COVID-19 Fortnightly Insights Report

Research & Intelligence

19th March 2021

Executive Summary – social and economic

- UK **GDP fell by 2.9%** as the country re-entered lockdown in January, according to the Office for National Statistics. Consumer facing services were particularly hard hit, though only the construction sector saw growth.
- More recent survey data on businesses suggests **little significant shift in the economic landscape as the current lockdown continues**. The proportion of businesses open and trading has remained relatively consistent, as has their cash position.
- There has been a **slight decrease in furlough use** in mid-February however, with use of the scheme falling in the accommodation & food sector in particular.
- **Vacancies advertised online have increased slightly** and are just above pre-pandemic levels in West Yorkshire and most constituent council areas.
- Evidence from the Growth Managers' conversations with businesses, and our Quarterly Economic Survey (QES) with the Chambers of Commerce, shows that many **businesses continue to face issues in relation to EU trade**. Whilst some issues such as disruption at borders may be showing signs of easing, it remains a challenge for many importers and exporters.
- Some are looking to **diversify supply chains our seek alternative routes** as a result. Many are seeing **increased costs**, and whilst the majority have managed to absorb these for now the expectation is that at least some of the increase will be passed on to customers in the coming months.
- Although some businesses are reviewing their plans for trade with the EU, the QES suggests **relatively few expect to trade less with the single market** in the coming year. Businesses are more inclined to look elsewhere for growth opportunities however – either **by focusing on UK markets or looking beyond Europe**.

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Executive Summary – transport

- DfT data on national travel use shows an **increase in travel as schools returned** in England, most notably on buses.
- **Local rail and bus proxies show increases** as schools returned, most notably on buses.
- Network Rail's new footfall dashboard indicates that the **rail demand profile in peak times is relatively flat,** Leeds follows similar footfall trends to those of other northern stations, and footfall has been gradually increasing over recent weeks.
- During February 2021 **average daily cycle counts have been notably higher** than during February 2020, most notably on off-road routes. Weekday cycle counts in Leeds City Centre remain lower than on equivalent dates in 2020 as commuters continue to work from home.
- The West Yorkshire annual Public Perceptions of Transport survey shows significant **falls in the proportion of people using public transport modes four or more days a week during the pandemic**. The proportion travelling by car four our more days a week also fell, though not to a significant extent, and there was a significant increase in people travelling by car 1-3 days a week.
- As the national lockdown continues weekend footfall in Leeds City Centre remains at 23-25% the total for equivalent dates in 2019, according to data from fixed cameras. Weekday footfall levels remain consistent.

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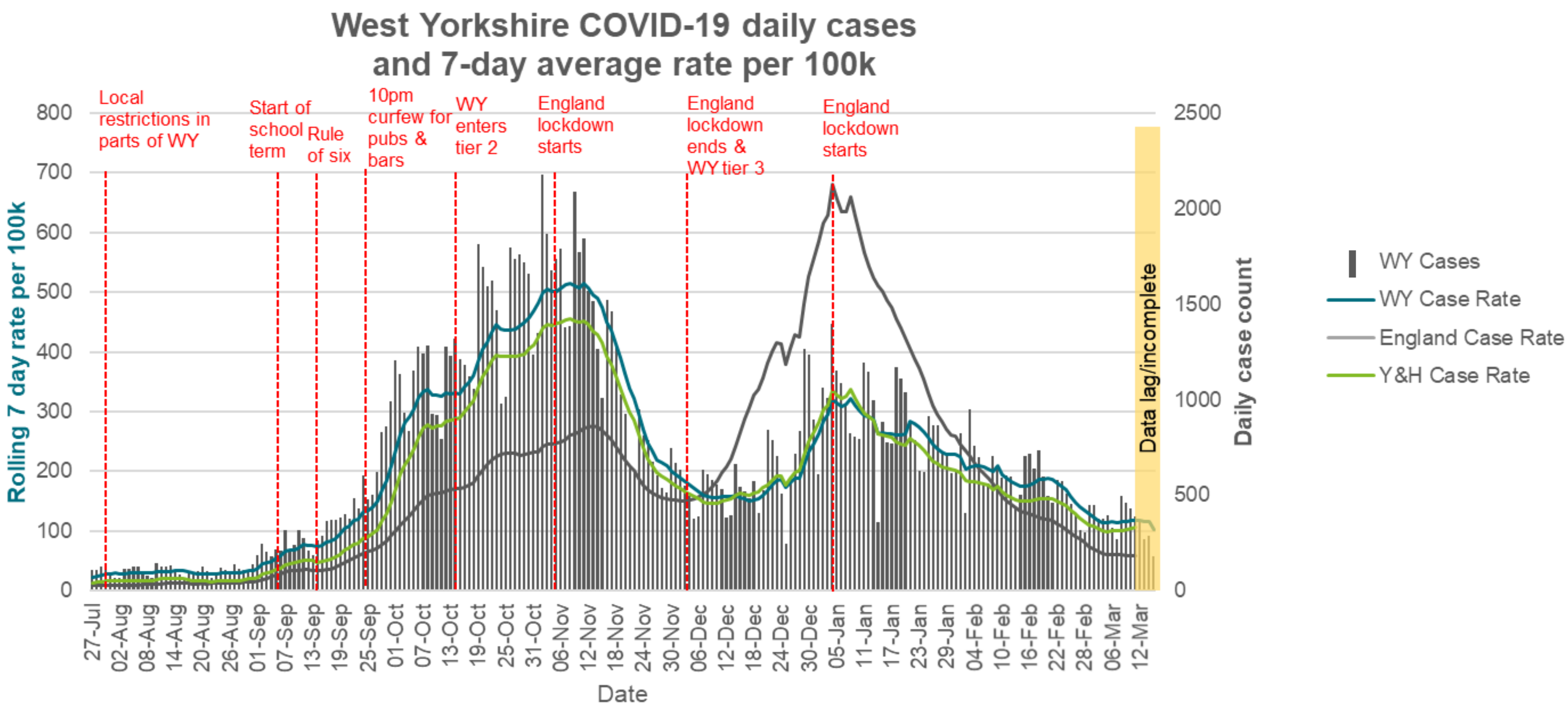
Virus prevalence – West Yorkshire trend



The chart above reveals the trend in the number of daily COVID-19 cases in West Yorkshire and the 7-day rolling rate per 100k population. As of the 11th March 2021, the 7-day moving average **West Yorkshire COVD-19 rate was 118.5 cases per 100k, a slight increase (3%) in the last week.** In the same period, the rate in Yorkshire and the Humber increased by 5% to 106 per 100k, but rates overall in England saw a fall of 7% to 58.6 per 100k. For the latest data please see the [West Yorkshire COVID-19 dashboard.]

Source: Secure COVID-19 PHE data portal. Note there is a lag in the very latest data PHE COVID-19 data to account for all test results to be processed and recorded.

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Virus prevalence – West Yorkshire

Table shows the most recent COVID-19 case data from Public Health England's (PHE) secure data portal. Note due to reporting delays for comparison between Local Authorities the most recent 4 days are excluded from the calculations of rates and moving averages.

Area	Total cases per 100k people (5 - 11 March) Most recent data week	Total cases per 100k people (26 Feb – 4 March) Previous week	Absolute Difference	% Weekly Change
Bradford	144.3	141.2	3.1	2%
Calderdale	104.5	85.6	18.9	22%
Kirklees	99.8	106.6	-6.8	-6%
Leeds	109.4	98.5	11	11%
Wakefield	131.2	138.7	-7.5	-5%
West Yorkshire	118.5	114.7	3.8	3%
Yorkshire & the Humber	106	100.6	5.4	5%
England	58.6	63	-4.4	-7%

Source: Secure COVID-19 PHE data portal

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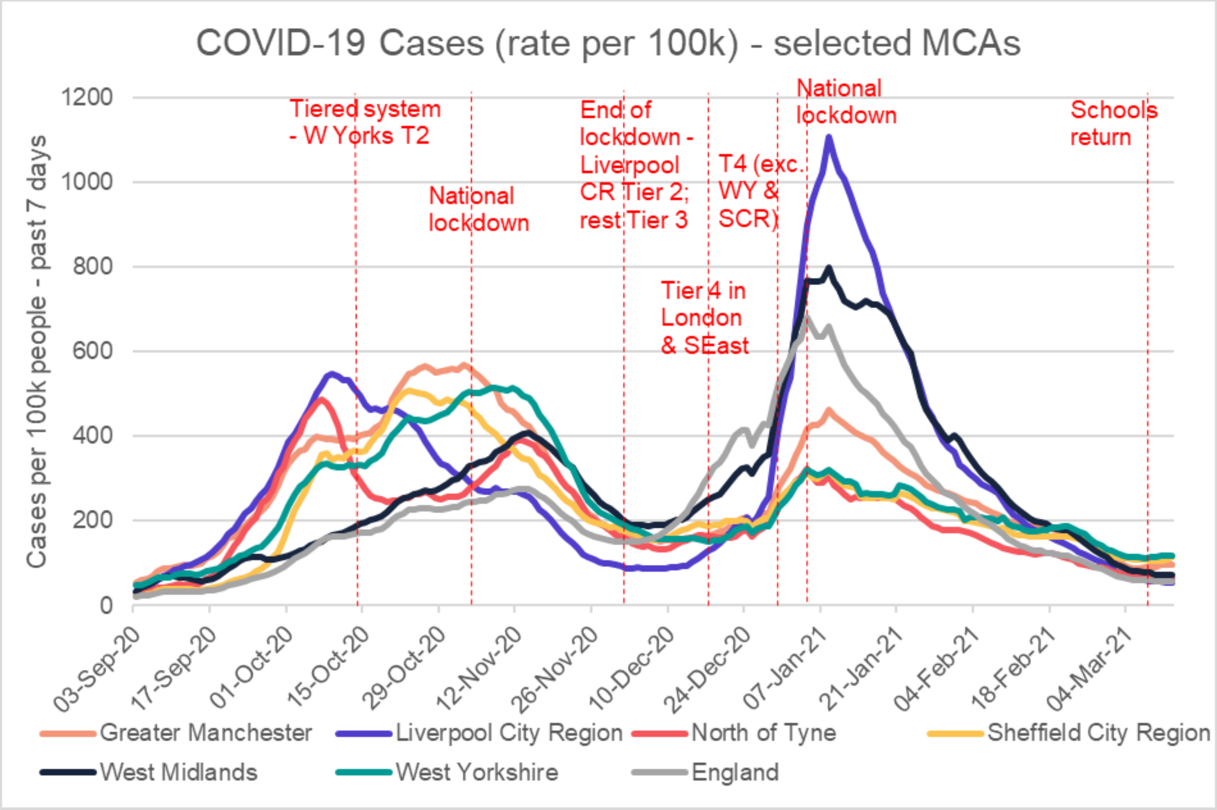
Rates levelling off in most MCAs, with some variations in levels

The pace of decline in case rates shows signs of slowing in the week to March 11th, across most Mayoral Combined Authority areas and nationally. The case rate in West Yorkshire increased slightly (3%), with a similar picture in Greater Manchester (4%). Other areas saw sharper declines over this period, most notably Liverpool City Region (-21%) and West Midlands (-17%), though they too appear to have seen a levelling off in recent days. As such, West Yorkshire (118 cases per 100k people) and South Yorkshire (116 per 100k) remain the only areas with rates higher than 100 cases per 100k people).



