovery in the use of Adult tickets is at the traditional travel to work times, while weekend evening patronage was higher than the baseline week. There may be some seasonal impact comparing late-April against early-March.

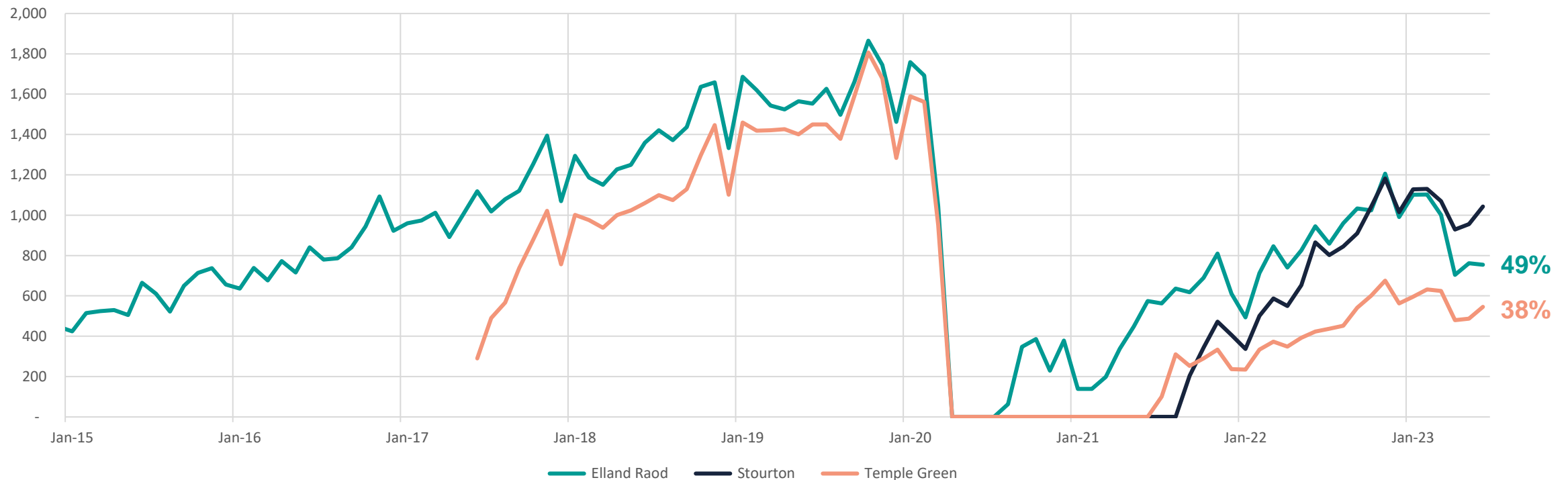


Source: First West Yorkshire ticket machine data, 01 to 07 Mar 2020, 23 to 29 April 2022, 23 to 29 April 2023. Each graph shows time of day in the given year compared against the whole day in 2020, with types assigned to broad cohorts.

Park and Ride passenger numbers rebounded following service changes in May

The chart below shows that in the first 10 days of June 2023 average passenger numbers at Elland Road Park & Ride rose slightly to 49% of the equivalent month's pre-pandemic levels (June 2019) while Temple Green Park & Ride increased to 38% of pre-pandemic levels. This trend followed service changes made at the end of May to improve daytime frequency and provide new evening journeys following a prior change earlier in the year.

