West Yorkshire Combined Authority

Tracy Brabin Mayor of West Yorkshire

West Yorkshire Economic & Transport Insights Report

West Yorkshire Research & Intelligence Team

27th May 2022

Executive Summary – Economic Insights

- Between March and April 2022, there were 6,000 more payrolled employees across West Yorkshire
- Unemployment claimant numbers are still 31% above pre-pandemic levels, but have continued to fall (-1,200 claims between March and April)
- Online job postings remain above pre-pandemic levels but have declined in recent weeks. The declines have been greatest in the hospitality and manufacturing sectors
- Business liquidations have trended upwards throughout 2022, but remain down on April 2021 levels
- There have been 39 equity investments, worth £144m, across West Yorkshire in 2022

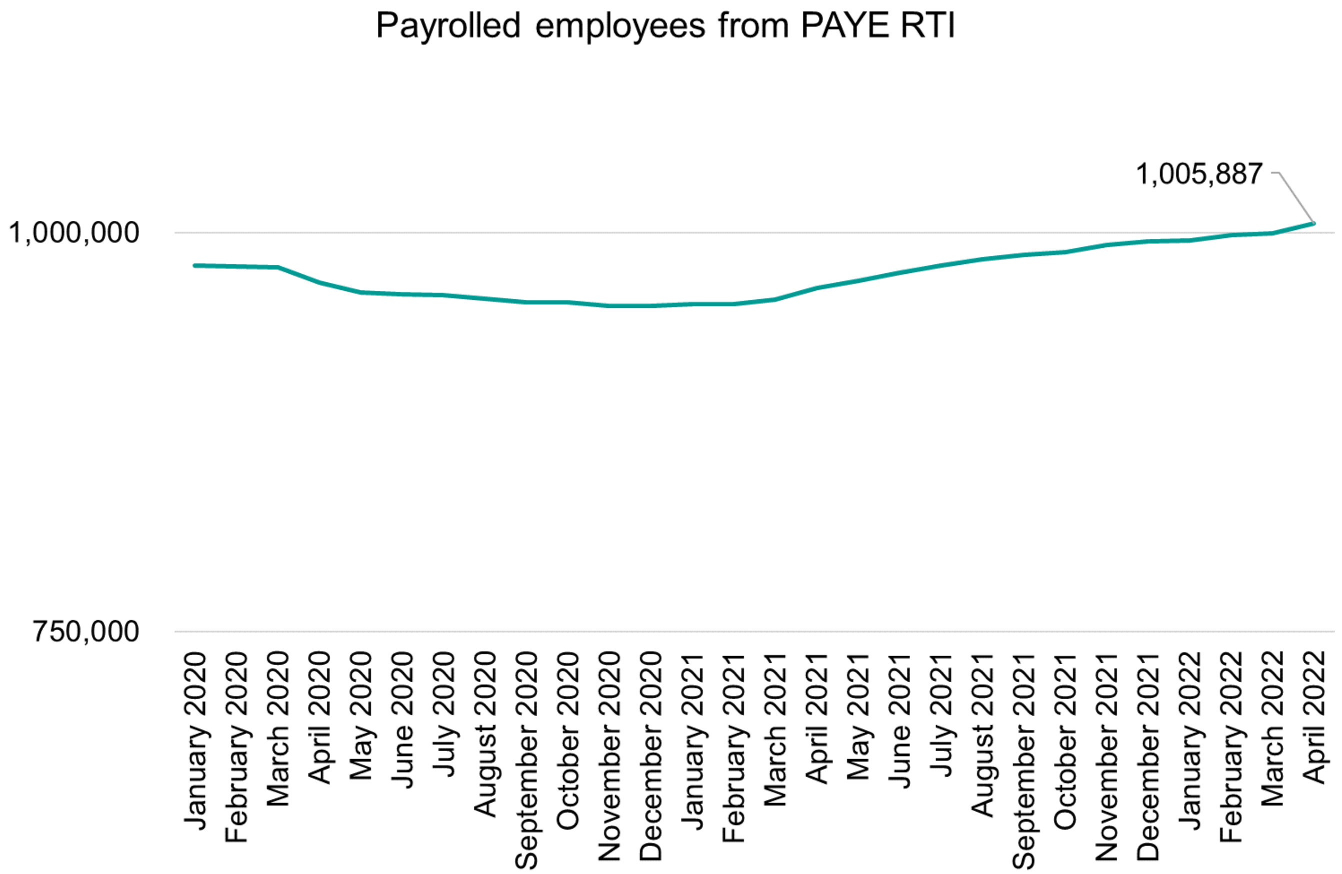
Executive Summary – Transport Insights

- At a national level (outside of London) weekday bus and rail use stands at 80% of pre-pandemic levels, with weekends closer to 100%. In contrast motor vehicle use has returned to pre-pandemic levels, with weekends now exceeding this.
- Locally, average weekday footfall at Leeds rail station is currently 69% of baseline levels, similar to late 2021, indicating a slow recovery since legal restrictions ended. In contrast, average weekend station footfall exceeds baseline, inferring a stronger recovery for leisure travel.
- Compared to pre-pandemic, both AM and PM station footfall peaks are reduced, with a greater share of people travelling throughout the day and at evenings and weekends.
- Over the last few months, bus passenger volumes have continued to show marginal growth outside of holidays, with patronage around 70-80% of baseline, with greatest recovery in the under 19's cohort.
- Daily bus use patterns are similar to pre-pandemic, but with reduced magnitude at peak times, with the strongest recovery during off-peak hours and weekends.
- Monthly visit numbers (footfall) to West Yorkshire increased by just under a third during 2021, whilst home to work trips increased by 11%.
- Leeds centre night-time footfall returned to pre-pandemic levels in April 2022.
- Leeds Bradford Airport passenger numbers show steady recovery but were still 30% lower than pre-pandemic in March 2022.

Economic Insights

The count of payrolled employees continues to increase in West Yorkshire

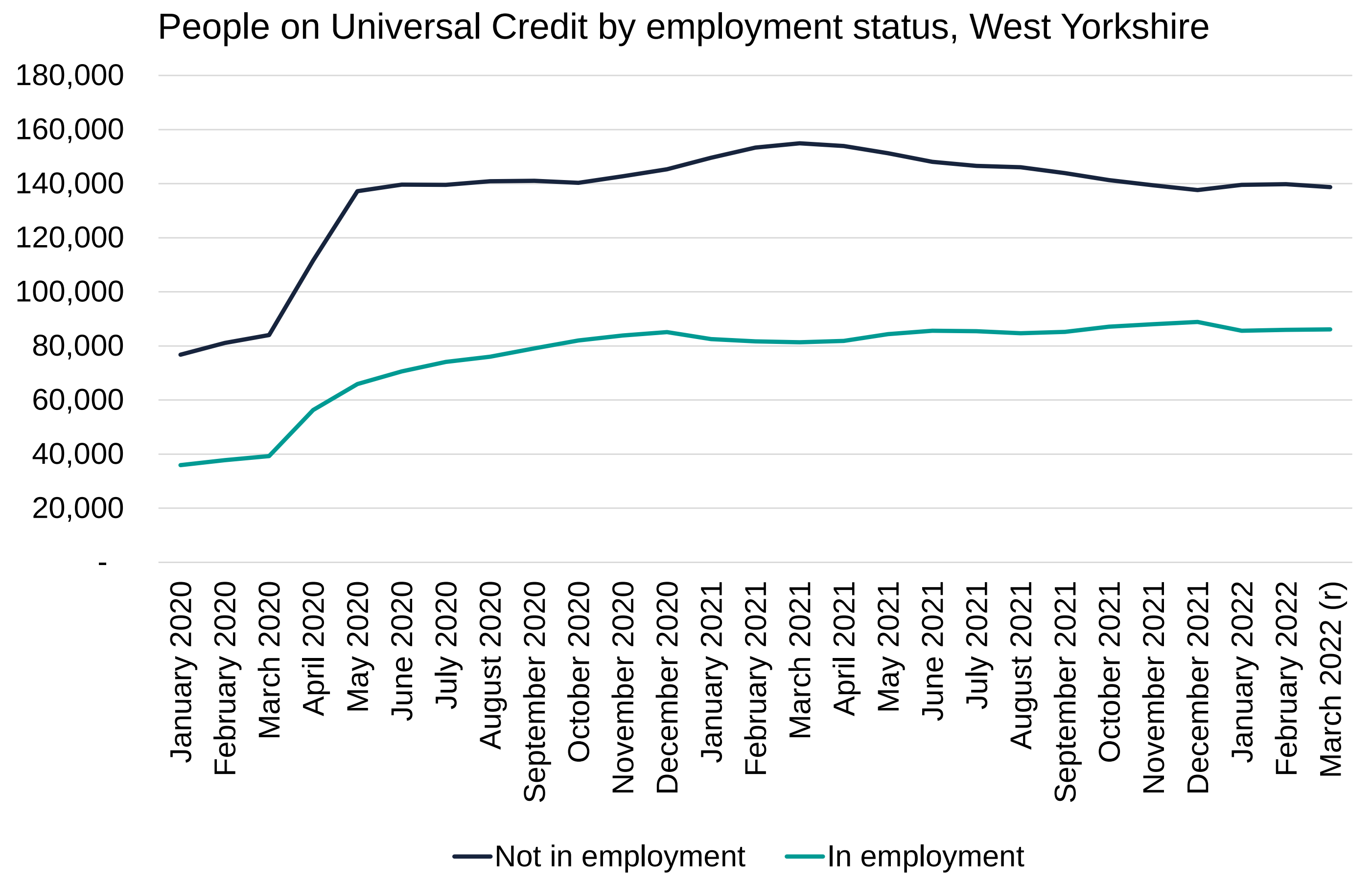
The number of payrolled employees in West Yorkshire grew by 6,000 or 0.6% between March and April 2022 and is well above pre-pandemic levels. Payrolled employee levels are above pre-pandemic levels across all five local districts within West Yorkshire.