Source: HMG / PHE Coronavirus in the UK data

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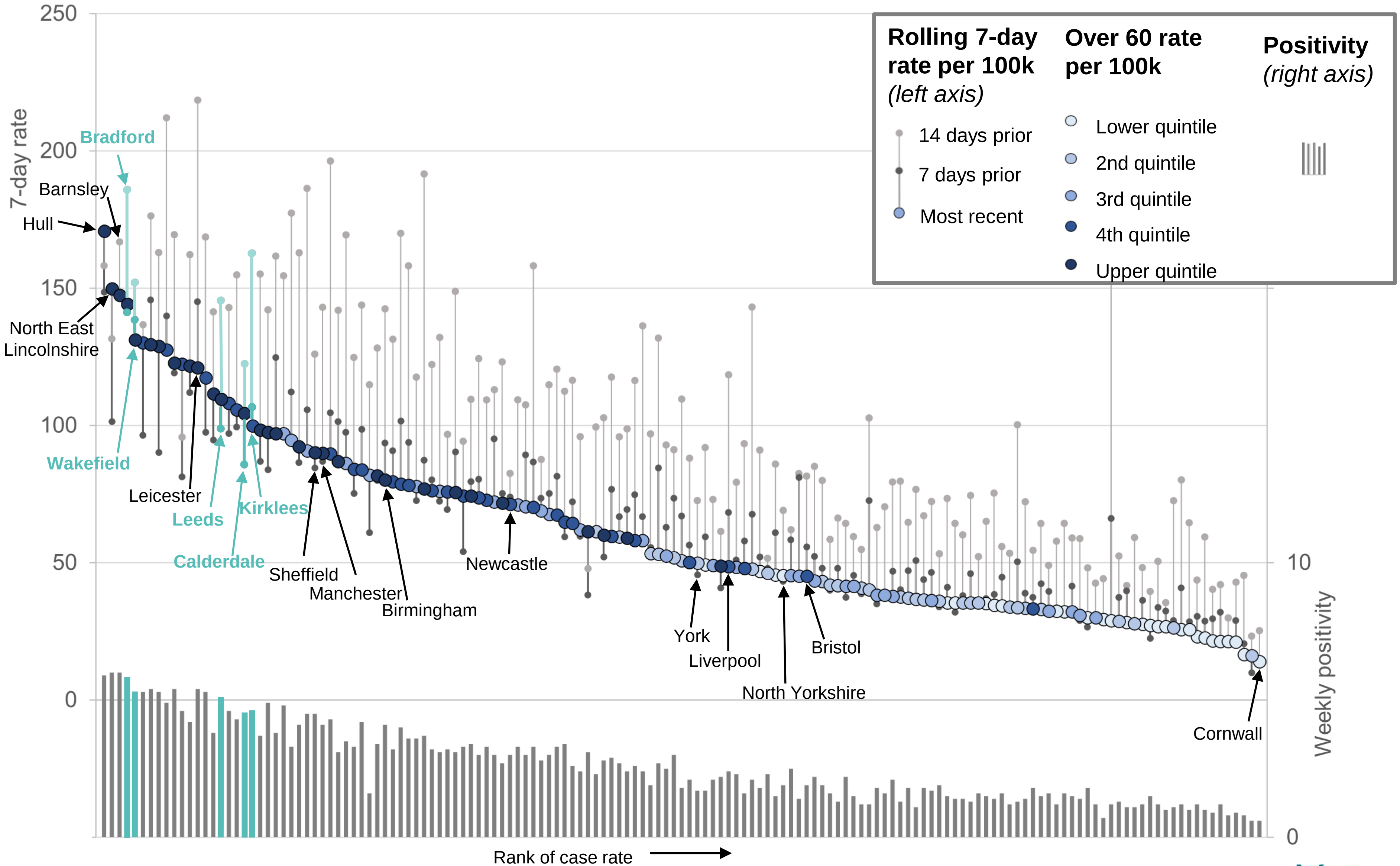
COVID-19 Rates for Upper Tier Local Authorities

7-day average COVID-19 rate per 100k population, change compared to the previous week, over 60 rate & positivity



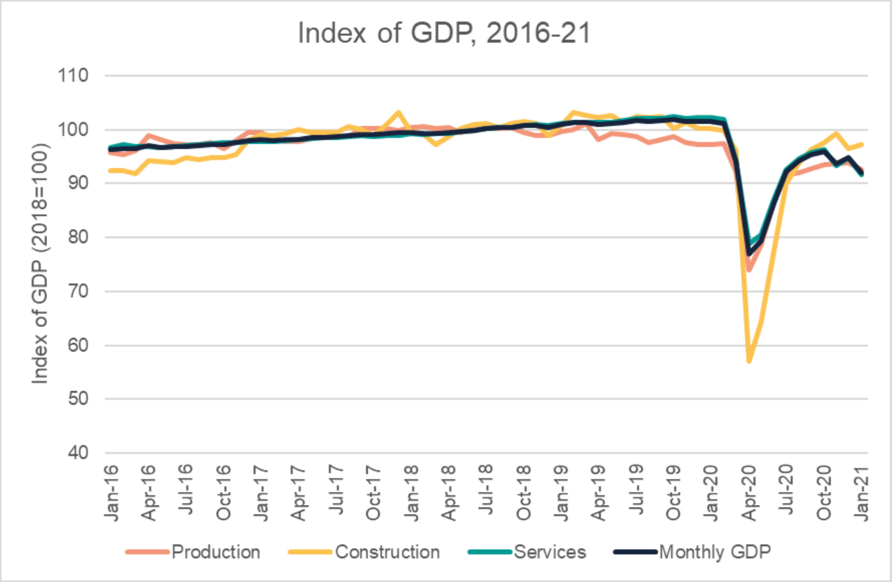
Blue points show latest COVID-19 case rate per 100k across UTLAs as of the 11th March (left Y-axis). Vertical bars connected to these points denote rate last week (dark grey) and the week before (light grey). Point colour denotes the COVID-19 rate per 100k in the over 60s. Grey bars at the bottom denote positivity (%) up to the 11th March (right Y-axis).

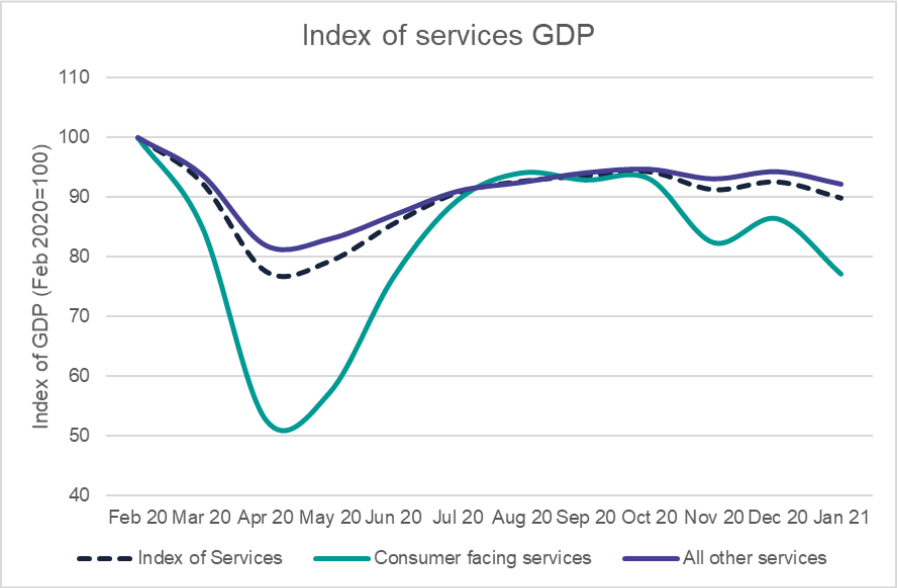
Economic Insights

GDP falls in January, particularly in consumer facing industries

UK GDP fell by 2.9% as the country re-entered lockdown in January, according to the Office for National Statistics. The construction sector saw output increase by 0.9%, but other areas of the economy saw falling output. Production fell by 1.5%, with manufacturing down 2.3% within that. In the service sector, consumer facing industries saw the largest falls, with accommodation & food output falling by 28% between December and January, the other services sector down 31% and wholesale & retail down 9%. The service sector overall saw output fall by 3.5%. Education also saw a sharp decline.

The economy is now 9% smaller than before the crisis, and 4% lower than in October.





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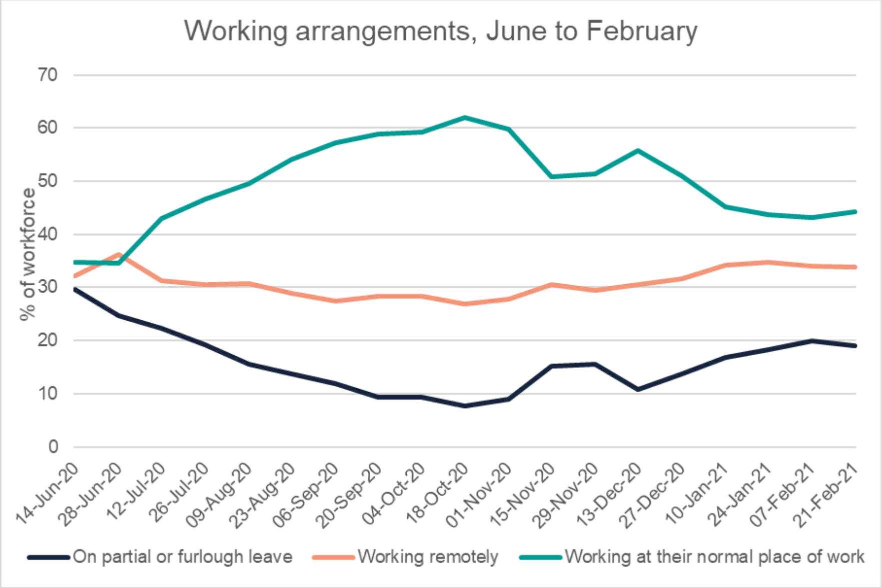
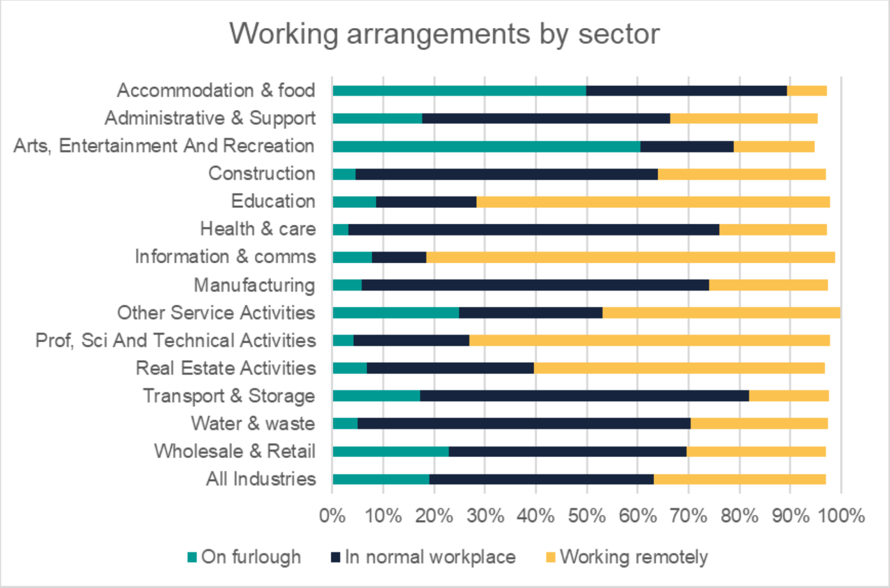
Slight fall in furlough use in mid-February

According to the ONS BICS survey, the proportion of workers on furlough nationally declined slightly from 19.9% in the fortnight to February 7th to 19% on February 21st. peak. This would suggest that furlough use is likely to remain much lower in the current lockdown than the 30% peak seen in the first lockdown. There was a 1% increase in people in their usual workplace, to 44%. Homeworking was unchanged at 34%.

The accommodation & food (-4.7%) and other services (-3.9%) sectors saw the biggest drops in furlough use compared to a fortnight earlier, but still have among the highest overall furlough rates at 50% and 25% respectively. Arts & entertainment is the only sector with a higher furlough rate at 61%, up 2% on a fortnight earlier. Elsewhere the BICS survey suggested little significant change in the economy as lockdown continued.