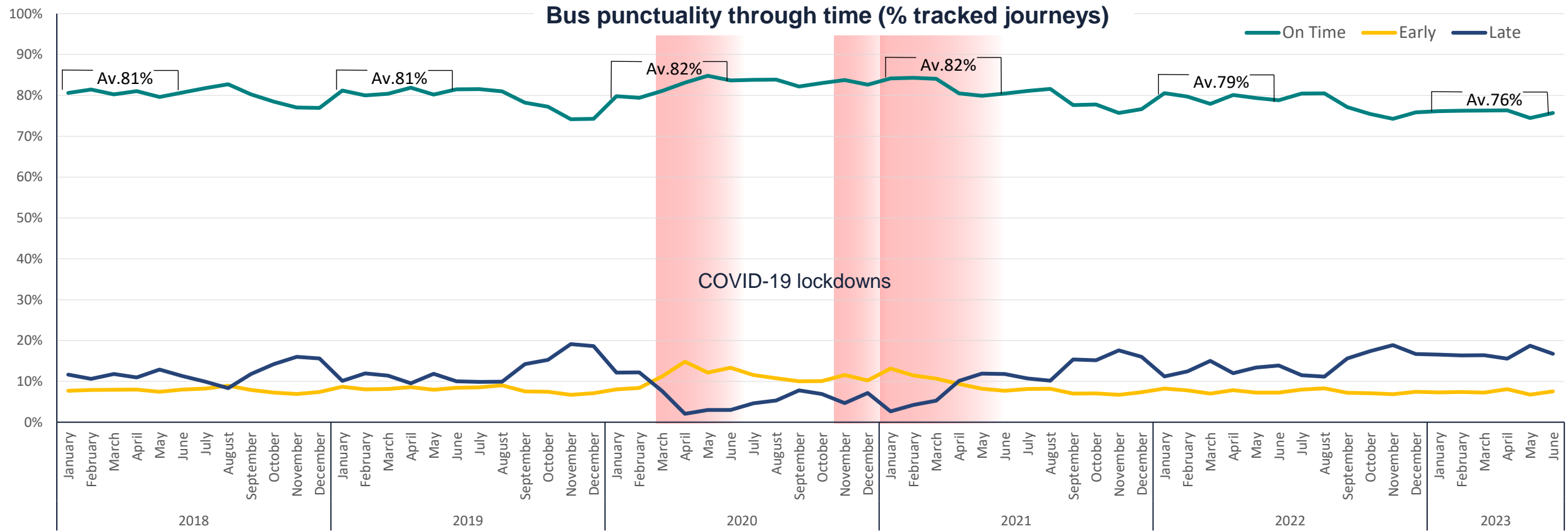
Park and Ride Average number of daily passenger numbers by month



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

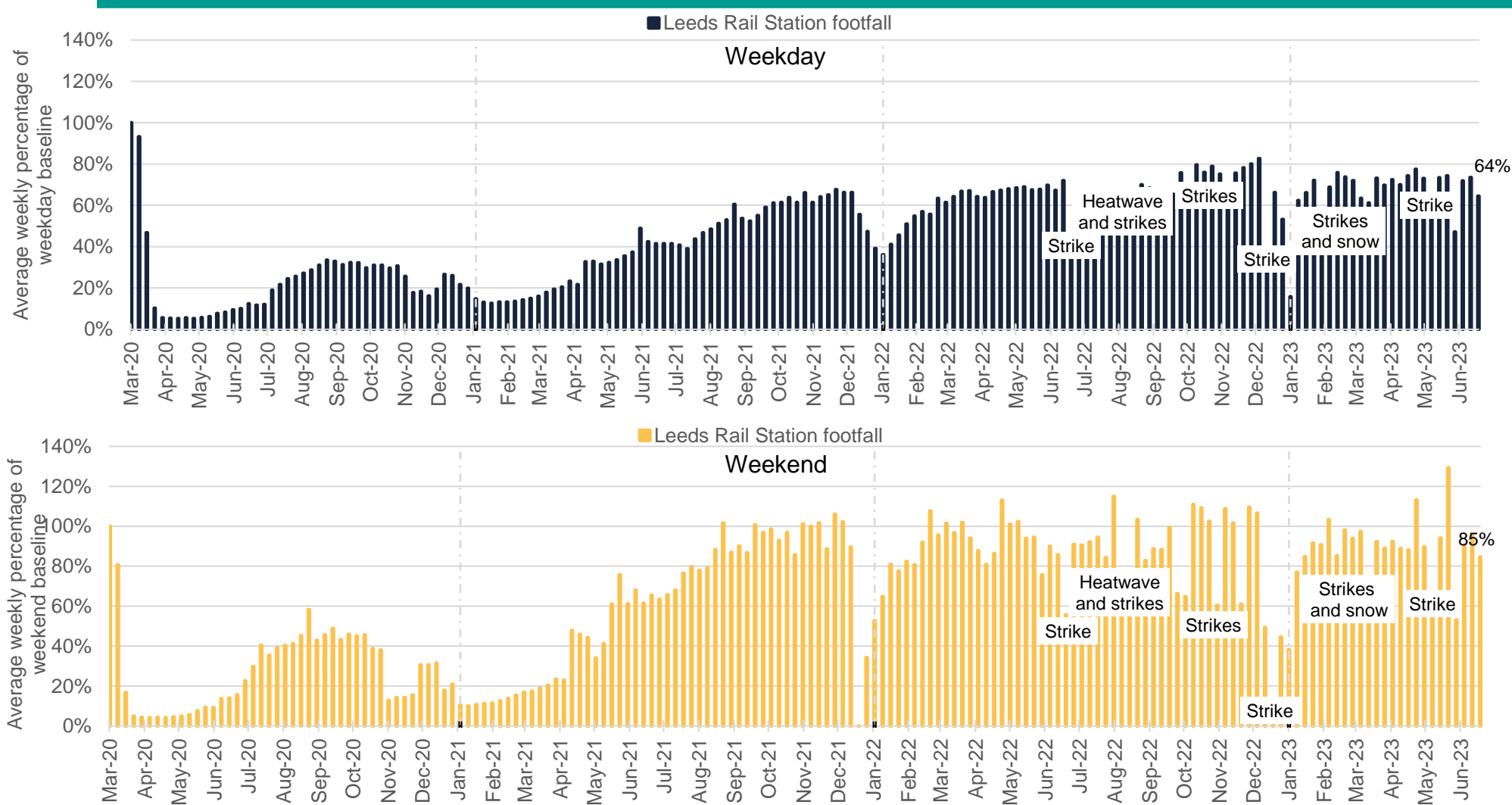
The share of buses running on time (76%) is at the lowest level in the last 5 years