Source: *HMRC*

38% of people on Universal Credit are employed but recent growth partly reflects policy changes

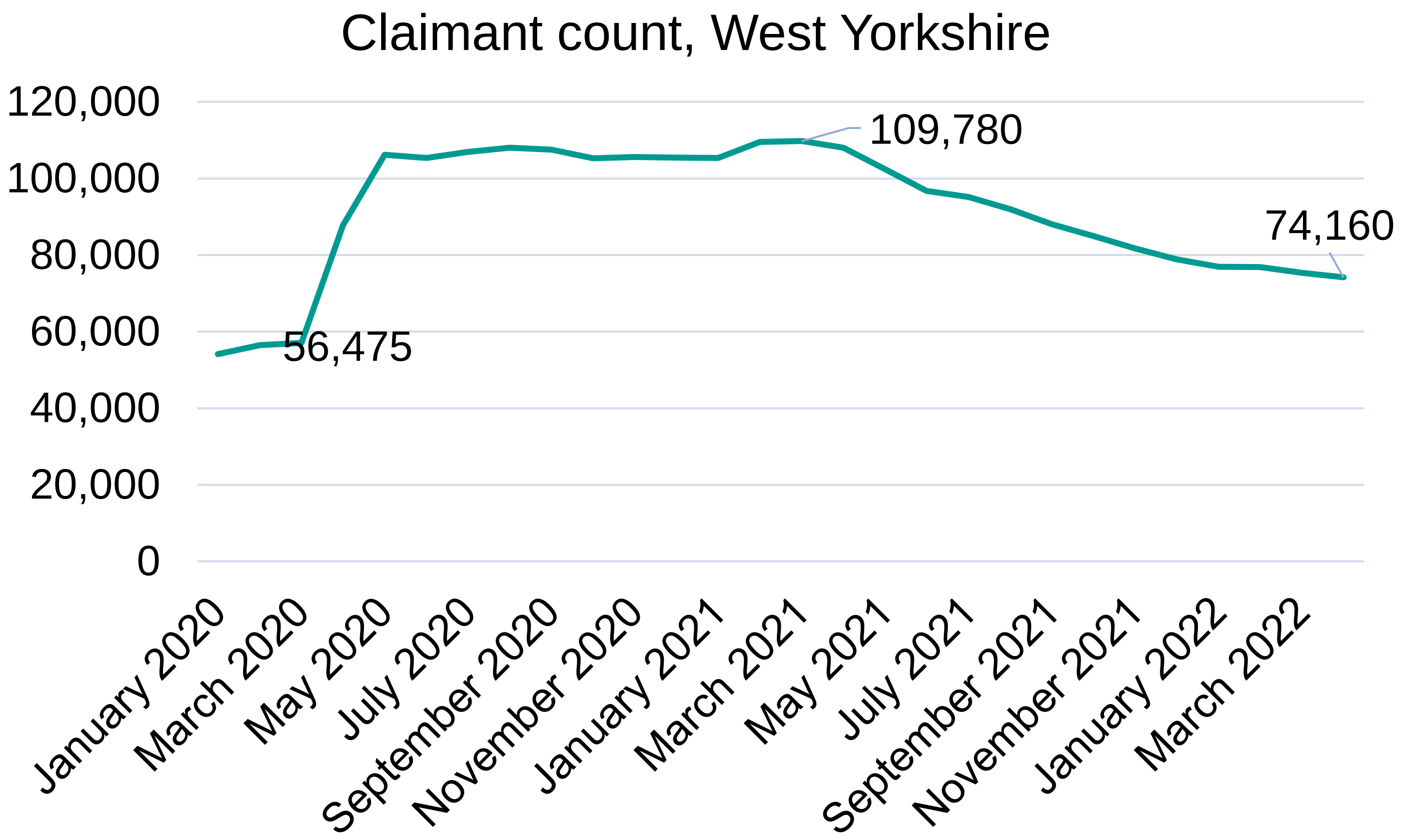
The number of employed people on Universal Credit has more than doubled since the start of the pandemic (including growth of 6% in last year) and now accounts for 38% of all those claiming the benefit. This is partly because policy changes have allowed people with higher earnings than previously to be eligible for Universal Credit.



Source: ***DWP, Stat-Xplore***

Unemployed claimant count continues to fall at a gradual rate

The latest claimant count figures for West Yorkshire, which relate to the number of people on out-of-work benefits, show a decline of 1,200 (-2%) between March and April 2022. The count remains 31% (17,700) higher than pre-pandemic (February 2020).