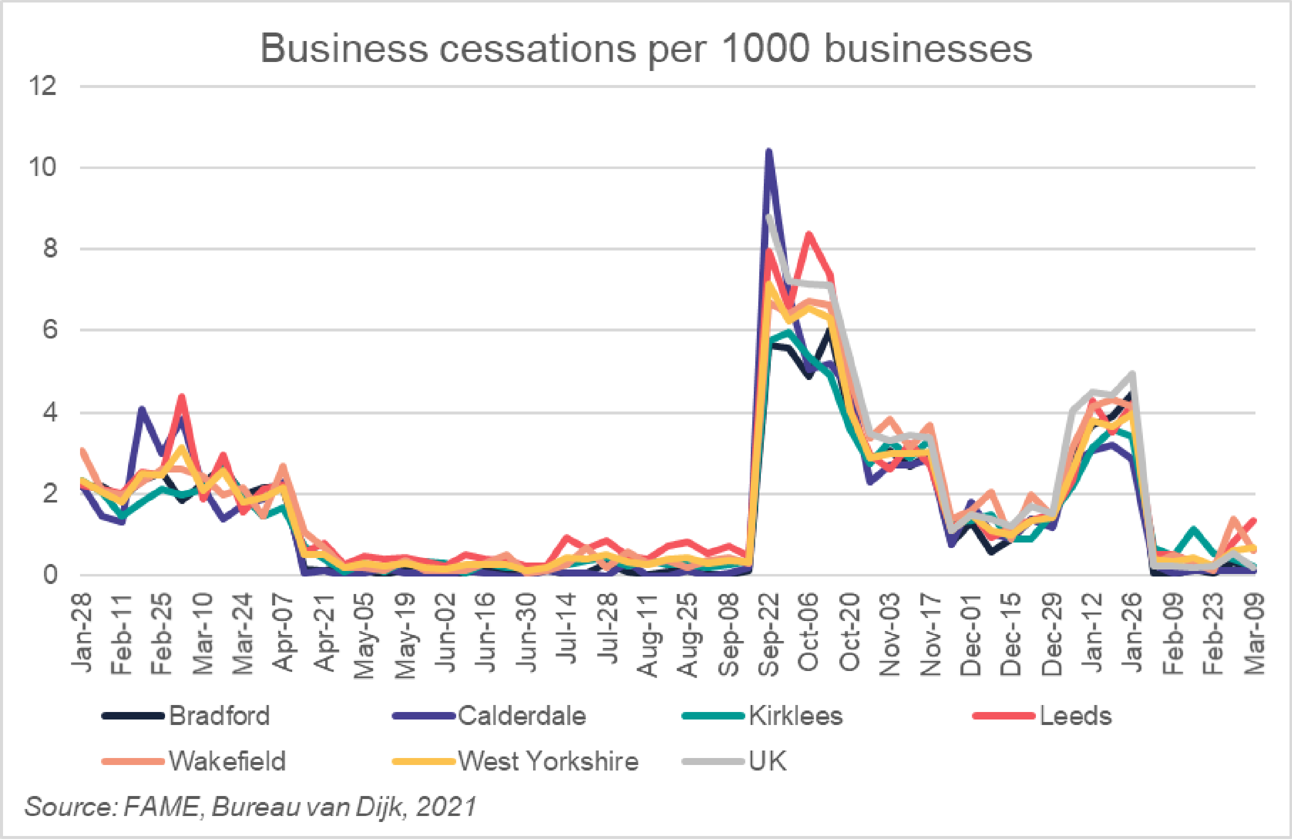




Source: ONS Business Impacts of Coronavirus Survey

Business liquidations resume, but limited data so far

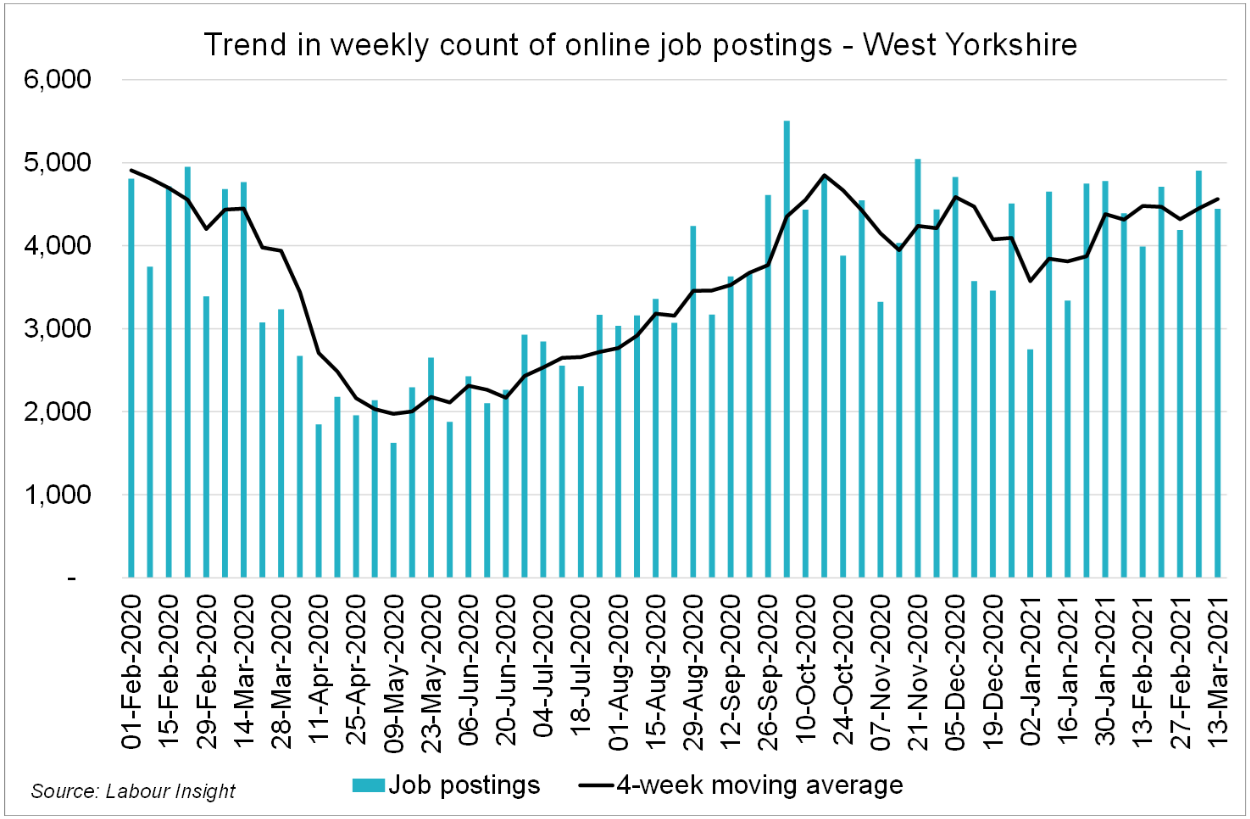
Data on company cessations remains subdued as Companies House resume liquidations and dissolutions. There were signs of a slight increase in business cessations from early March, with Companies House resuming activity from 8th March though this remains well below normal levels of activity.



**Source: FAME 2021. Analysis based on company registration address, location of activity may differ in some cases*

Slight growth in West Yorks vacancies in latest week but trend fairly flat

The number of vacancies for jobs in West Yorkshire posted online during week ending 13 March grew by 3% compared with the previous week (based on a 4-week moving average) but the underlying trend of recent weeks is fairly flat. Nationally, the weekly count of postings grew by 2%. The weekly vacancy count for West Yorkshire is currently 3% above its pre-crisis level (week ending March 14 2020).



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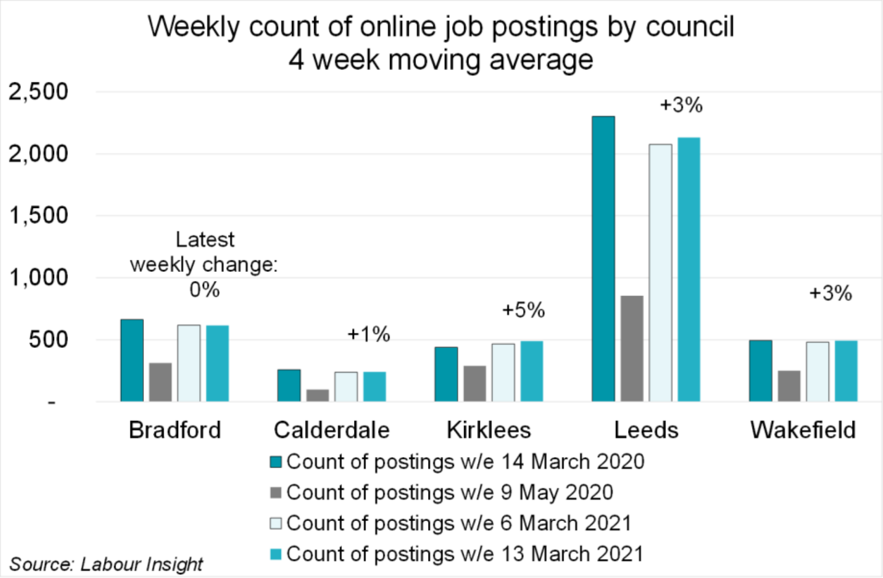
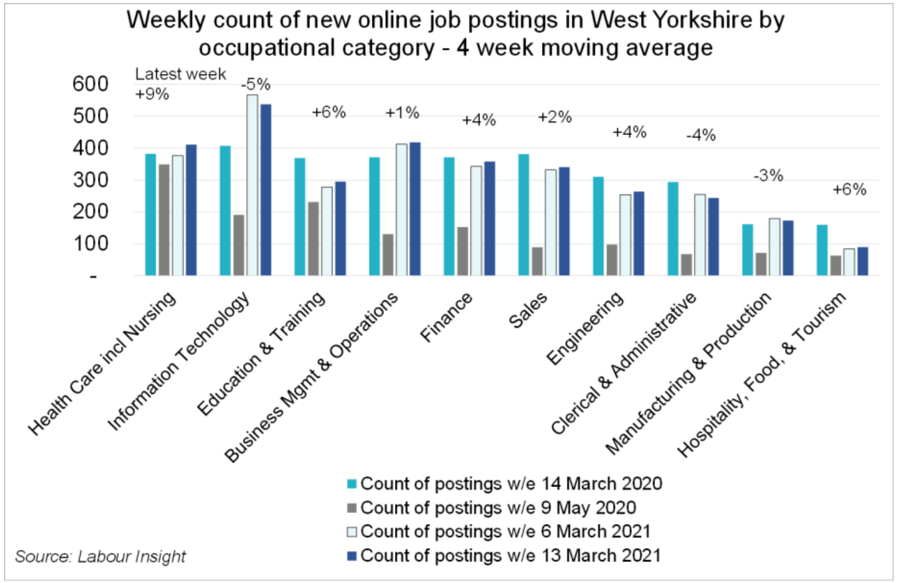
Modest vacancy growth at local authority level

West Yorkshire's local authority areas each saw a modest increase in their count of job postings in the latest week, except Bradford, which saw no change. Kirklees and Wakefield have recovered to their pre-crisis levels of job postings but Bradford, Calderdale and Leeds still have ground to make up.





The majority of occupational categories saw an increase in postings for the latest week, based on a 4-week moving average. Three categories saw a decrease: Information Technology, Clerical and Administrative and Manufacturing and Production. A number of categories are now above their pre-crisis vacancy level including Information Technology, Health Care, Business Management and Operations and Manufacturing and Production. The categories that have the biggest deficit relative to their pre-crisis performance are Hospitality, Food and Tourism, Education and Training and Clerical and Administrative.

Source: Labour Insightc

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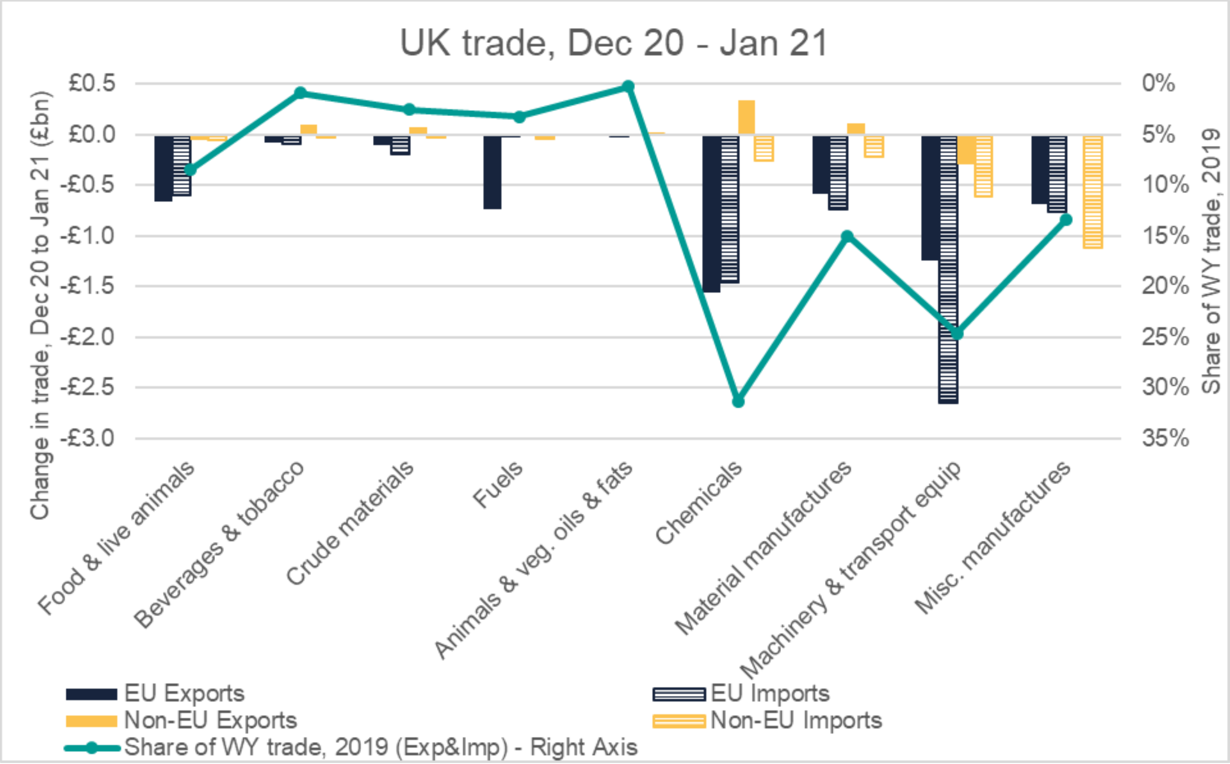
UK-EU trade falls sharply as new arrangements begin

UK exports to the EU fell by 40.7% between December and January, as the new trading arrangements began. Imports fell by 28.8%. Non-EU imports also fell, by 12.7%, but non-EU exports were up slightly, by 1.7%. Chemicals and machinery & transport equipment were the two commodity categories to see the biggest falls in EU trade in absolute terms. These are also the categories which account for the highest share of West Yorkshire trade – 56% of imports and exports in 2019.



Monthly trade data can be erratic, and as well as the new trading arrangements, other factors could also influence the current position. There is evidence that trade was higher than usual for some commodities as businesses stockpiled goods in November and December ahead of the changes. Additionally, coronavirus restrictions in the UK and abroad have caused disruption to trade patterns. More recent survey data on trade suggests the proportion of companies experiencing issues moving goods in and out of the country may be declining slightly.

*Source: ONS Business Impacts of Coronavirus Survey

West Yorkshire Combined Authority

Export sales in Leeds City Region fall at start of 2021

Export sales declined in Leeds City Region in Q1 2021 as the new trading arrangements with the EU were established, according to the Quarterly Economic Survey with the Chambers of Commerce. The net balance fell from -1 in Q4 2020 to -3 for manufacturing and –11 for services. A reading of less than zero indicates contraction. Although the latest measures are substantially higher than during lockdown in mid-2020, balances on this measure had not been negative prior to COVID-19 since 2019 for services and 2015 for manufacturing. Data also suggests a sharper fall in export orders, suggesting the fall could be sustained beyond Q1.