Bus Real Time Information (RTI) data reveals the proportion of tracked bus journeys in West Yorkshire running on time is at 76% in June 2023. Average on time performance of buses to date in 2023 (January to June) stands at 76%, lower than during pre-pandemic years for the same time period.



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, and anything outside of that time window is defined as early or late

Weekday Leeds railway station footfall down to 64% of pre-pandemic levels



Average **weekday** footfall at Leeds railway station reached 64% of baseline levels in the most recent full week.

These figures (from network rail) are not directly comparable with DfT national figures due to substantial methodology differences.

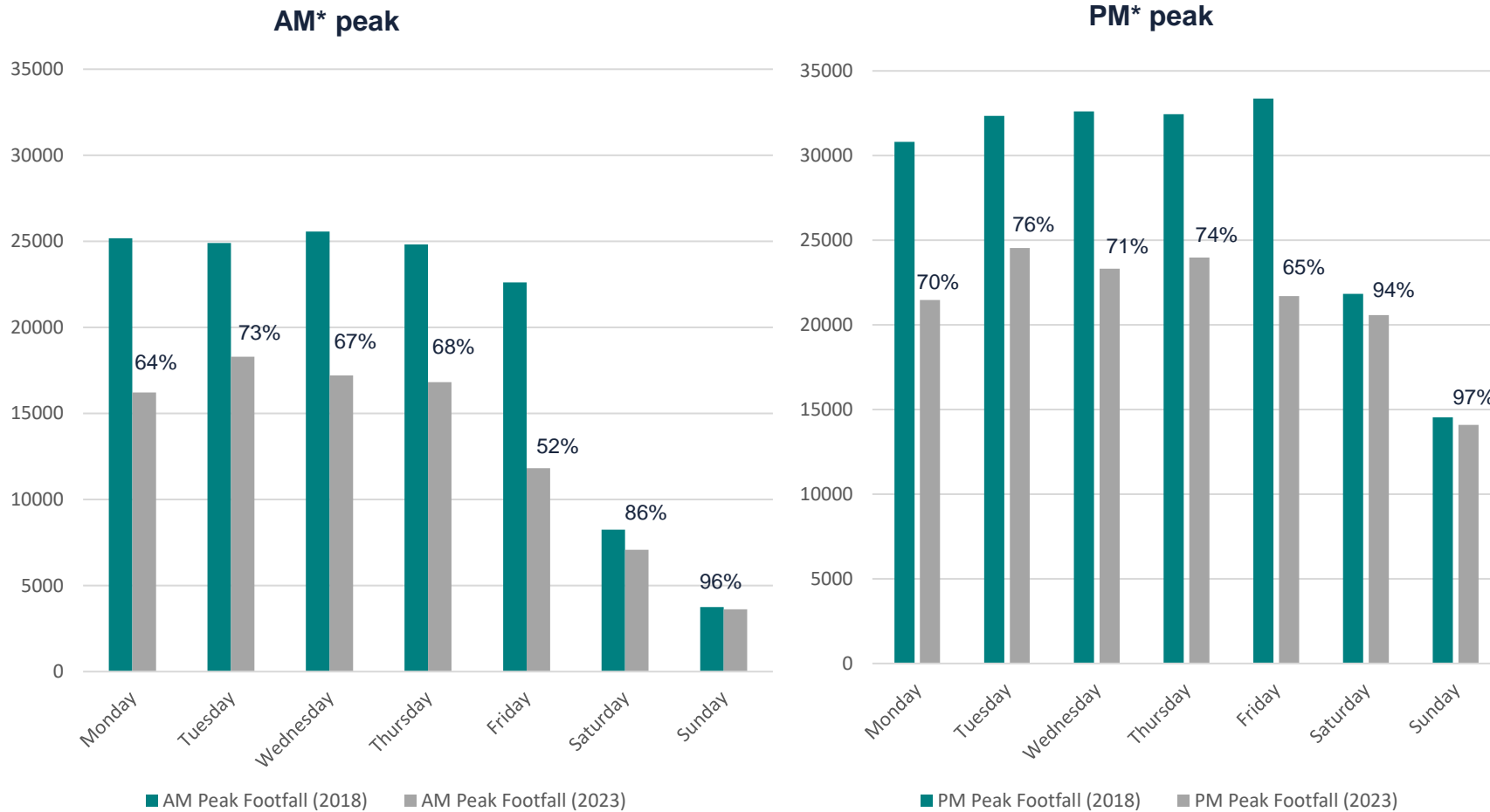
Average **weekend** footfall at Leeds railway station falls to 85% in the most recent week when compared with the previous report's peak of 130%.