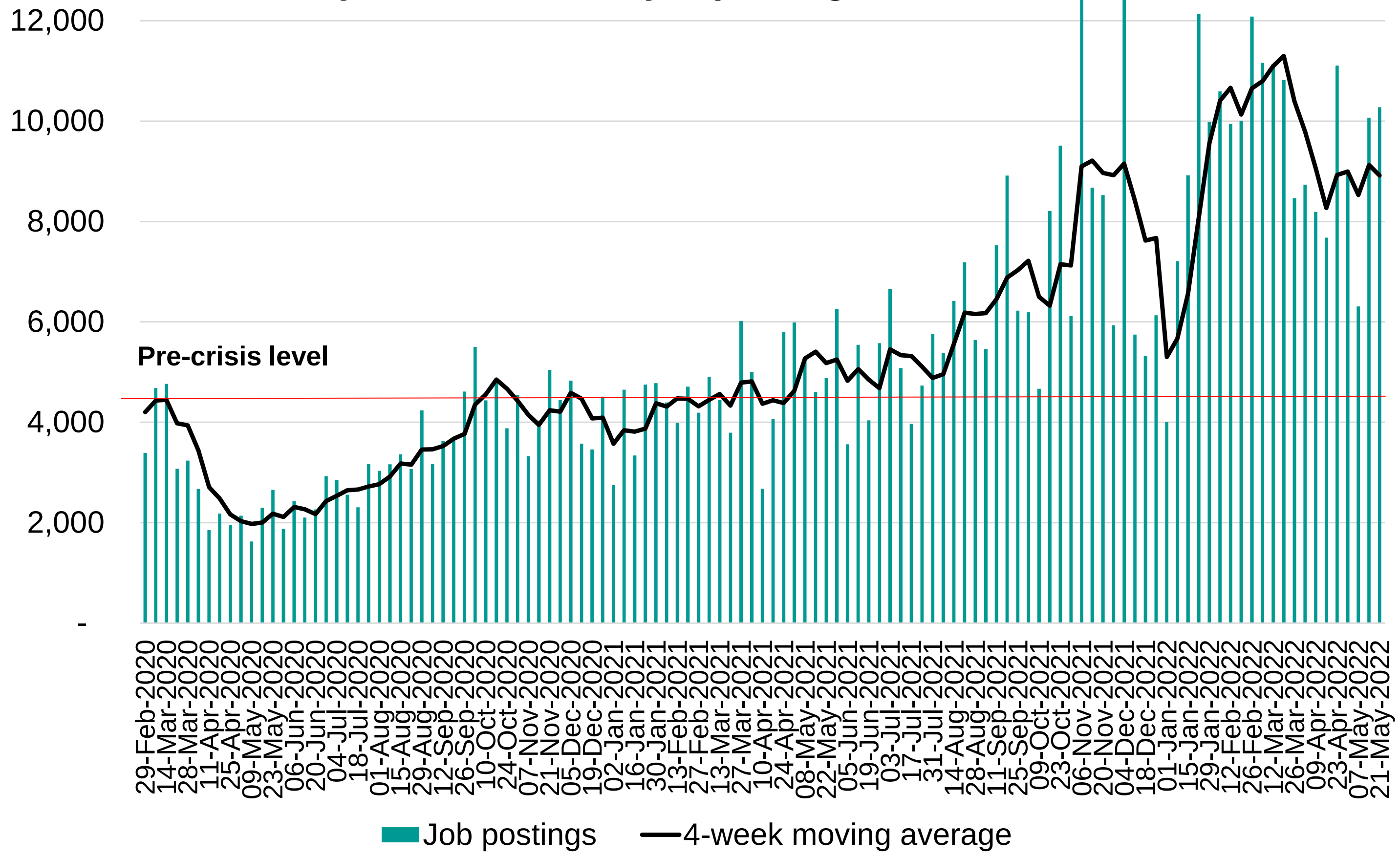


Source: *NOMIS*

The weekly count of vacancies (online job postings) in West Yorkshire has declined from mid-March onwards but remains high in historic terms

During late-February and early March of 2022 the weekly count of job postings in West Yorkshire averaged 10-11,000, which is extremely high in historic terms (weekly average was around 4,000 during 2019). In recent weeks, the level has fallen to around 8-9,000 per week. It’s unclear whether this change reflects the wider economic context or a correction to very high recruitment levels..

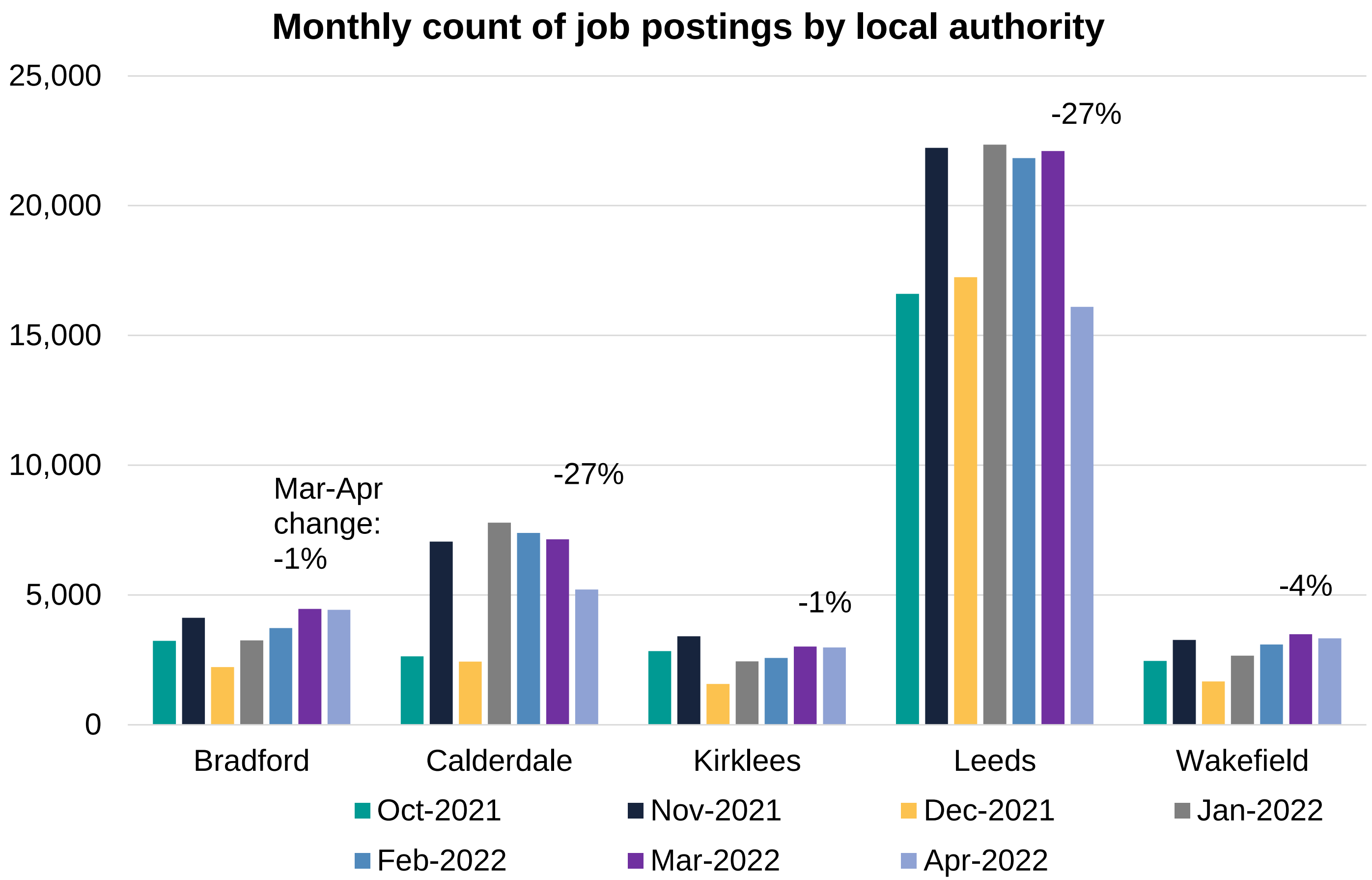
Weekly count of online job postings, West Yorkshire



Source: *Labour Insight*

All five local authorities saw a decline in online vacancies during April – Calderdale and Leeds saw the biggest falls