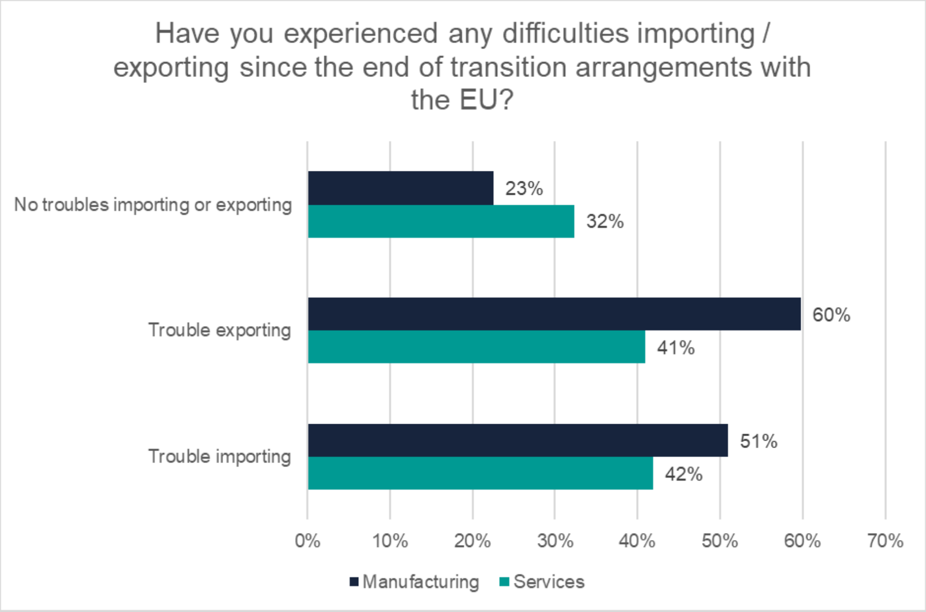
Source: Leeds City Region & Chambers of Commerce Quarterly Economic Survey, 2021

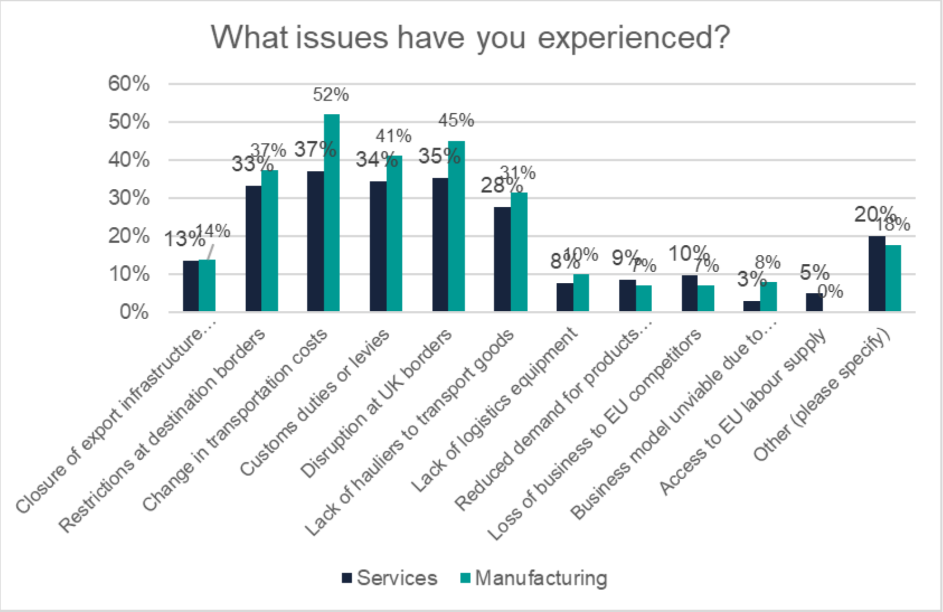
Source: Leeds City Region Chambers of Commerce Quarterly Economic Survey, Q1 2021

Three quarters of manufacturers report trade issues

Just under a quarter of manufacturers said they hadn't faced any difficulties moving goods, whilst around a third of service sector firms also said they had experienced no disruption. However, 60% of manufacturing firms said they had experienced difficulties exporting and 1 in 2 faced challenges bringing goods into the UK. Roughly 4 in 10 service sector businesses said they had experienced difficulties either importing or exporting.

Haulage costs, disruption at UK borders and customs duties / levies have been the stand out issues for manufacturers to date, and these are prevalent too for service sector companies, albeit to a lesser extent.





Source: Leeds City Region Chambers of Commerce Quarterly Economic Survey, Q1 2021

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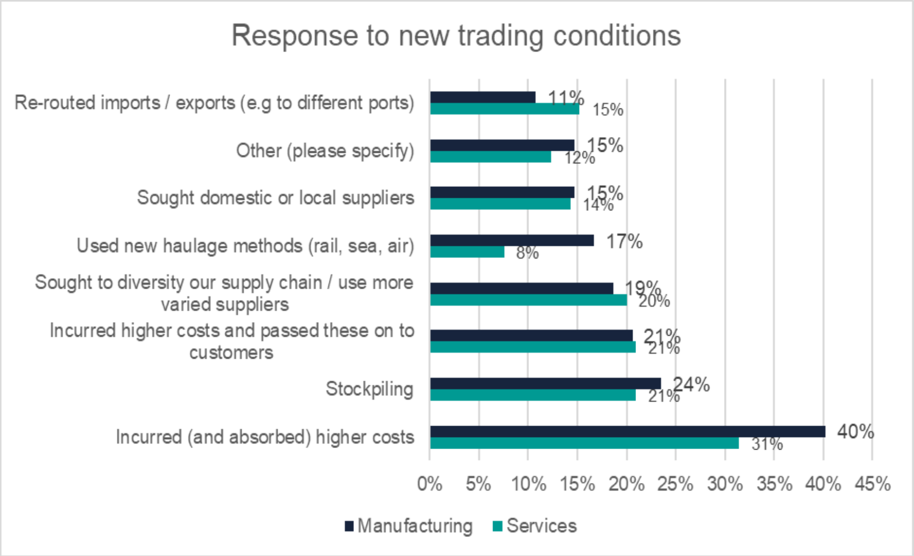
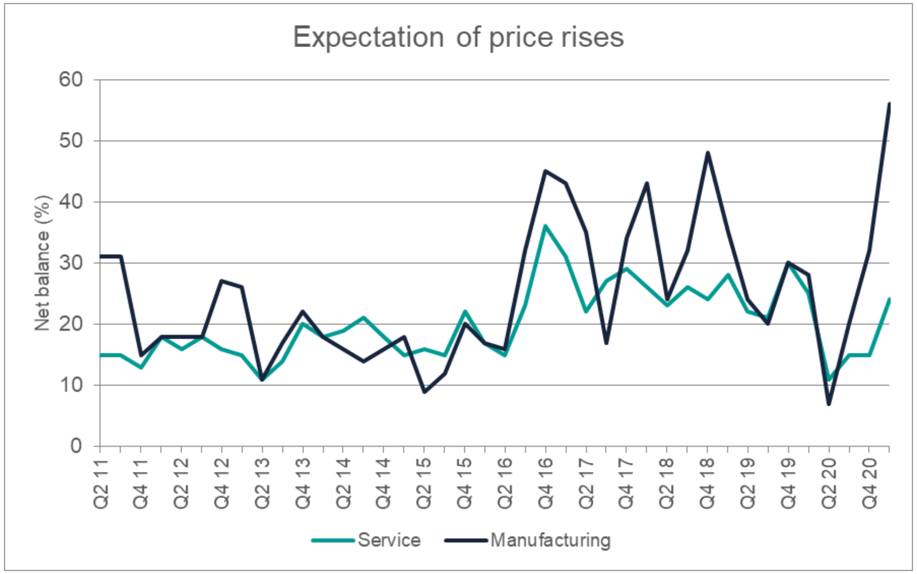
Businesses diversify supply chains in response, but also likely to increase costs

Businesses have already taken a range of actions to respond to the changing trading environment, with one in five looking to diversify their supply chain, and 15% of manufacturers said they had sought more local suppliers. Almost a quarter of manufacturers and a fifth of service sector firms have stockpiled. A fifth of businesses said they had incurred higher costs and passed these onto customers, but twice as many manufacturers said they had so far absorbed the higher costs. Looking ahead however, a majority of manufacturers anticipate price rises in the coming months.

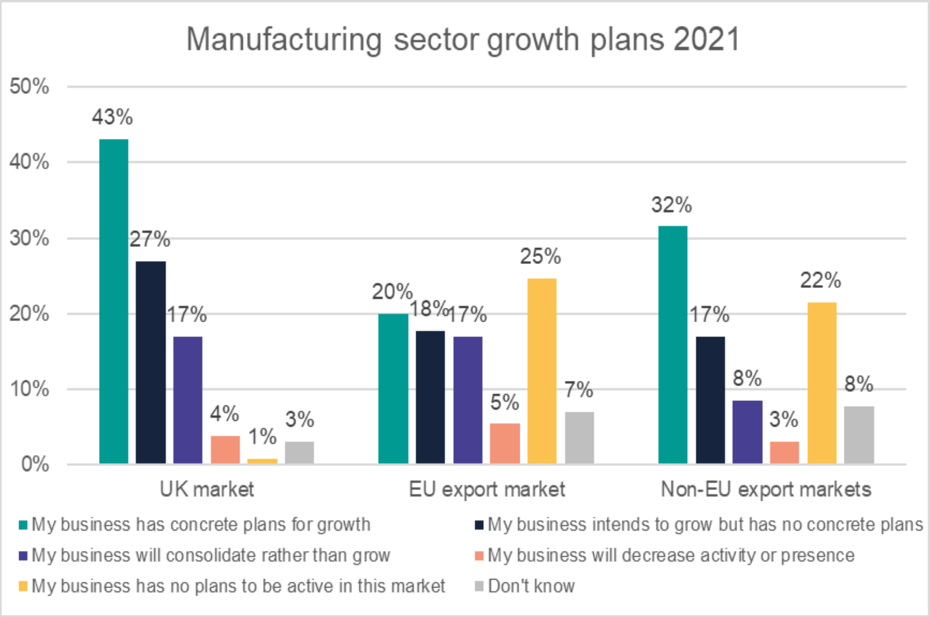


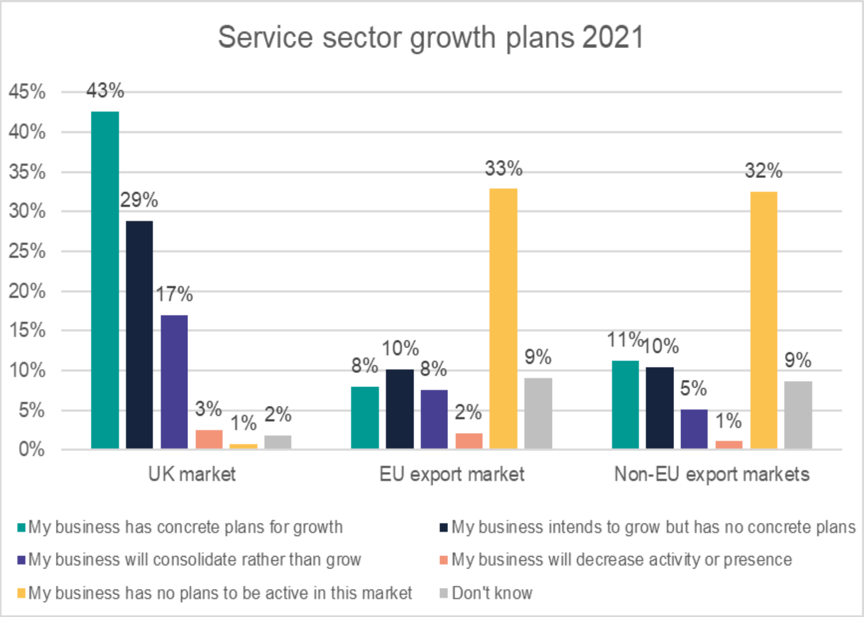


Source: Leeds City Region Chambers of Commerce Quarterly Economic Survey, Q1 2021

UK and non-EU markets seen as more likely sources of growth

When asked about their growth plans for the year ahead, more manufacturers said they had plans for overseas expansion than service sector companies. Manufacturers were more likely to target non-EU markets for growth, with 49% saying they had plans to expand in this area in the coming year compared to 38% for the EU. Very few businesses said they expected to decrease activity or presence in EU markets, however – just 5% of manufacturers and 2% of service sector firms.