When compared to weekday levels this data suggests recovery is being driven by weekend activity.

Source: Leeds Rail Station Footfall - Network Rail

Average footfall during peak hours at Leeds railway station still lagging 2018 footfall counts, whilst weekends have recovered more than weekdays

Average peak footfall at Leeds rail stations



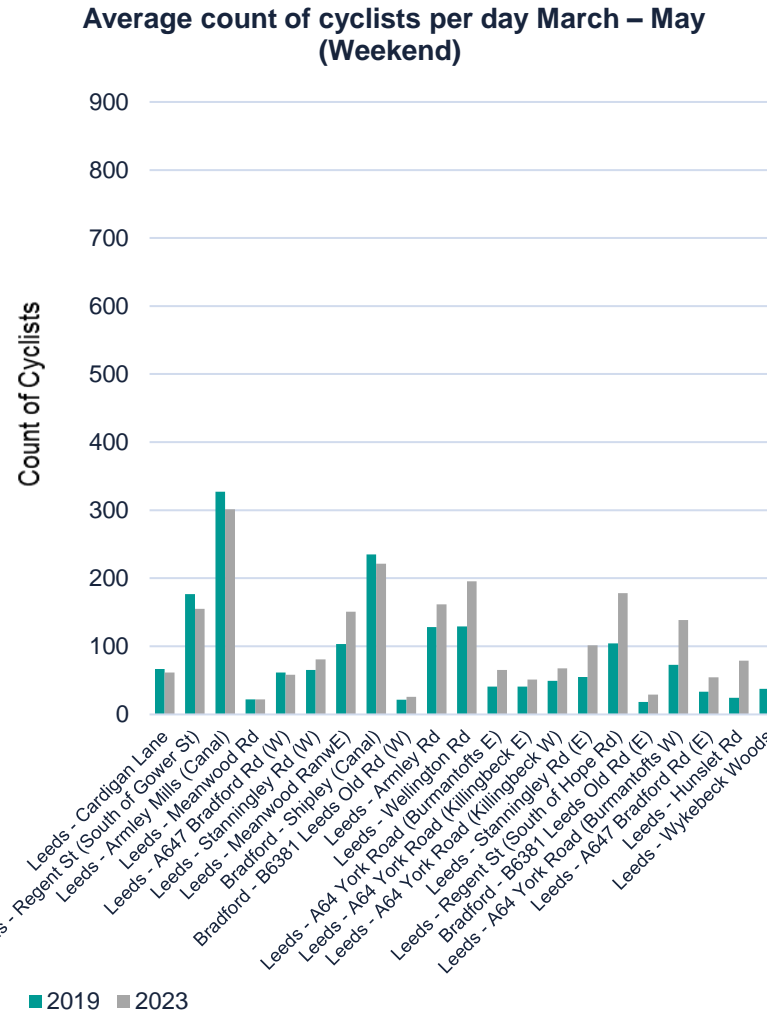
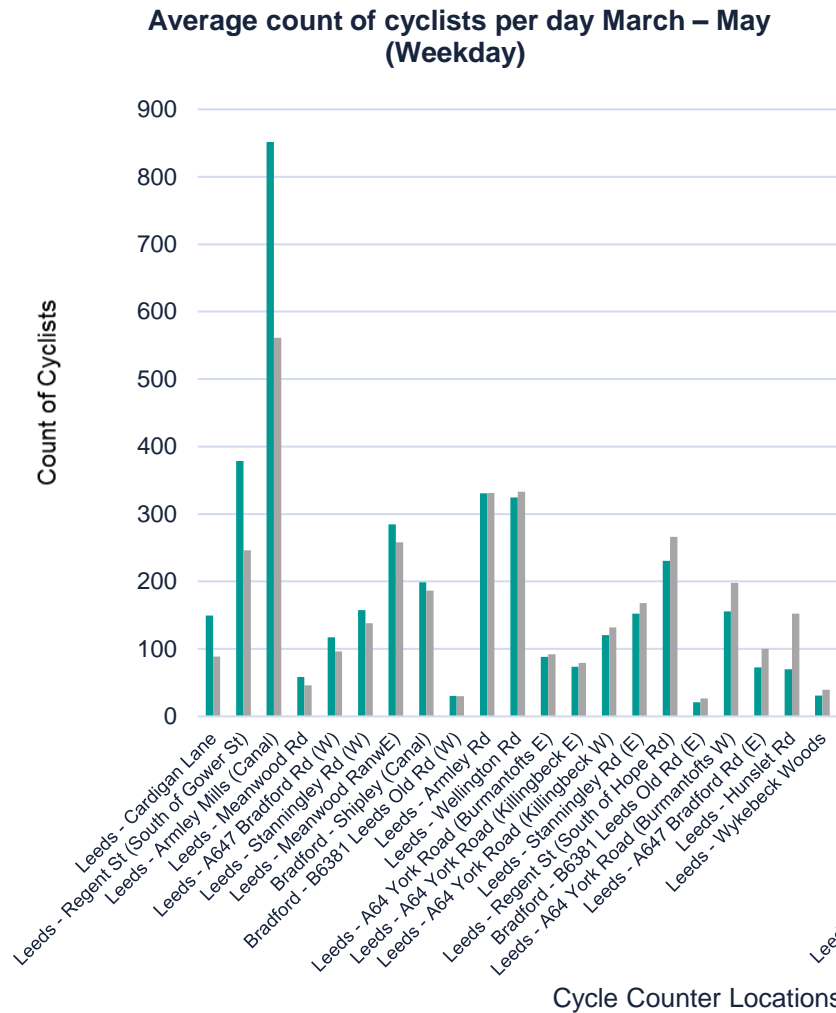
Leeds railway station average footfall between January and June 2023 during peak hours remains lower than pre-pandemic (2018) levels.