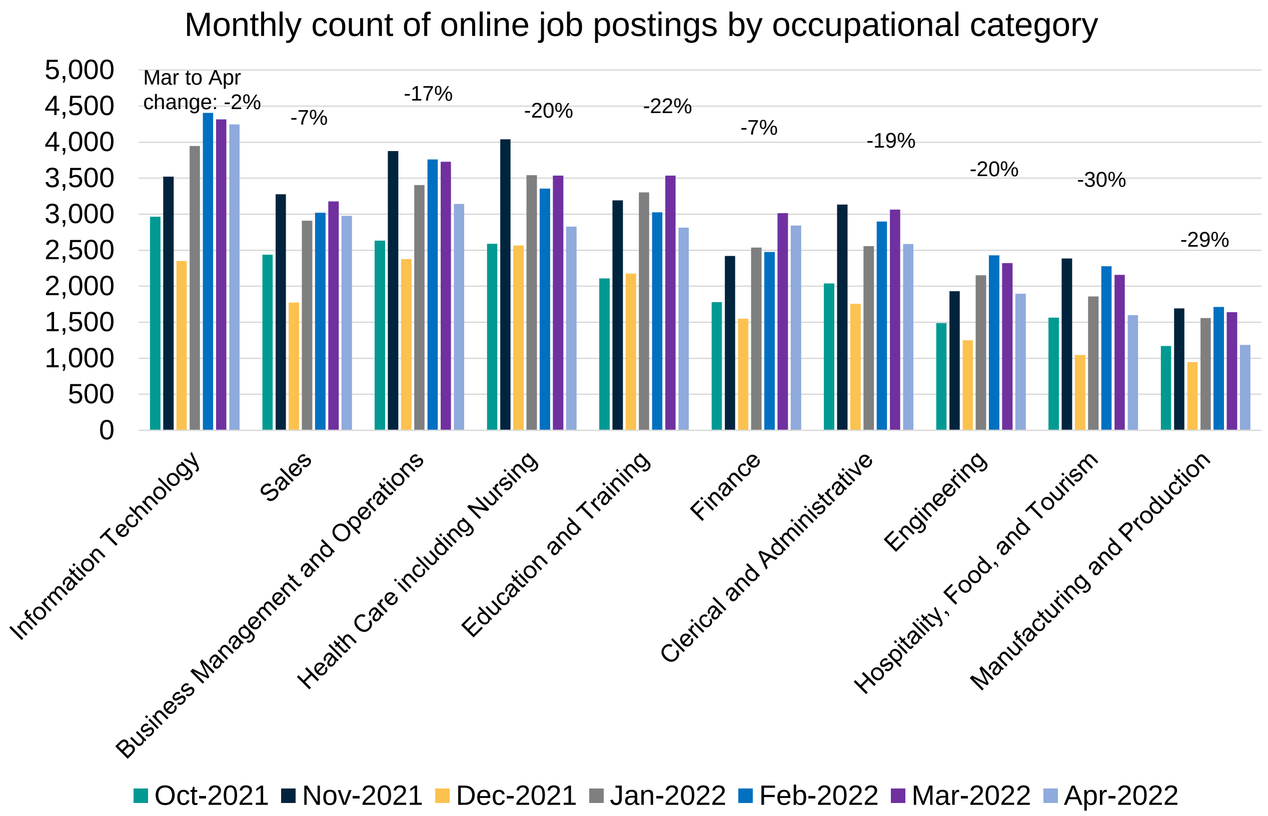
All five local authorities in West Yorkshire experienced a decline in online job postings between March and April 2022. The biggest decreases were in Calderdale and Leeds, whilst the three other local authorities saw modest reductions.



Source: *Labour Insight*

Vacancy declines across all occupational categories during April – biggest percentage fall for *Hospitality, food and tourism*

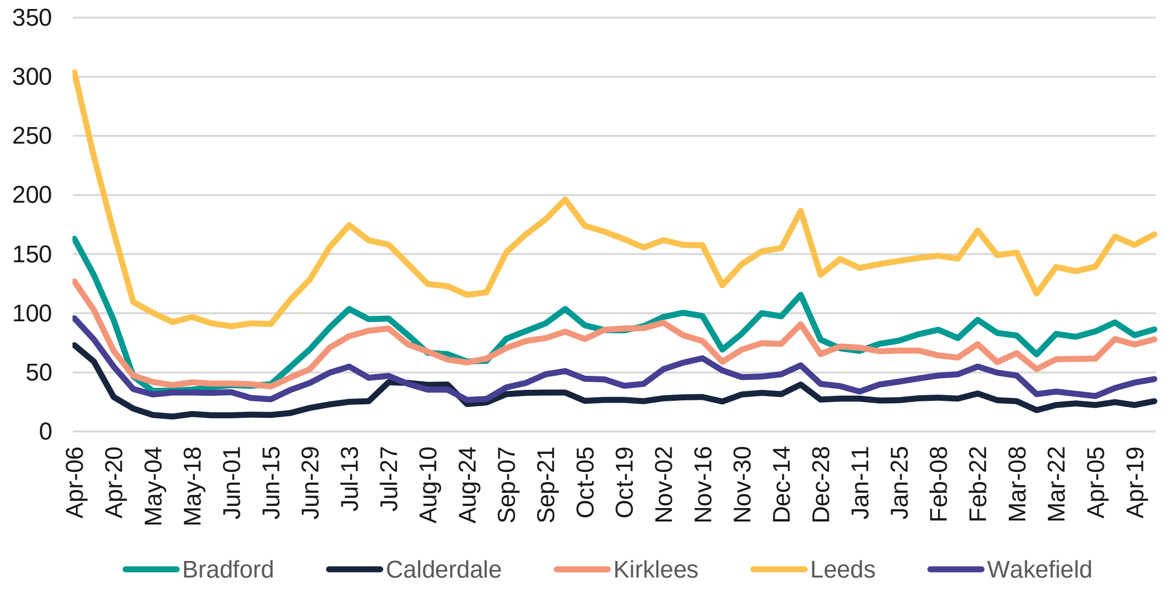
There were declines in the monthly count of job postings across all occupational categories between March and April 2022. The biggest percentage falls, of around 30%, were for Hospitality, food and tourism and Manufacturing and production, which could reflect increased input costs for businesses and decreased discretionary spending for individuals. Some categories, including Information technology and Finance saw much smaller reductions.



Source: *Labour Insight*

Business liquidations have been trending upwards throughout 2022

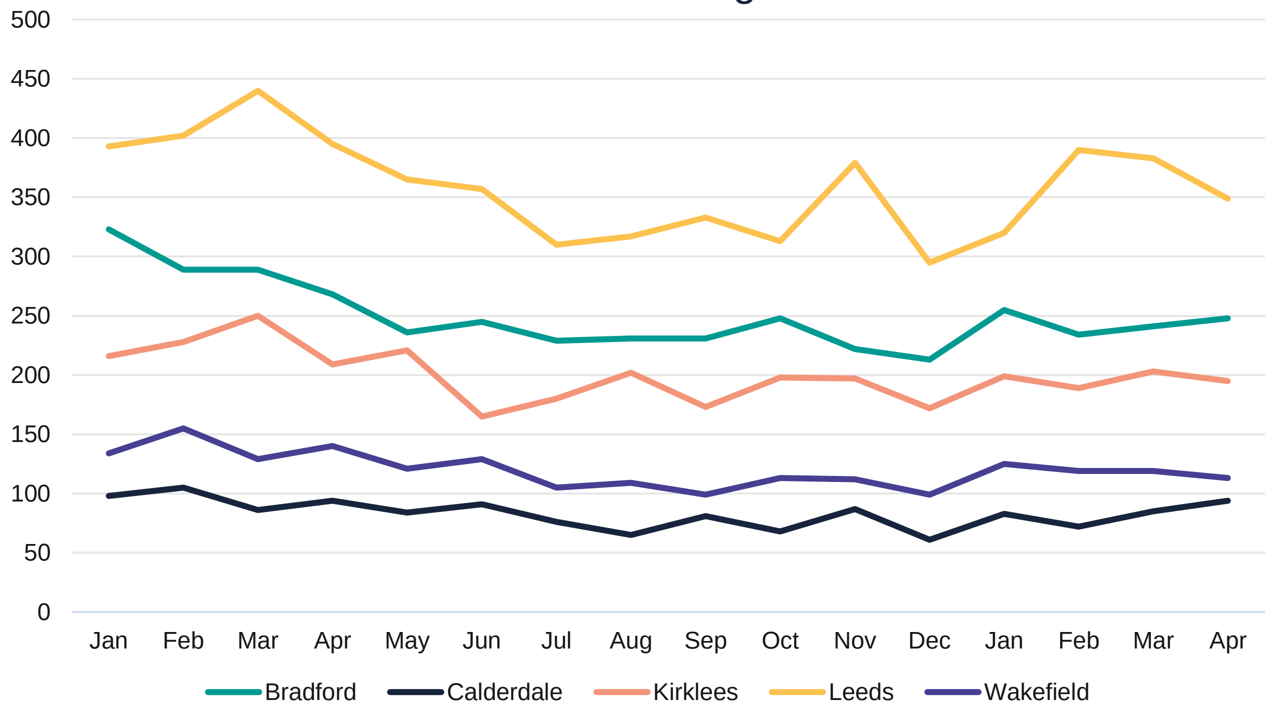
Up to the week ending April 26 2022, the four-weekly moving average for business liquidations was 401, up from 354 in the four weeks to January 4 2022. This is considerably lower than the 763 in the four weeks to 6 April 2021, but the upward trend is concerning. The ongoing cost pressures, particularly for energy intensive businesses, will put increased pressure on cash flow within businesses, and may lead to further liquidations.