Source: Leeds City Region Chambers of Commerce Quarterly Economic Survey, Q1 2021

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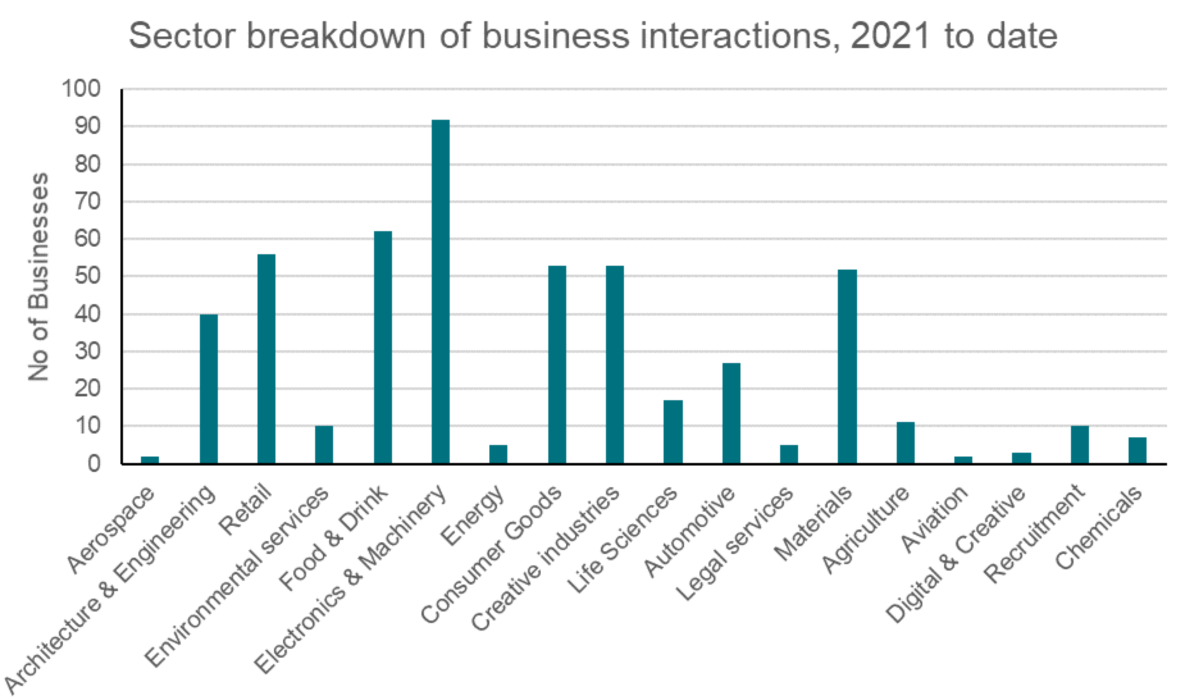
Businesses are facing persistent issues around rules of origin and VAT, when trading with the EU.

In their interactions with businesses in Leeds City Region, growth managers report companies continuing to face delays at ports and disruption to supply chains as a result of changes to trading arrangements, resulting in longer lead times and companies holding increased levels of stock, which in turn is affecting cash flow.

Some are also using airfreight to speed up supplies, but clearly this comes with increased costs which are beyond the scope of some. There are also reports of increased costs in materials such as steel pushing up prices, alongside higher shipping costs. Some have been willing or able to absorb a high degree of increased costs to date, many expect to pass these on to customers in the coming months.



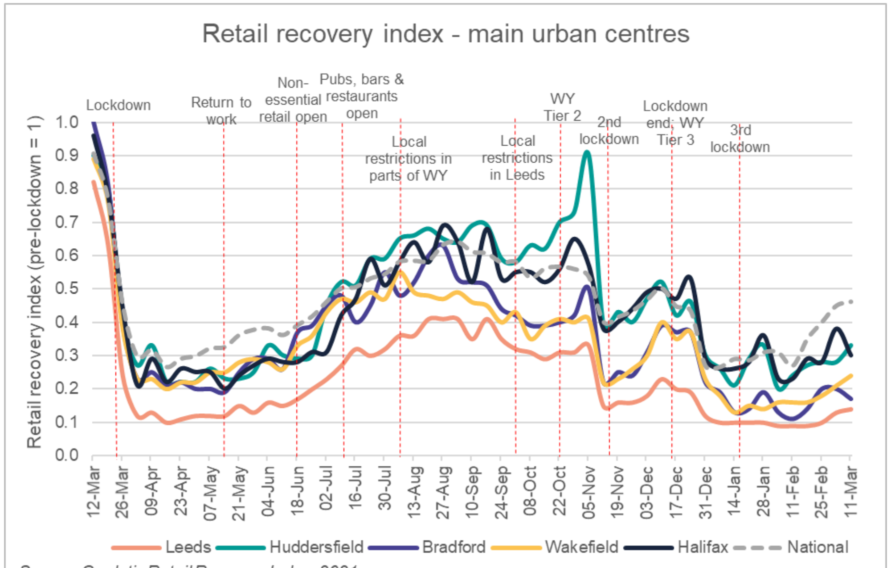
Paperwork requirements, rules of origin and conformity all continue to be raised as issues, leading some companies to reassess their activity in EU markets – some are focussing domestically, others are exploring opportunities beyond Europe. COVID remains a particular challenge for businesses in retail, hospitality and leisure, and the wide range of industries who supply them. However, at least one business this week suggested that the publishing of the roadmap for easing restrictions had raised optimism.

West Yorkshire Combined Authority

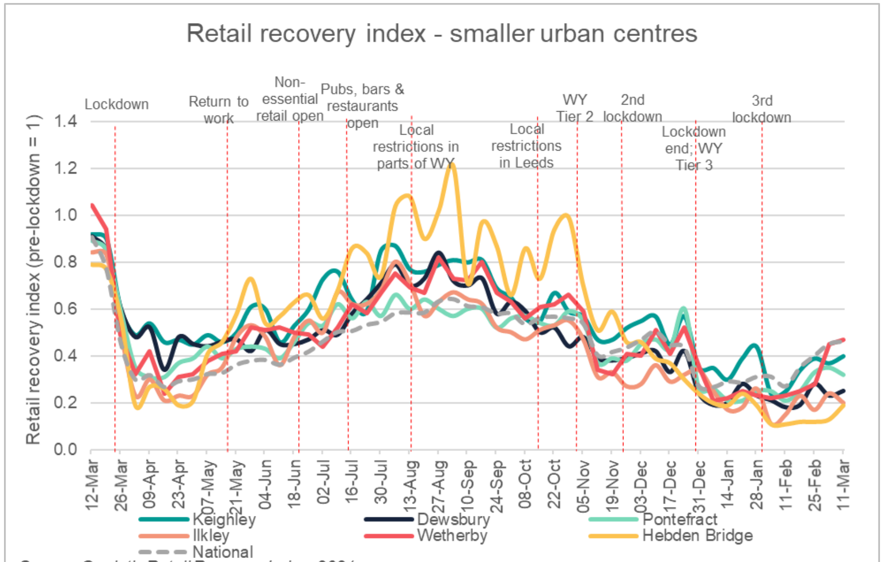
Some towns and city centres see increased activity

Activity has increased to varying degrees in most major town and city centres in West Yorkshire over the fortnight to 11th March, according to Geolytix's retail recovery index. Wakefield, Huddersfield and Leeds have seen increases in activity of between 4 and 6 percentage points compared to the week to February 25th. Halifax and Bradford have also seen some increase, though saw a fall in the most recent week. Activity is now similar to levels seen in November's lockdown, but is still well below each place's respective baseline, ranging from 14% of baseline in Leeds to 33% in Huddersfield.

The trend in increasing town centre activity is more pronounced in some smaller centres in West Yorkshire, which more closely resemble an increasing trend for the country overall. Wetherby has seen a notable increase in activity in recent weeks, and is now similar to the national benchmark of 47%.



Source: Geolytix Retail Recovery Index, 2021



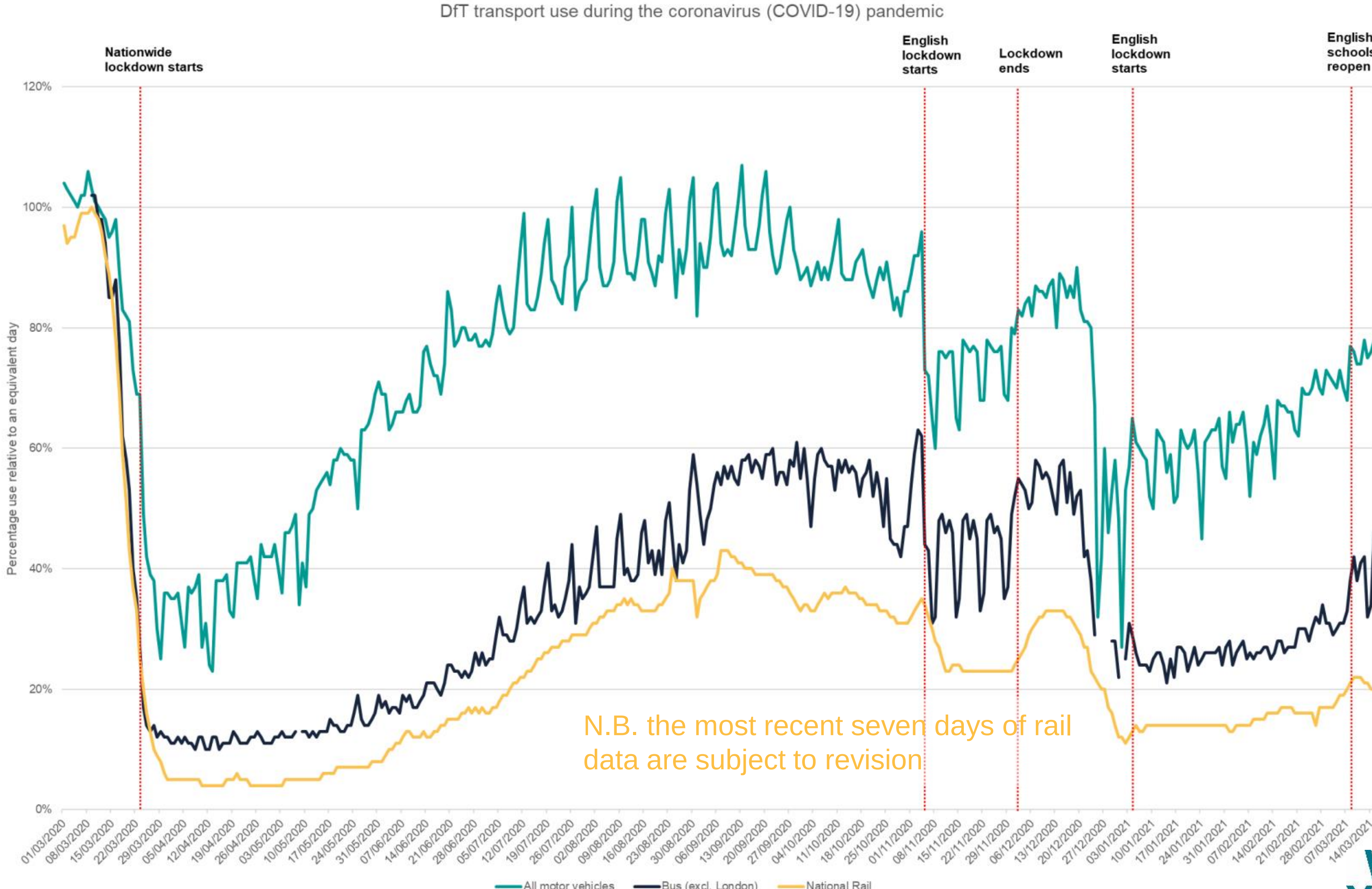
Source: Geolytix Retail Recovery Index, 2021

Source: Geolytix Retail Recovery Index

Transport Insights

National travel use shows an increase as schools returned in England, mainly on bus

Data for Great Britain shows that over the week commencing 8th March 2021, an increase in travel occurred as schools reopened in England, most notably on buses. Similar trends occur locally.