Weekday morning (06:00-10:00) peak footfall so far in 2023 remains between 52-73% of 2018 levels, with Fridays showing the lowest levels of recovery. A similar pattern is observed during the afternoon peak.

Overall, weekend footfall through Leeds station has seen greater recovery than weekdays, reflecting the shift to hybrid working practices.

Source: Leeds Rail Station Footfall – Network Rail * AM peak = 06:00-10:00, PM peak = 15:00-19:00

Between March & May 2023 cycle counters recorded an 8.8% increase in cyclists relative to pre-pandemic



- Between March and May 2023 there has been a marginal decrease of 8.4% in the number of average daily commuters during the week when compared to the same period in 2019. The decrease is not uniform across the counter sites with large decrease at Cardigan Lane, Regent St and Armley Mills.
- Cycling counts have increased 8.8% at the weekend with 14 sites showing growth relative to 2019 levels.
- The highest weekday monthly average was at Armley Mills (Leeds) with 659 cyclists per day in May 2023.
- The highest weekend monthly average was at Armley Mills (Leeds) with 401 cyclists per day in May 2023.

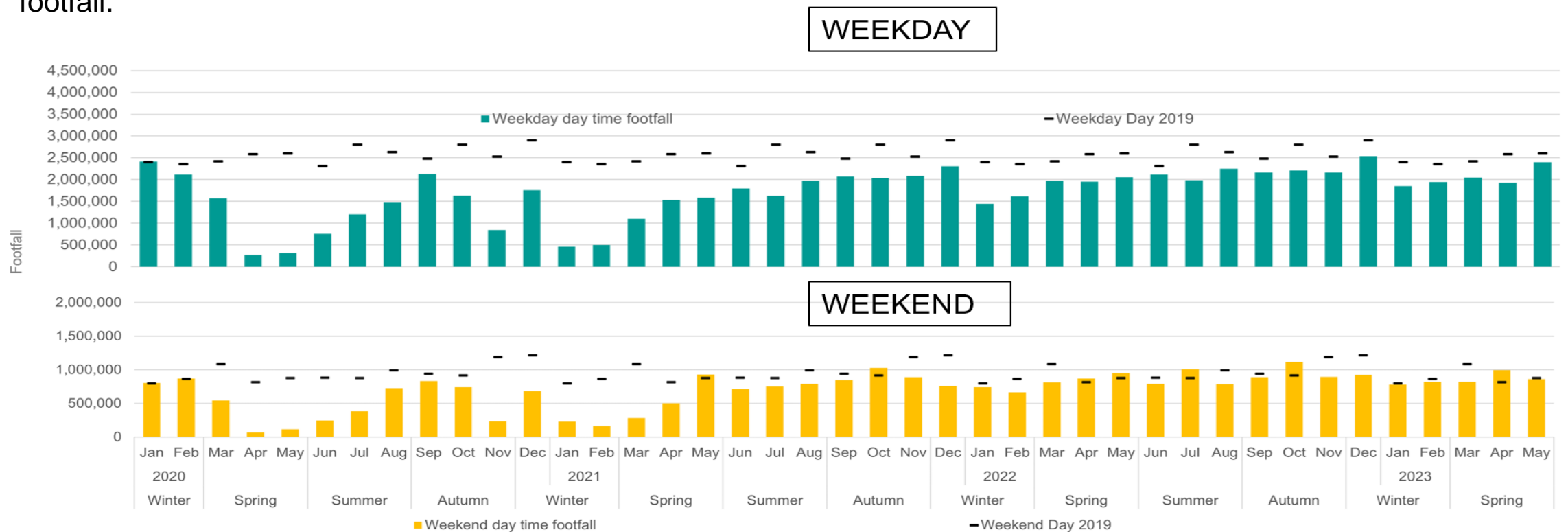
Weekday 2019 total = 3,896
 Weekday 2023 total = 3,568 (-8.4%)
 Weekend 2019 total = 1,377
 Weekend 2023 total = 1,499 (+8.8%)