Source: *FAME, Bureau van Dijk, 2022. Analysis based on company registration address, location of activity may differ in some cases.*

Q1 2022 saw a spike in business bank account openings across West Yorkshire

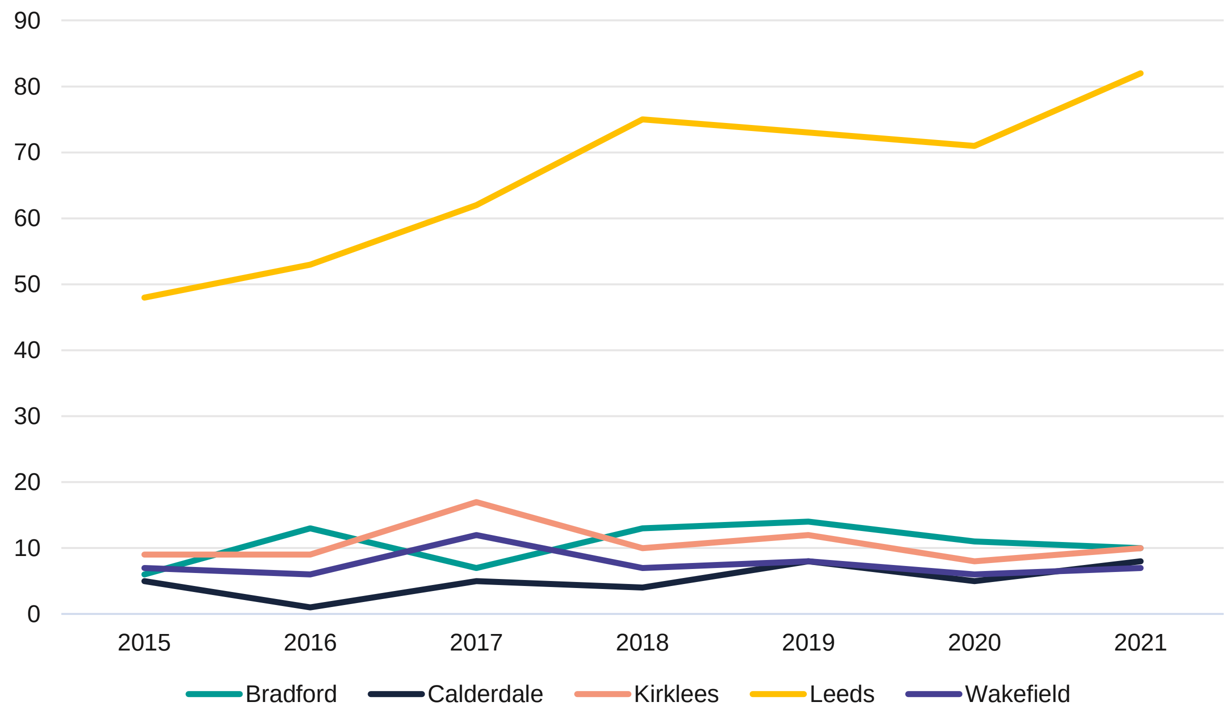
In Q1 2022, 3,017 business bank accounts were set up, compared with 2,777 in Q4 2021. 999 accounts were set up in April 2022, which is down on April 2021 figures, but is up on all months in Q4 2021. The strong growth in 2022 might reflect the ongoing cost of living crisis, leading to people seeking alternative methods to earn money. This phenomenon occurred during past recessions and increases in the cost of living.



Source: *BankSearch*

Equity deals in West Yorkshire have increased each year, barring 2020. Investment has totalled £1.4bn since 2015 across over 700 deals

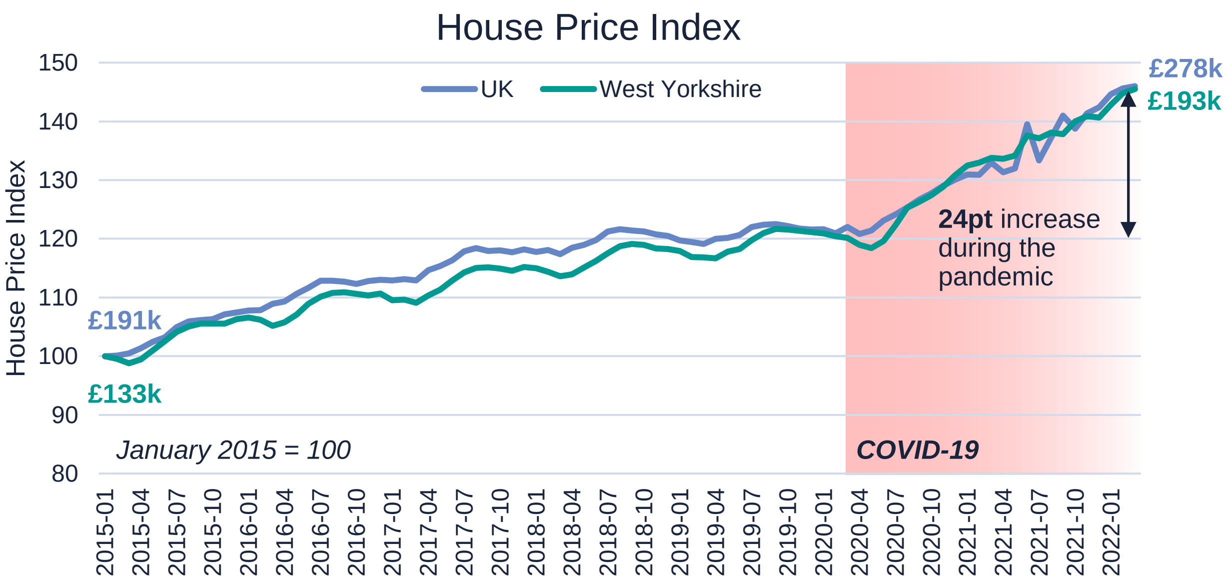
The number of equity deals involving West Yorkshire businesses has increased from 75 in 2015 to 117 in 2021. The bulk of this increase was driven by Leeds-based companies, which saw deals increase from 48 to 82 in the same period. There have been 39 deals so far in 2022, worth £144m.