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

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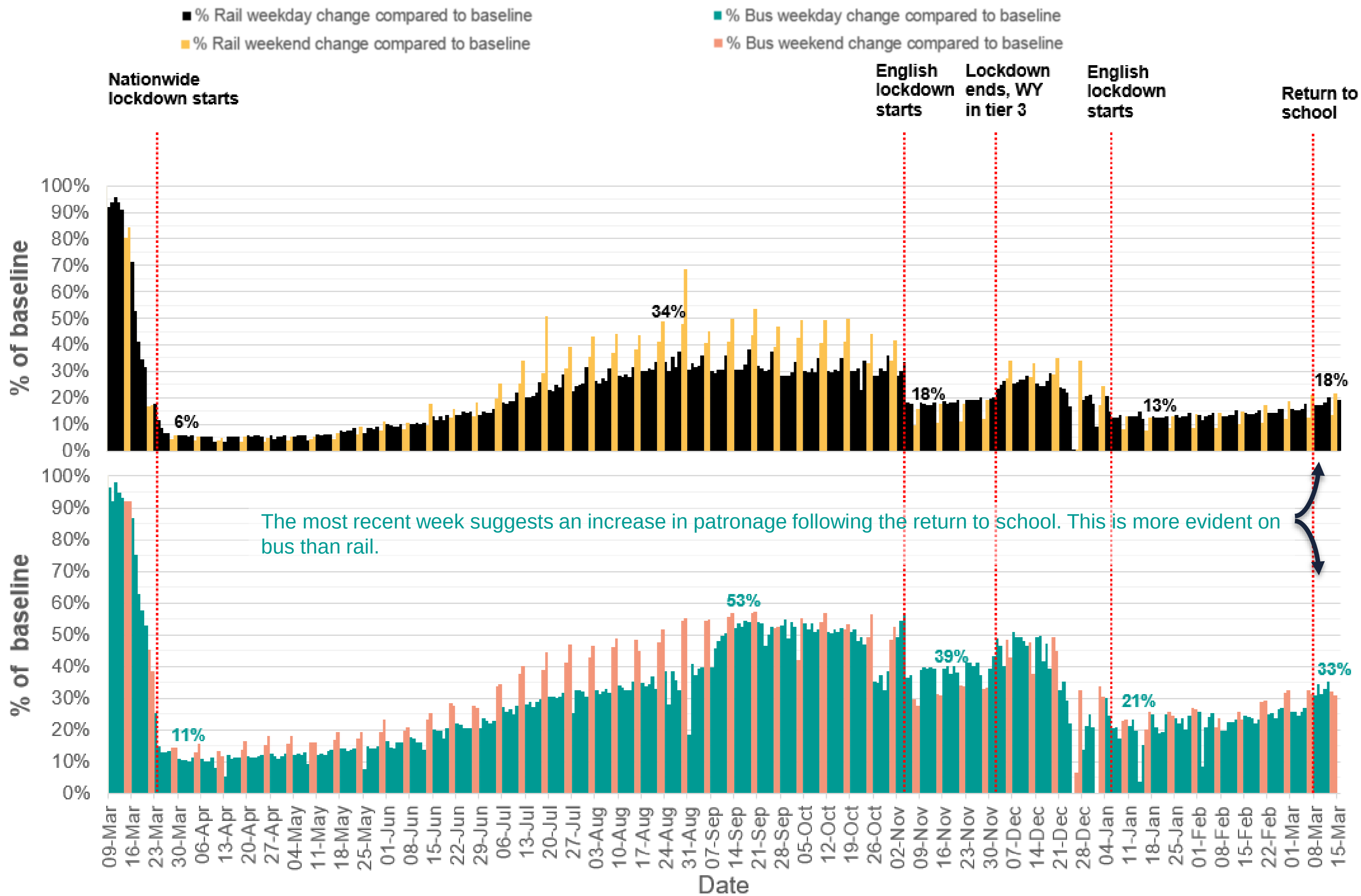
Local rail and bus proxies show increases as schools return



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

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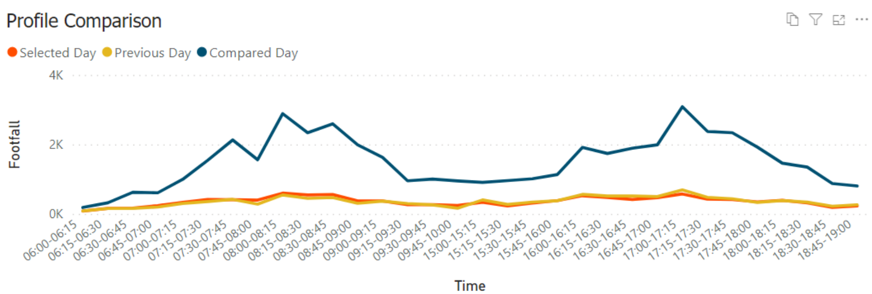
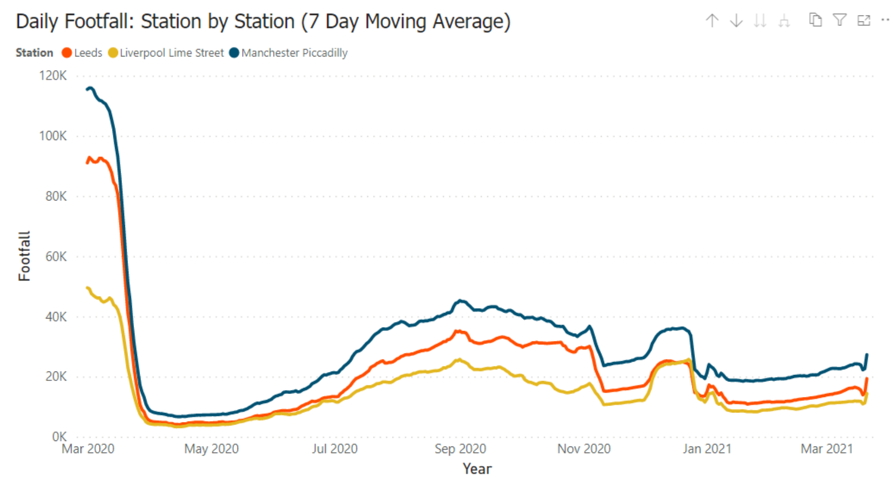
Source: Leeds Rail Station Footfall - Network Rail (top) and MCard and English National Concessionary Travel Scheme (ENCTS)

Leeds rail footfall levels show flattened peak demand and similar trends to other stations

Network Rail's new station footfall dashboard shows that on the 15th March 2021, the profiles of the AM and PM peaks in Leeds were flattened compared to the pre-pandemic situation, and similar to the previous day. From March 2020 to present, Leeds rail station footfall follows very a similar pattern to that seen at Liverpool Lime Street and Manchester Piccadilly.



0 %	12 %	40 %	-60 %
Day on Day	Week on Week	Month on Month	Year on Year
-81 %	220 %	1 %	37 %
vs February 2020	vs Lockdown 1	vs Lockdown 2	vs Lockdown 3



Source: Network Rail Station Footfall Dashboard

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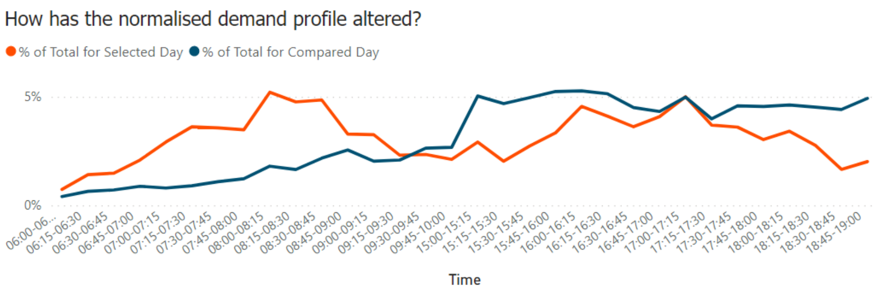
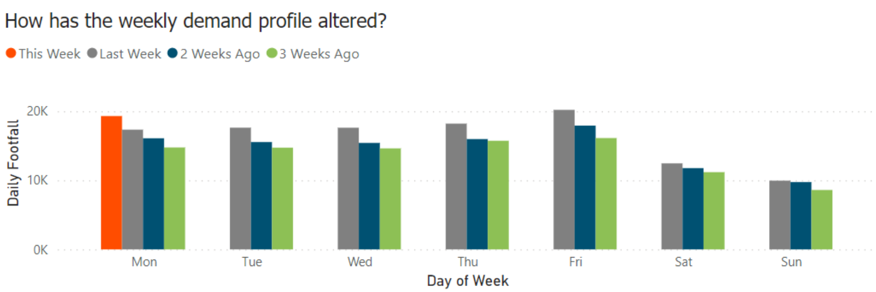
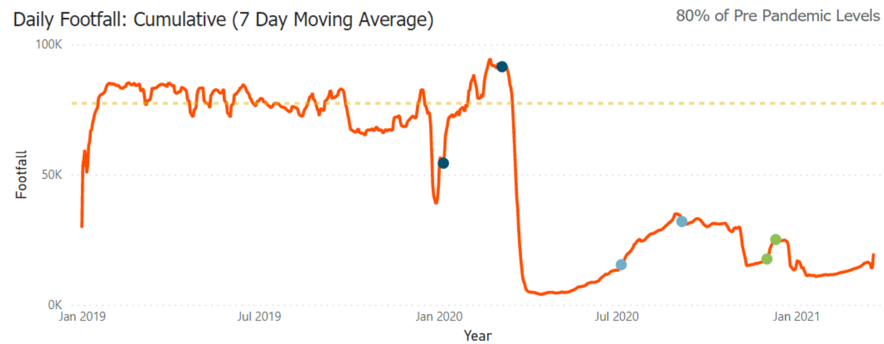
Leeds rail station footfall levels show a gradual increase over recent weeks

The daily demand profile at Leeds station shows gradual increases in recent weeks, and a relatively high normalised AM profile along with a low PM profile compared to the same day a year ago.

Given three example rates of increase based on different periods of recovery through the pandemic, estimates have been made as to how long it would take for Leeds station footfall to recover to 80% of pre-pandemic levels. Taking the rate of recovery over summer 2020, it would take over a year to reach near normal levels of footfall.







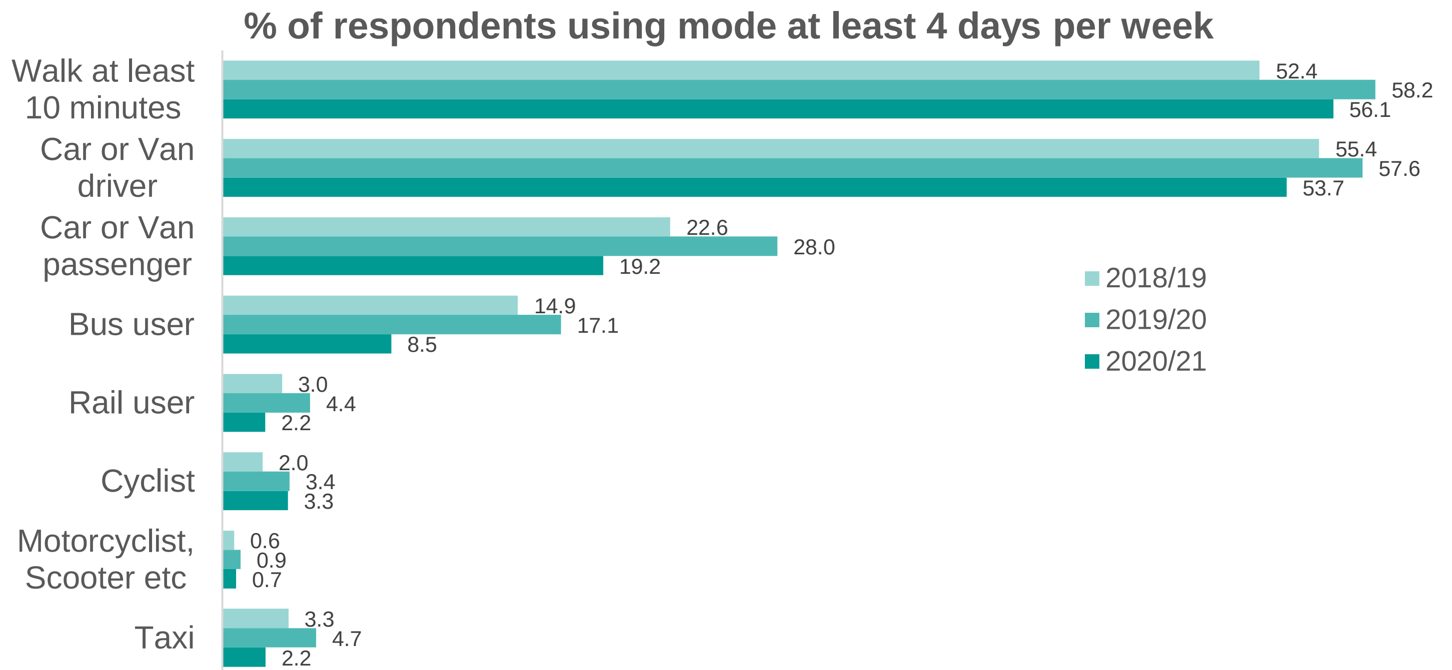
"If demand was to return at the rates above, how long would it take to reach 80% of pre-pandemic peak levels?"

223 DAYS	414 DAYS	152 DAYS

Source: Network Rail Station Footfall Dashboard

Annual survey shows fewer residents use each mode at least 4 days per week

Latest data from the Combined Authority's annual transport perceptions survey suggests fewer residents use each mode at least 4 days per week compared with last year, other than cycling. The reductions in car or van passengers, bus users, rail users and taxi users are statistically significant.



The West Yorkshire Public Perceptions of Transport Survey provides insight into how the residents of West Yorkshire perceive various aspects of infrastructure and passenger transport from a telephone sample of 1800 respondents. This year's data was collected in January and February 2021, last year's in January to February 2020. The annual report is due for release shortly. Anonymised raw data will enable further analysis to be undertaken by the Combined Authority. Statistical significance tested to 95% confidence interval.