Source: Data collected from Drakewell - <https://drakewell02.drakewell.com/> 2019 sites = 23, 2023 sites = 38, Please note the report only contains results where sites had counts in 2019 and 2023.

In May 2023, Leeds weekday daytime footfall recovered to its highest levels since the pandemic

In May, Leeds total weekday daytime footfall reached 92% of pre-pandemic (2019) levels, up from 75% in April; an increase of 460k pedestrians. This is the closest it has been to pre-pandemic levels (2019)

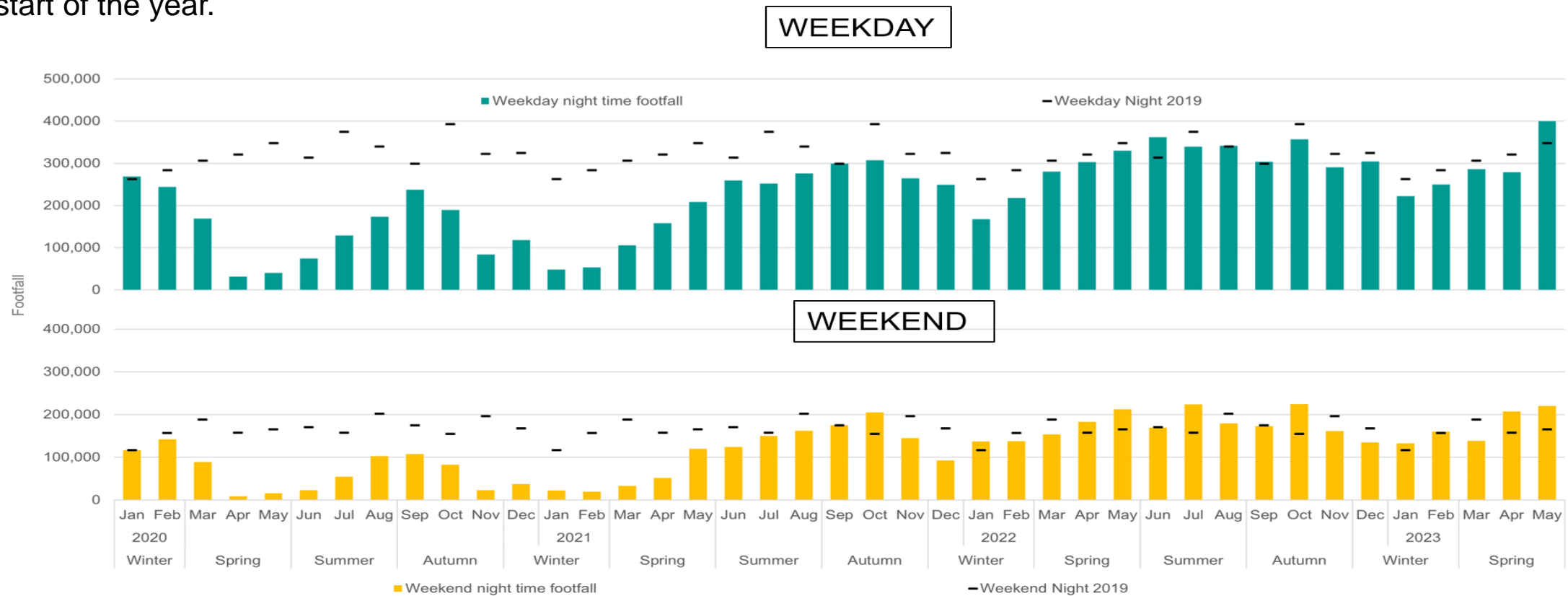
In May, weekend daytime footfall was 98% of below pre-pandemic levels, although this was 15% lower than April's total footfall.