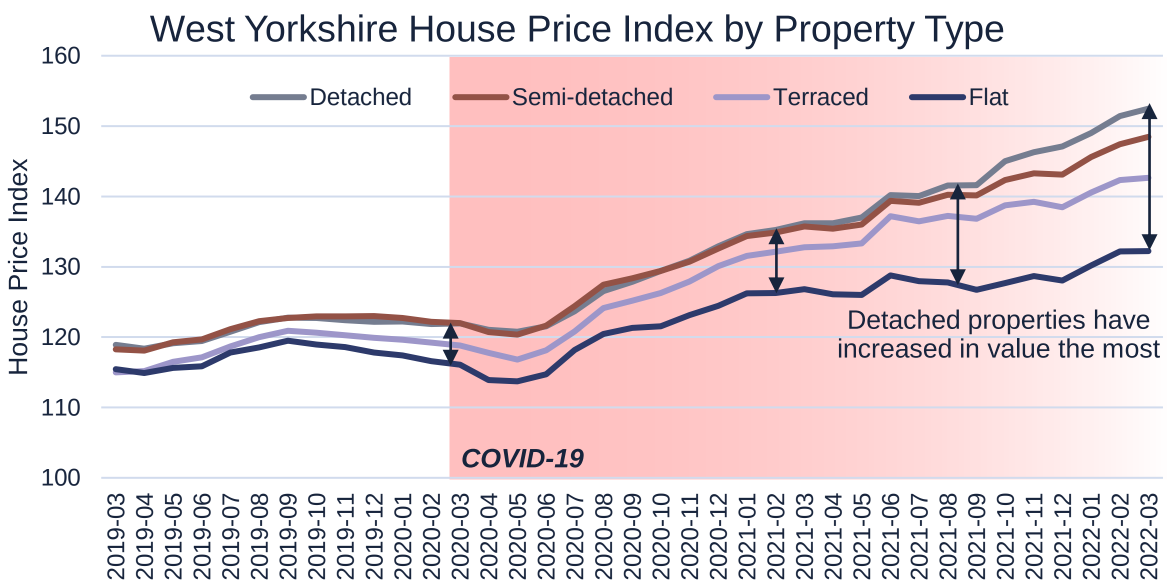


Source: *Beauhurst*

House prices reach another record high with the greatest growth in larger properties

House prices reached another record high in March 2022 (latest data) with the average property price in West Yorkshire now £193,479 (compared to £278,436 in England). The house price index for West Yorkshire recorded a 24 point increase since the start of the pandemic (March 2020), with a similar picture across England as a whole (left chart). This change is notable, as its greater than the house price growth that occurred during the previous 5-year period (left chart). Importantly, house price growth over the pandemic has been uneven, with detached properties increasing in value at twice the rates of flats/maisonettes (right chart). Key drivers of this change are the demand for space (both indoor and outdoor) and demand for properties in more suburban and rural locations as workers adapt to more frequent home working.



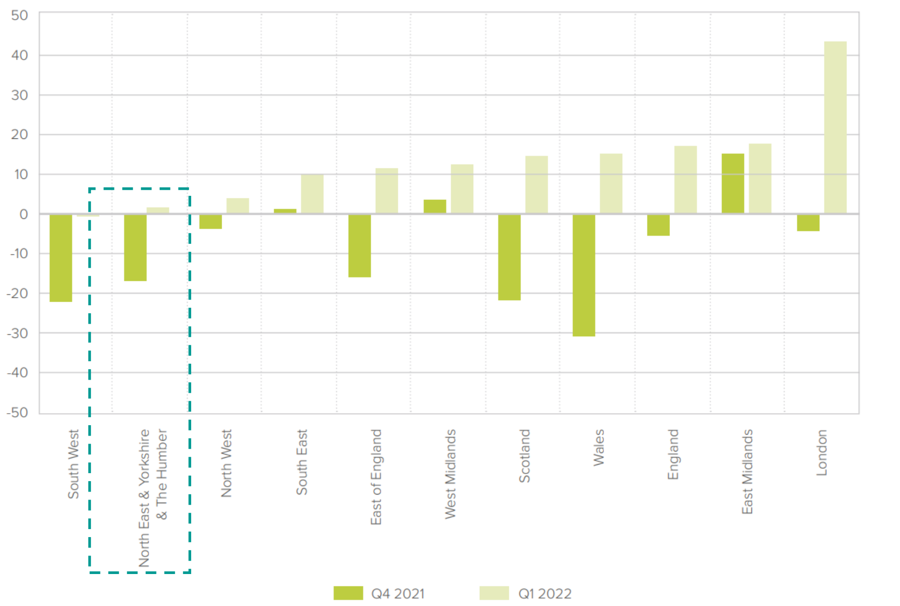


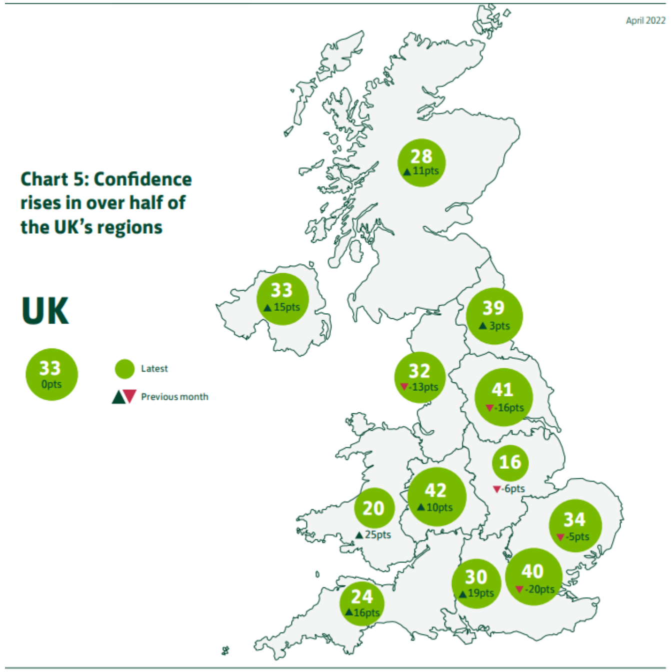
Source: *HM Land Registry*

There is a lot of volatility in confidence among businesses across Yorkshire

According to Lloyds' Business Barometer, confidence declined by 16 points for businesses across Yorkshire & the Humber, but confidence remains generally higher than other regions. The FSB's Voice of Small Business Index showed confidence increasing between Q4 2021 and Q1 2022, but levels remain considerably lower than other regions. The economic situation is volatile at the minute, so we will continue to monitor different confidence indices going forward.

Figure five: FSB Small Business Index – regional variation in small business prospects over coming three months
Source: FSB - Verve 'Voice of Small Business' Panel Survey