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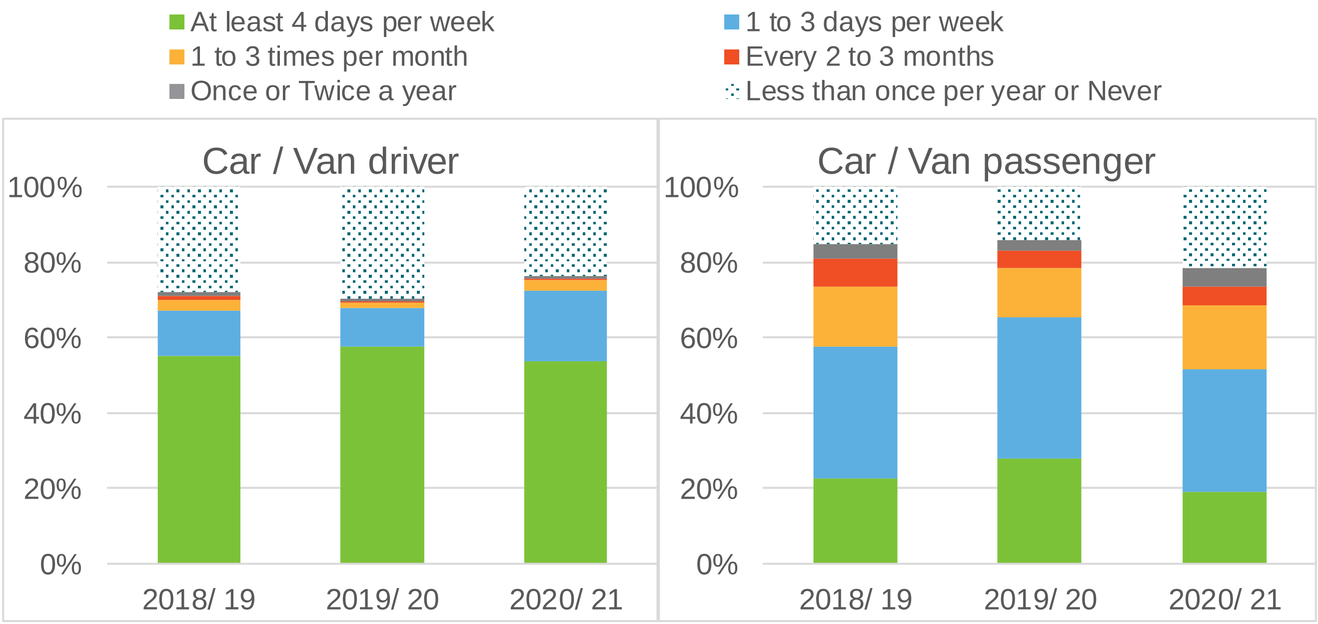
Annual survey suggests an increase in low occupancy car travel

- The survey shows a significant decrease from 29% to 23% who drive less than once a year or never and a significant increase from 10% to 19% for driving 1 to 3 days per week. It also indicates a decrease from 58% to 54% driving at least 4 days per week though that is not statistically significant.
- Travel as a car or van passenger dropped significantly. Respondents doing so at least 4 days per week dropped from 28% to 19% and doing so 1 to 3 days per week dropped from 37% to 34%.
- These changes in travel as car or van passengers compared to drivers suggest an increase in low occupancy cars or vans.



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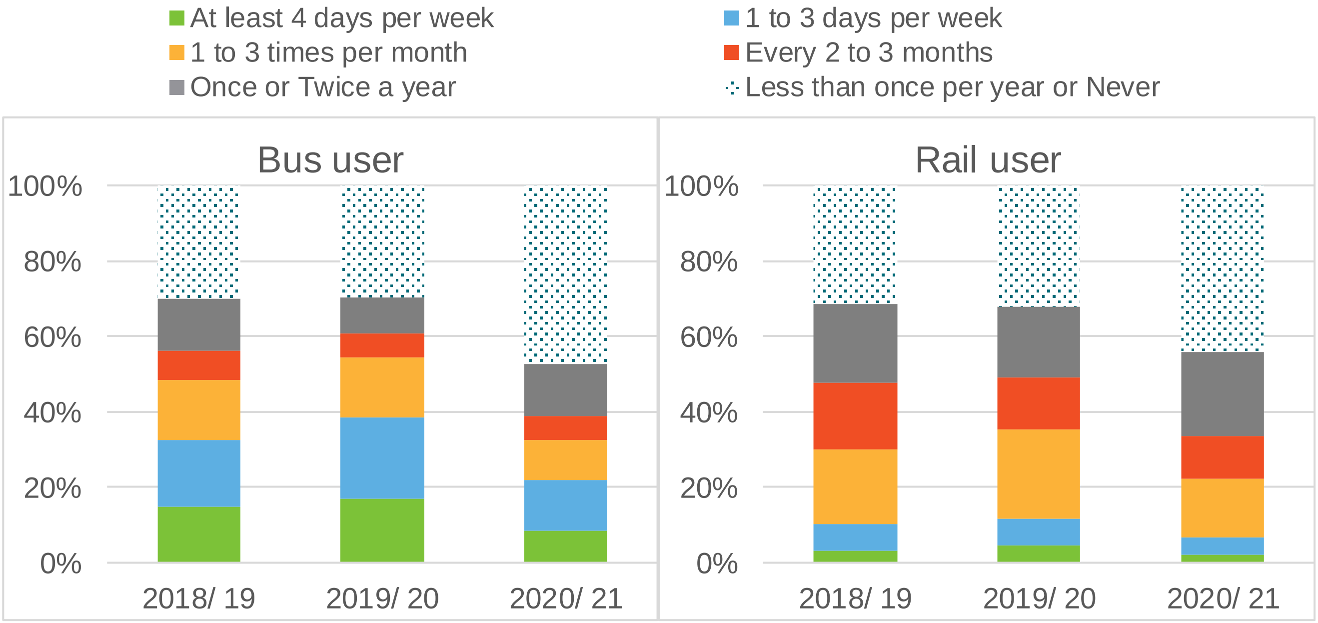
Annual survey shows residents moving to lower frequencies of public transport use

- The number of frequent bus users and rail users (at least 4 days per week), and those using services 1 to 3 days per week and 1 to 3 times per month all dropped significantly.
- 67% of respondents said they use a train once or twice a year or less compared with 51% last year.
- 61% said they use a bus once or twice a year or less compared with 39% last year.
- **Over half of respondents using bus or rail once or twice a year or less said that COVID is a factor in making few or no journeys on these modes - don't *need* to use, don't *want* to use, or *both*.**



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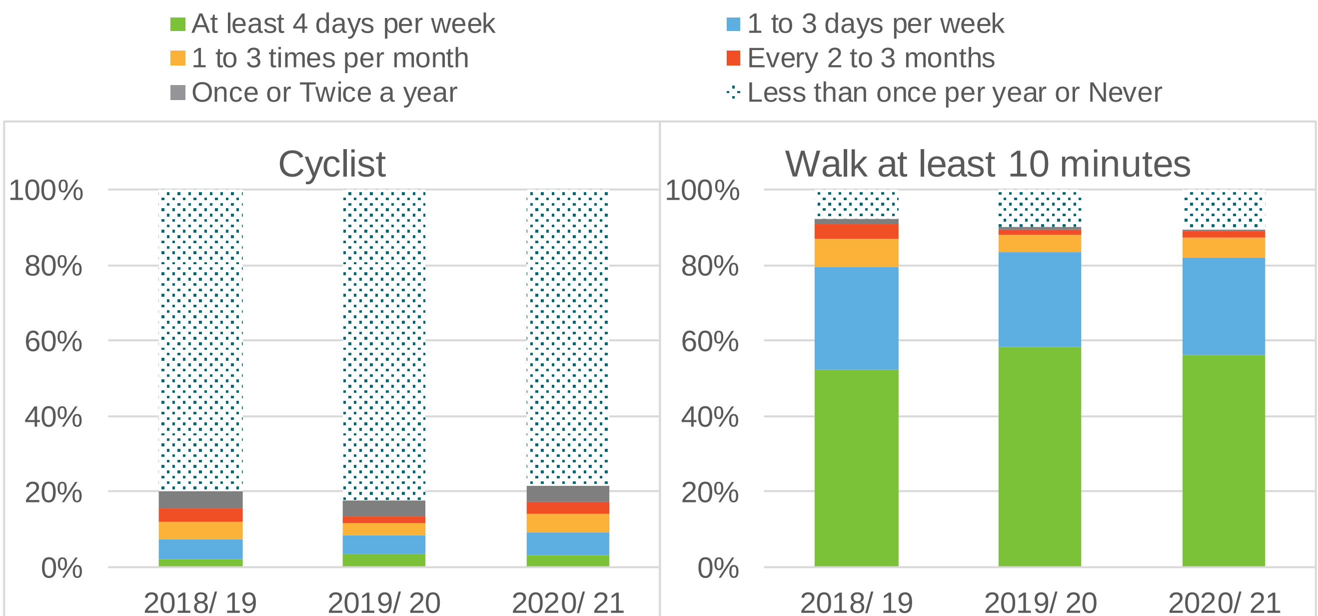
West Yorkshire Combined Authority

Annual survey shows a slight increase in the proportion of residents cycling

- There has been a small but significant increase in respondents saying they use a bicycle at least once per year, increasing from 18 to 21%. The total number of respondents who use a bicycle is small though the increase in respondents who cycle between 3 times per month and once every 3 months is statistically significant (the yellow and red bands combined).
- The full question on walking is ‘walk at least ten minutes to get somewhere’, and therefore excludes purely for exercise. The changes since last year that are visible on the chart below are not statistically significant.



The West Yorkshire Public Perceptions of Transport Survey provides insight into how the residents of West Yorkshire perceive various aspects of infrastructure and passenger transport from a telephone sample of 1800 respondents. This year’s data was collected in January and February 2021, last year’s in January to February 2020. The annual report is due for release shortly. Anonymised raw data will enable further analysis to be undertaken by the Combined Authority. Statistical significance tested to 95% confidence interval.

West Yorkshire Combined Authority

Bus use for return to school w/c 8th March below that of return to school w/c 7th September

Data from bus ticket machines shows bus use by under 19s to be 52% of baseline. The most comparable week was the return to school week commencing 7th September when use by under 19s was 58% of baseline. There was also a marked increase in the under 26 / student cohort which wasn't seen at the start of September. Use by seniors has hovered around 33% of baseline for the last three weeks while use by all other cohorts has increased.