Source: Leeds City Council (based on 8 y footfall counters located in Leeds City Centre)

Nighttime footfall in Leeds city centre exceeded pre-pandemic levels in May

Leeds weekday and weekend nighttime footfall in May rose above pre-pandemic (2019) levels by 15% and 33% respectively. May weekday footfall shows a high increase from April of approximately 120,000 pedestrians. This may be partly due to the nice weather in May which according to data from Met office saw the highest month average since the start of the year.



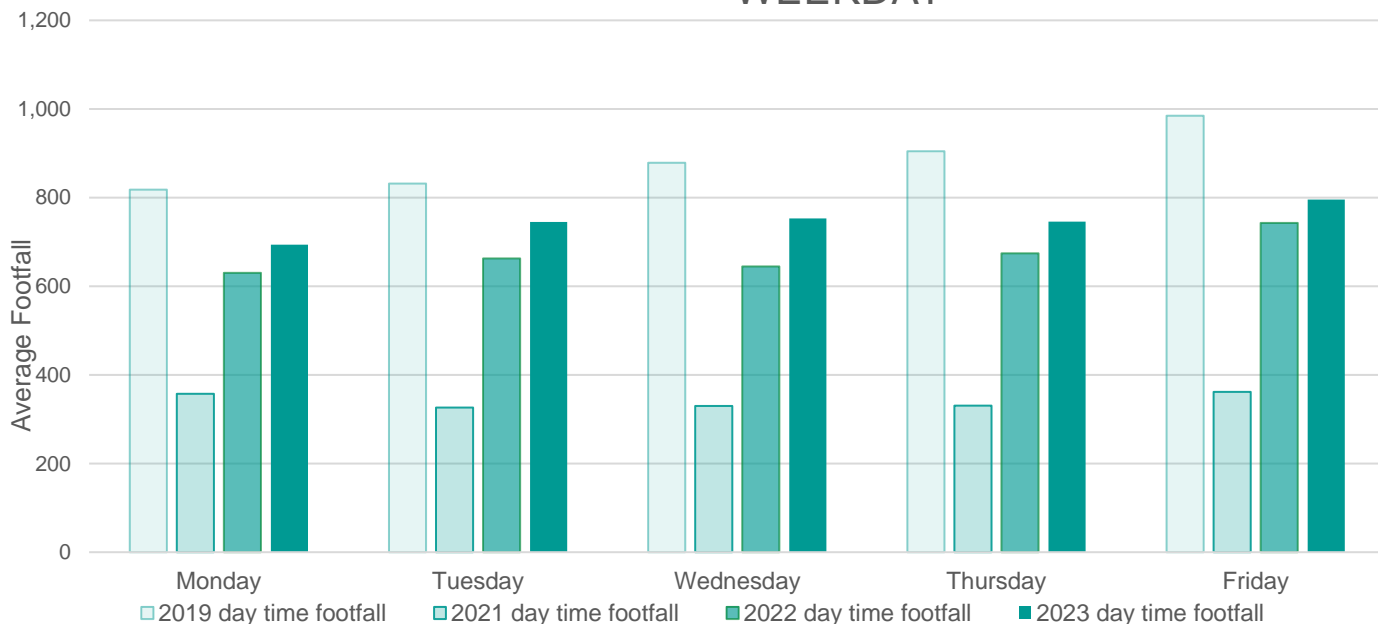
Source: Leeds City Council (based on 8 footfall counters located in Leeds City Centre). Met Office, ([Leeds \(West Yorkshire\) weather - Met Office](#))

So far in 2023, Leeds city centre average weekday footfall was 10% higher than in 2022