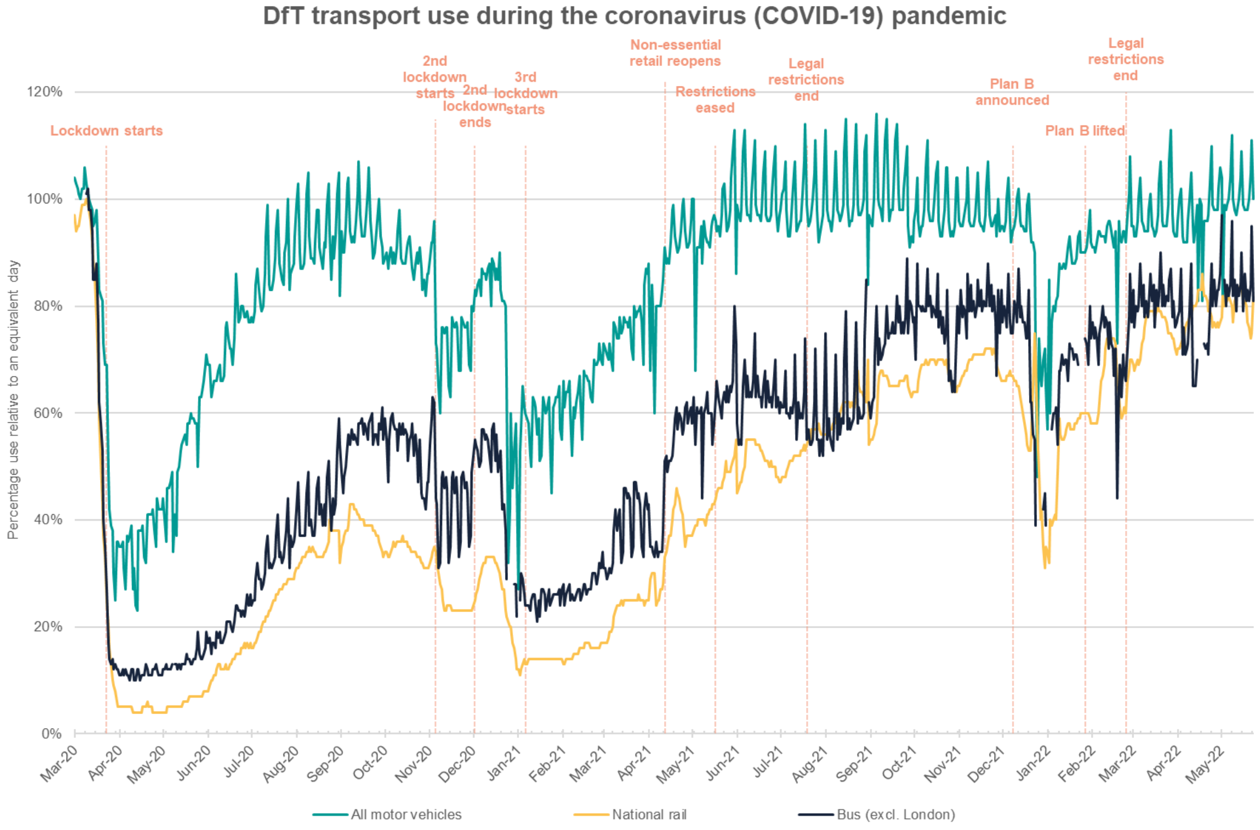


Source: *FSB Voice of Small Business Index, National Federation of Self Employed & Small Businesses & Business Barometer: April 2022, Lloyds Bank*

Transport Insights

National road usage has recovered, bus and rail lagging

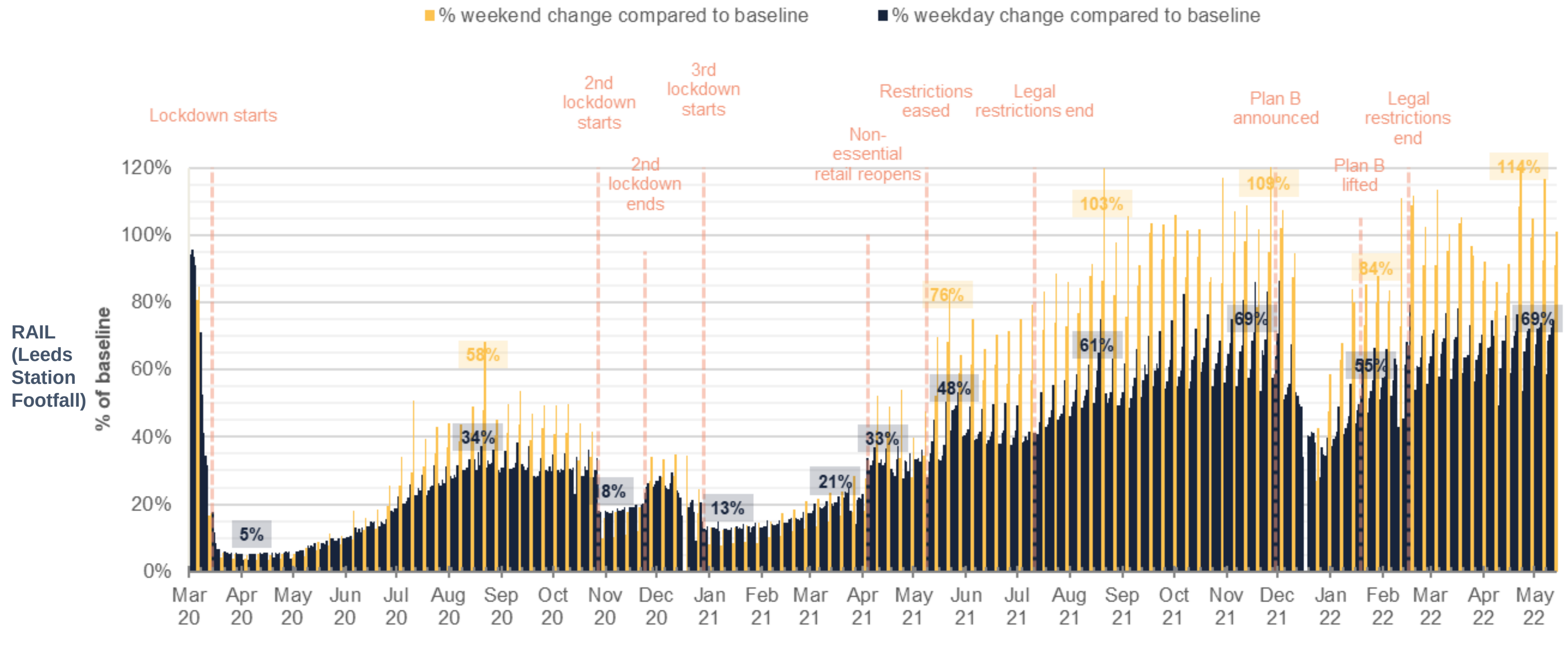
Nationally, motor vehicle use has returned to around pre-pandemic levels with weekend usage exceeding baseline conditions. Bus use outside London is stable at over 80% of pre-pandemic usage with weekend levels near 100%. Rail usage has settled around 80%.



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

Rail footfall shows a gradual weekday recovery

The average weekday footfall at Leeds rail station is currently at the same level as the previous pandemic peak in late 2021. This suggests a slow recovery since legal restrictions ended. Average weekend levels fluctuate substantially, with a recent record at 114% of baseline conditions reached.