Thousand passengers per weekday before COVID

Adult
221,000

Under 19
101,000

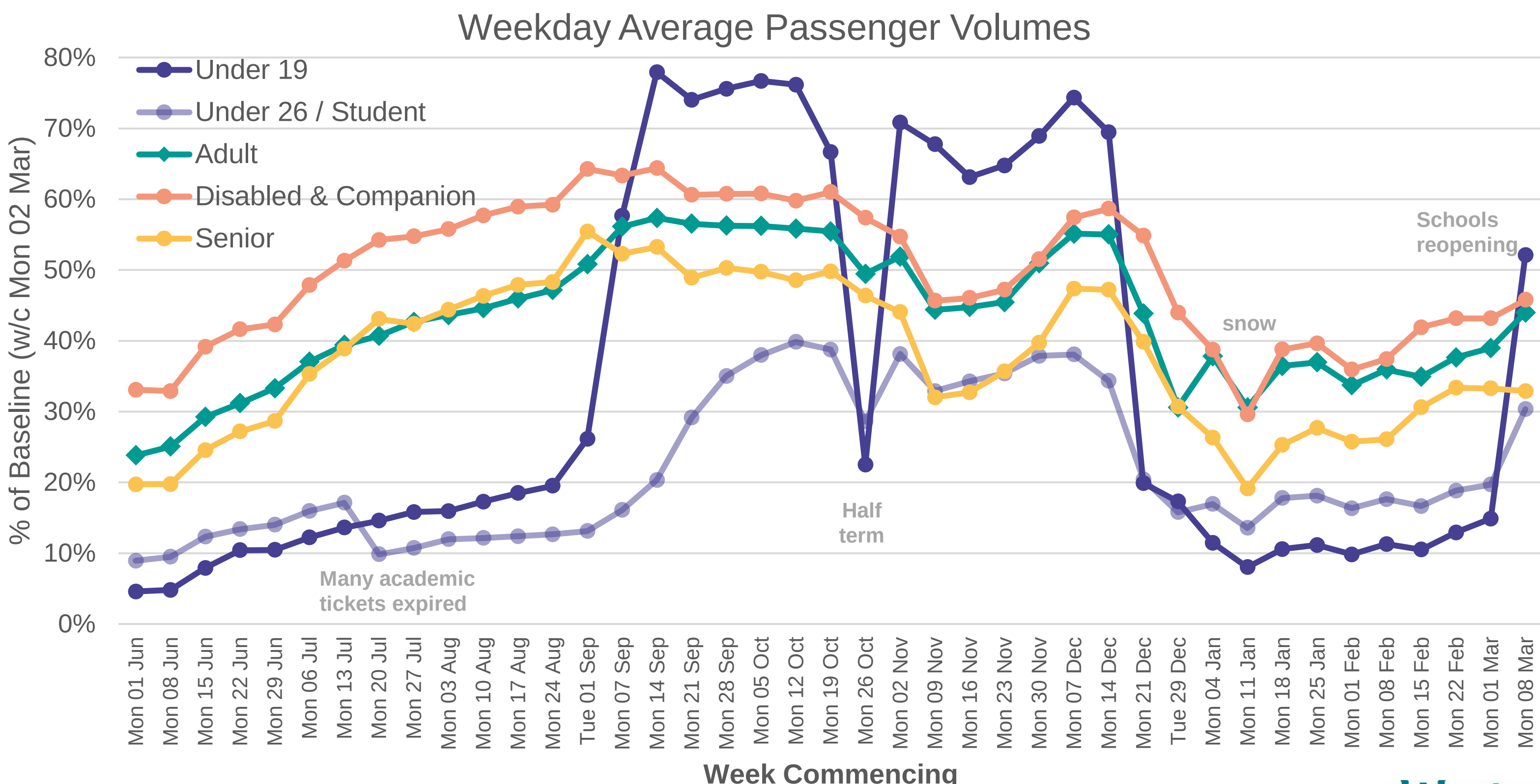
Senior
74,000

Under 26 / Student
34,000

Disabled & Companion
29,000

Miscellaneous
9,000

Data from First, Arriva, Yorkshire Tiger and Transdev

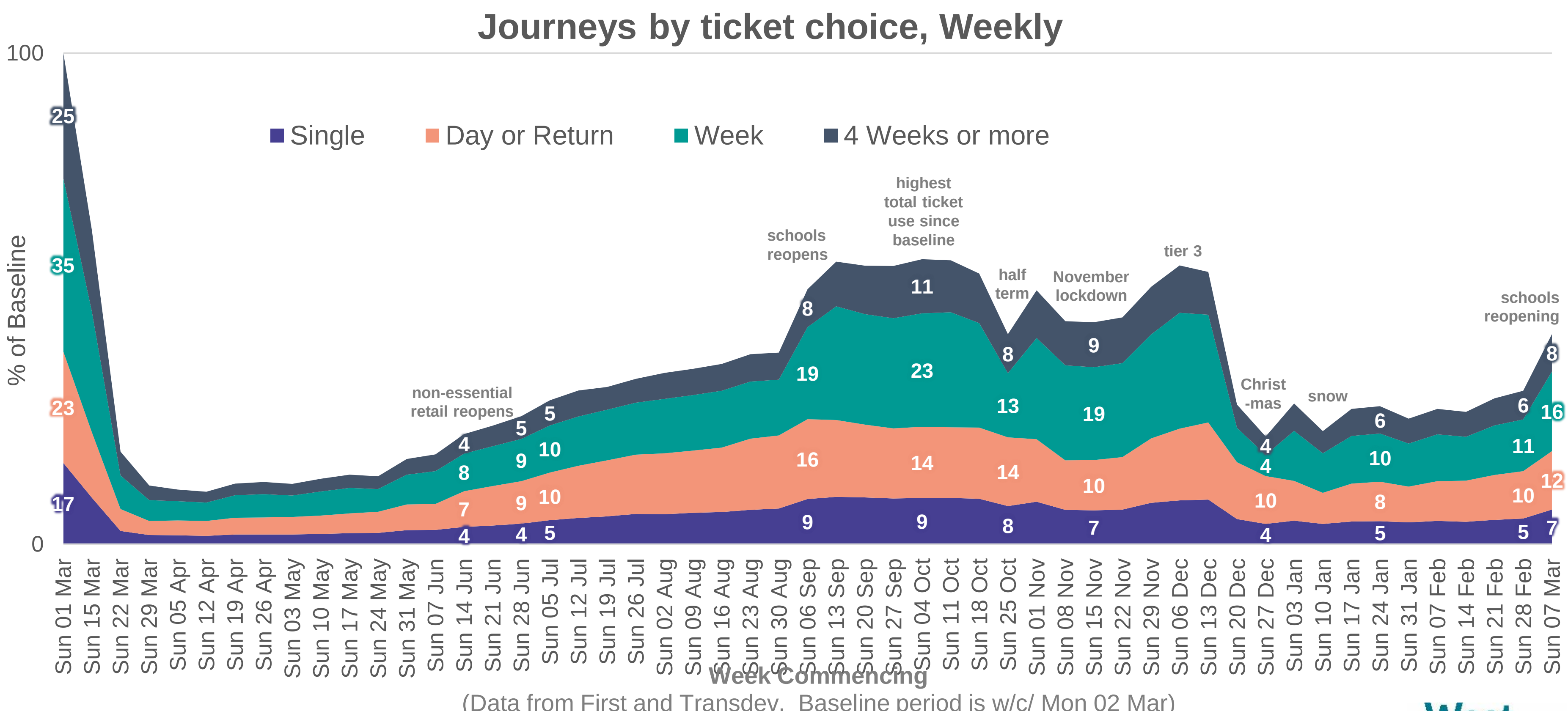


Baseline period is w/c Mon 02 Mar. Source: Bus operators electronic ticket machine data, passenger boarding locations in West Yorkshire. First, Arriva, Yorkshire Tiger and Transdev account for over 90% of bus services in West Yorkshire. Graph shows First and Transdev data. Data is for weekdays excluding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

West Yorkshire Combined Authority

Weekly tickets have seen the largest increase in use which, mirrors September

The total level of fare paying passengers has increased across all levels of ticket commitment as was expected with the return to school in the latest week's data. The levels of use seen in September have not been reached yet. There was a slight upwards trend in ticket use since 17 January which the return to school has accelerated.

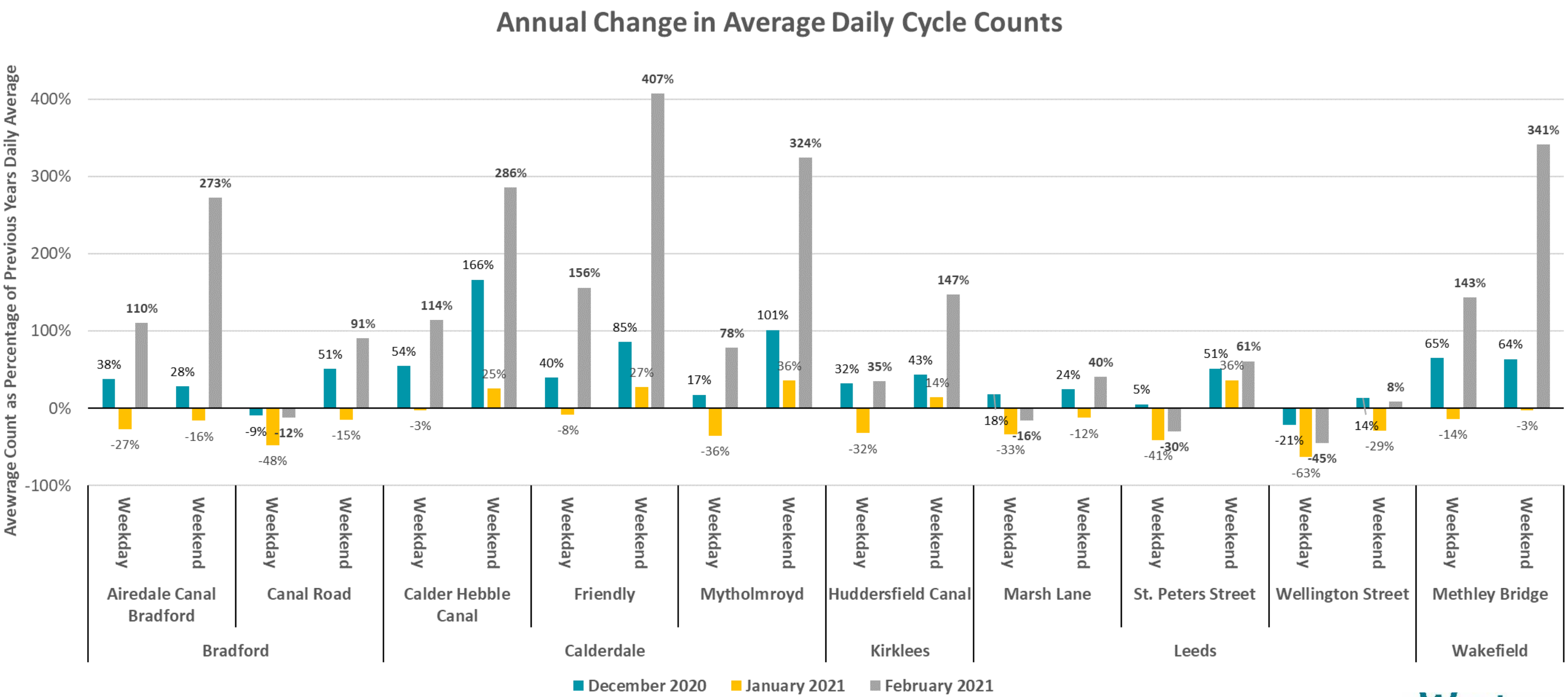


Baseline period is w/c Mon 02 Mar. Source: Bus operators electronic ticket machine data, passenger boarding locations in West Yorkshire. Graph shows First and Transdev.

West Yorkshire Combined Authority

West Yorkshire Cycle Counts – Average daily trips increasing on both weekdays and weekends

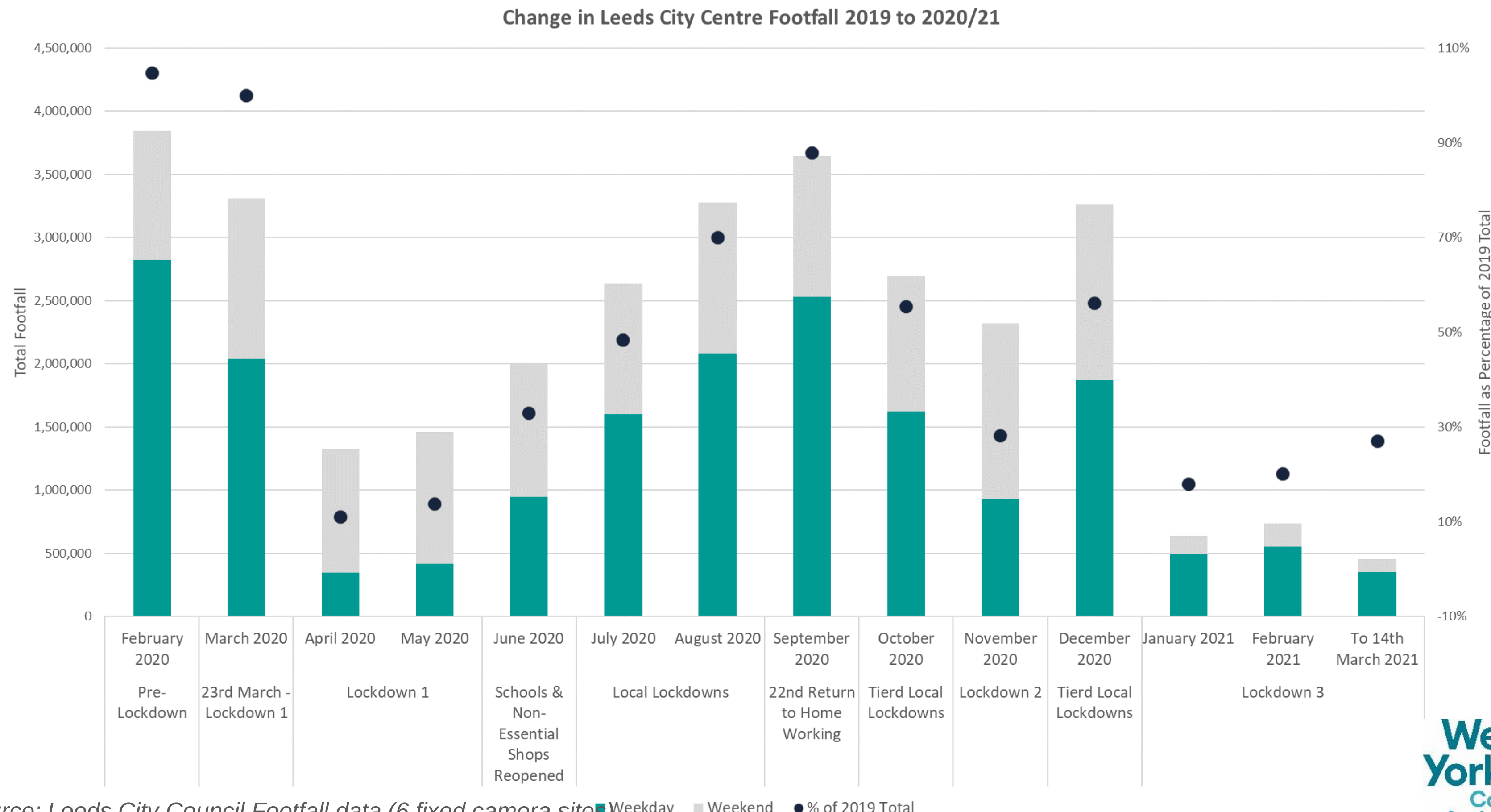
February 2021 has seen large increases in average daily cycle counts on both weekdays and weekends compared to February 2020. (It should be noted however that there were three storms during this month in 2020). While weekday average cycle counts in Leeds City Centre are slightly higher than in January 2021 weekday average daily cycle counts remain lower than in 2020 year on account of the ongoing national lockdown.



Source: Leeds City Council

Leeds City Centre footfall – Weekend footfall remains low but total footfall recovering

The chart below illustrates footfall data from 6 fixed cameras sites in Leeds City Centre expressed as a percentage difference from the same period in 2019. Following the closure of non-essential shops as part of the third national lockdown weekend footfall has fallen to 23-35% of total footfall, down from 43% in December, highlighting a decrease in shopping trips in the city centre. During the first two weeks of March 2021 total footfall in the city centre has risen to 27% of the total for the equivalent dates in 2019, the highest proportion since the third lockdown began.



Source: Leeds City Council Footfall data (6 fixed camera sites).