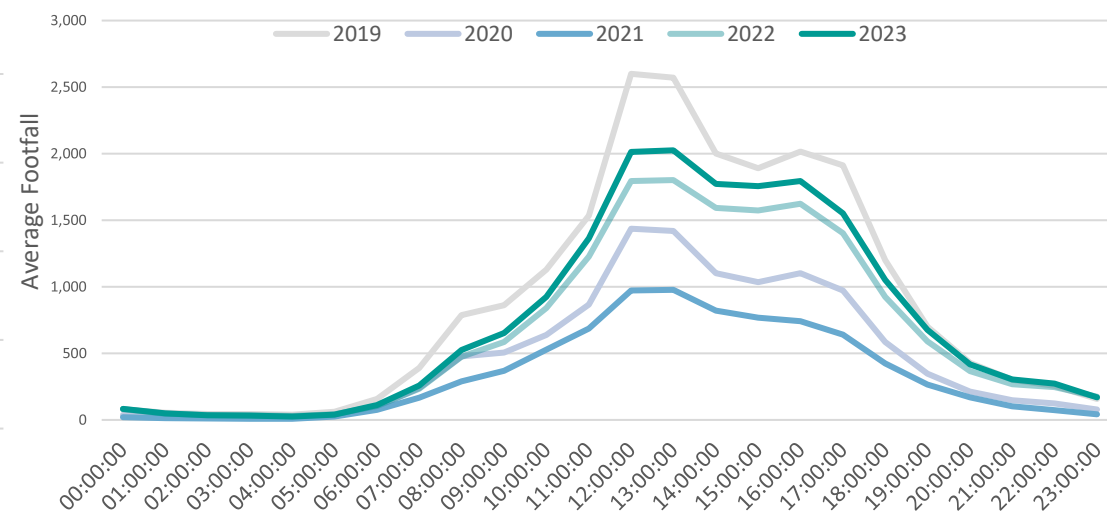
Between January and May 2023, the average weekday footfall in Leeds rose above 2022 levels by an average of 10%. However, average weekday footfall for the first 5 months of 2023 remains at 83% of pre-pandemic levels (2019). Fridays have been the slowest to recover, reaching 76% of pre-pandemic levels averages so far this year.

Looking at the distribution of footfall across all weekdays, footfall peaks between 12:00-13:00 and again at 16:00-1700.

WEEKDAY



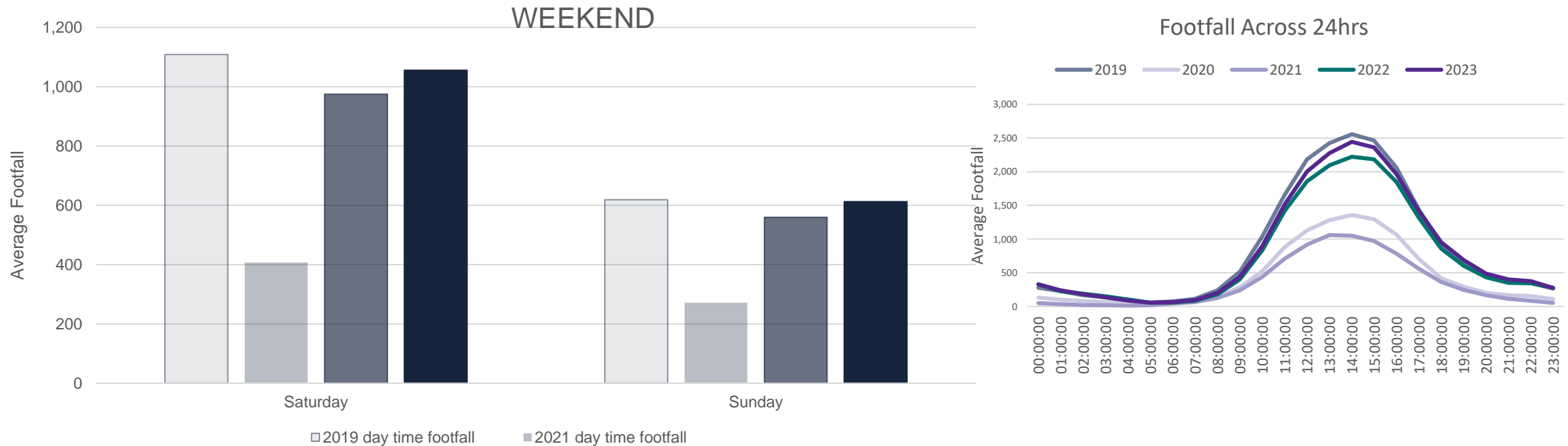
Footfal Across 24hrs



Source: Leeds City Council (based on 8 footfall counters located in Leeds City Centre)

Weekend average footfall is on average 97% of 2019 levels

For the first 5 months of the year, for the years 2019, 2021, 2022 and 2023, average weekend footfall has risen with 2023 only 3% lower than the 2019 average. Average Sunday peak time footfall has the highest recovery with minimal change since 2022 and is 1% lower than the 2019 average. The peak hour on weekends falls between 14:00 and 15:00 and is largely consistent over the 4 years.



Source: Leeds City Council (based on 8 footfall counters located in Leeds City Centre)