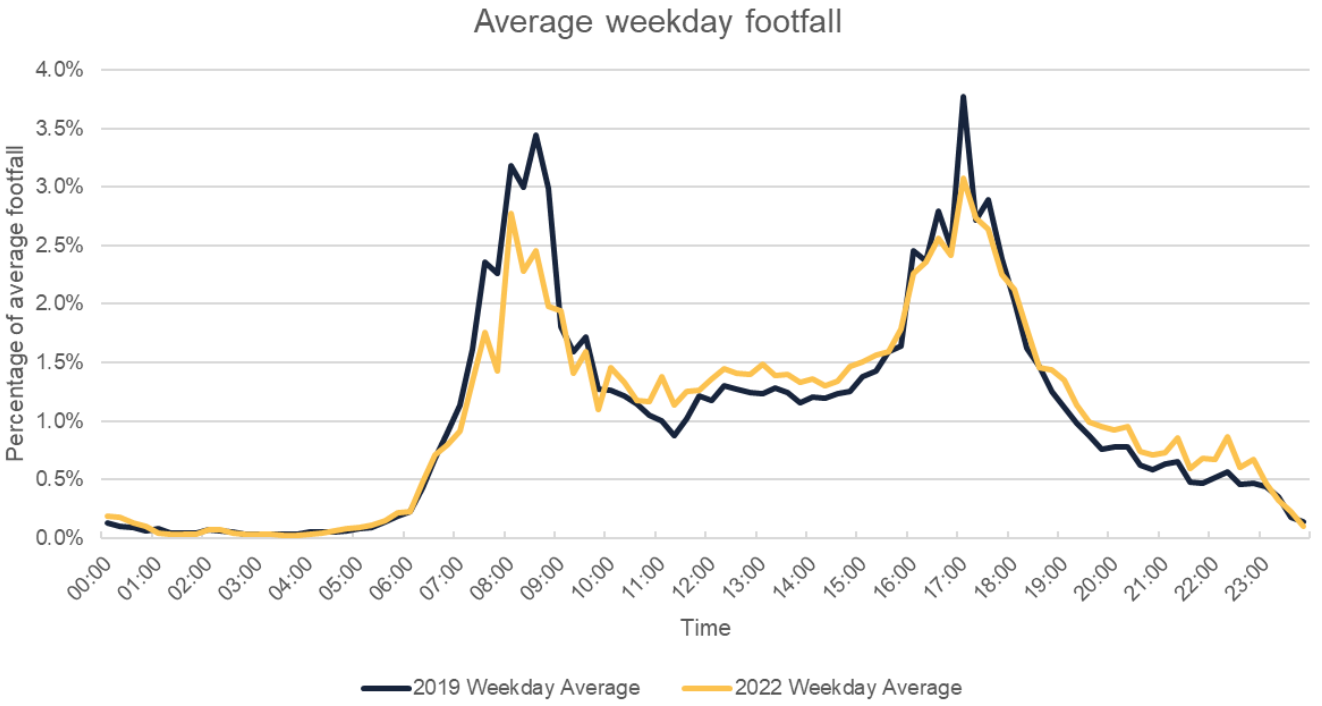


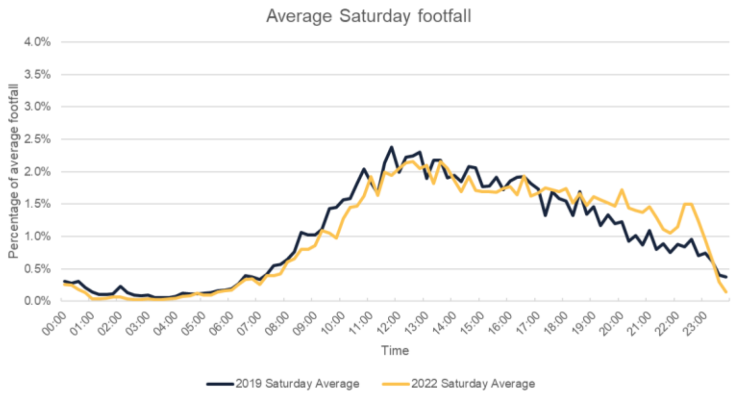
Baseline period is Monday 2nd - Friday 6th March 2020 (weekdays) and 29th Feb -1st March and 6th-7th March (weekends)

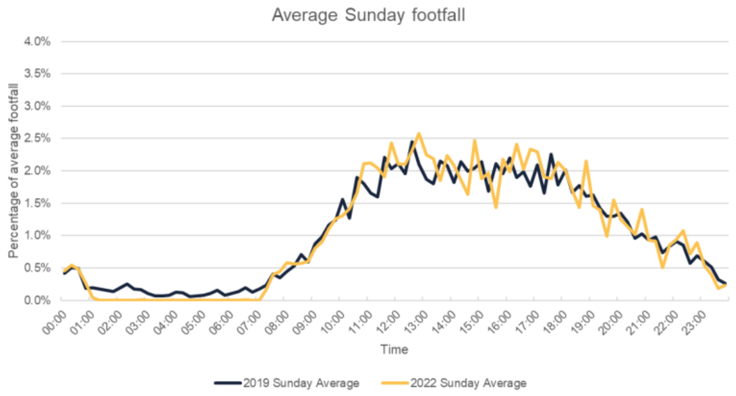
Source: *Leeds Rail Station Footfall - Network Rail*

Rail footfall sees a higher level of activity outside traditional peaks

Comparing a four week block covering early May 2022 against 2019 shows average weekday footfall following the same broad profile, with some notable differences. Both AM and PM peaks have a lower share, suggesting that a higher proportion of travel is more spread through the day. Additionally, the AM peak occurs earlier. There is now more travel in the middle of weekdays and the evenings. Saturdays show more travel later in the day, while Sundays show variance around the same pattern.







Source: *Leeds Rail Station Footfall - Network Rail*
Four week blocks commencing 29th April 2019 and 25th April 2022, bank holiday Mondays removed

Bus passenger volumes continue to show marginal growth outside of holidays

Bus ticket machine data continue to reveal marginal growth in patronage outside of holidays. The week commencing 09 May has the highest use since the start of the pandemic. Since Easter weekday use by Under 26 / Students has been lower than reached in March while use by each cohort is substantially higher than it was at the start of May 2021.

Passengers per weekday before COVID

Adult
221,000

Under 19
101,000

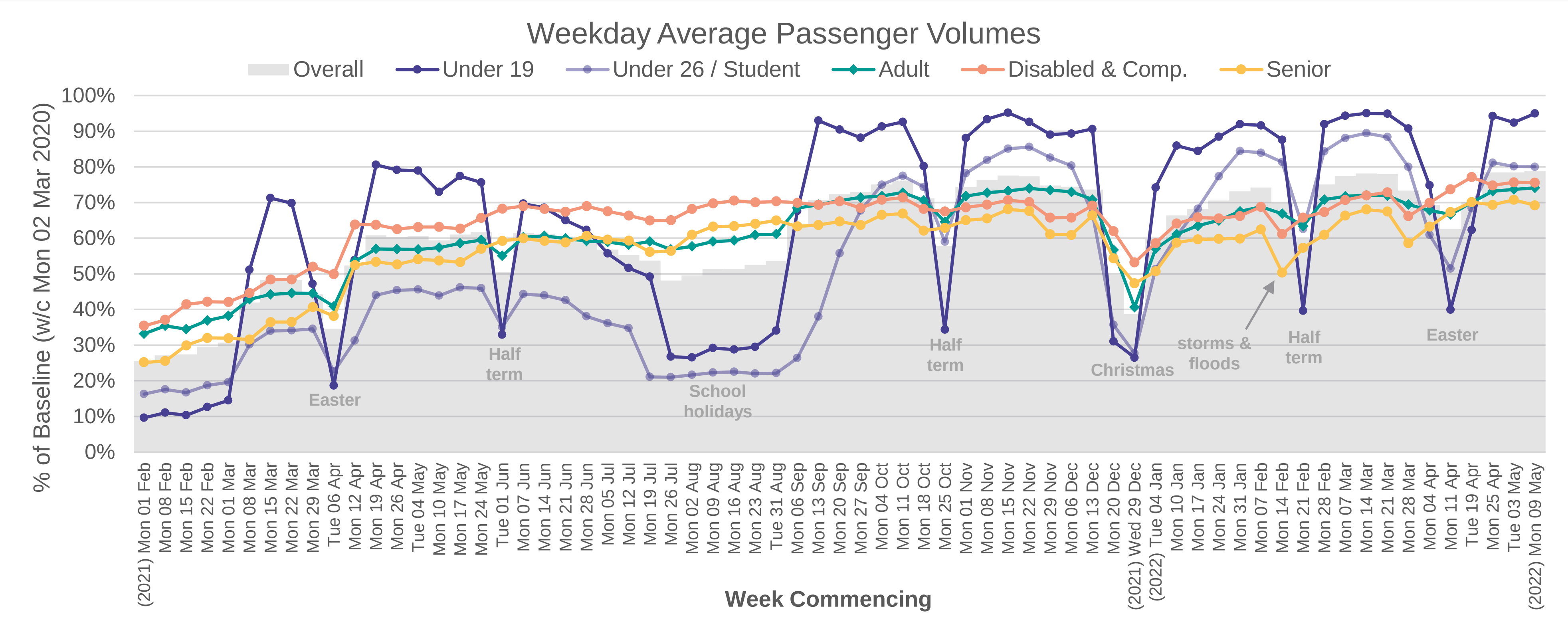
Senior
74,000

Under 26 / Student
34,000

Disabled & Companion
29,000

Miscellaneous
9,000

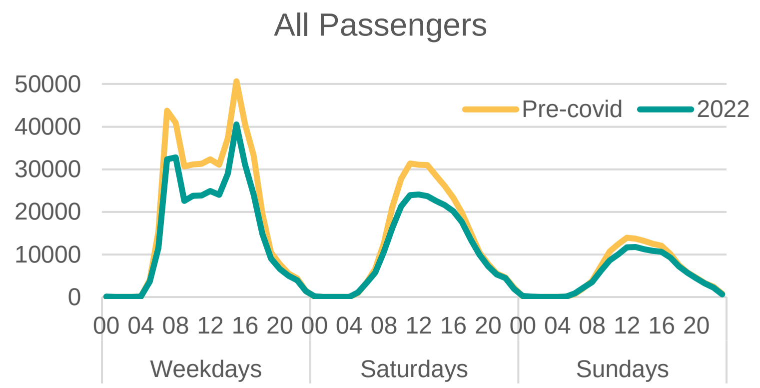
Data from First, Arriva, Yorkshire Tiger and Transdev

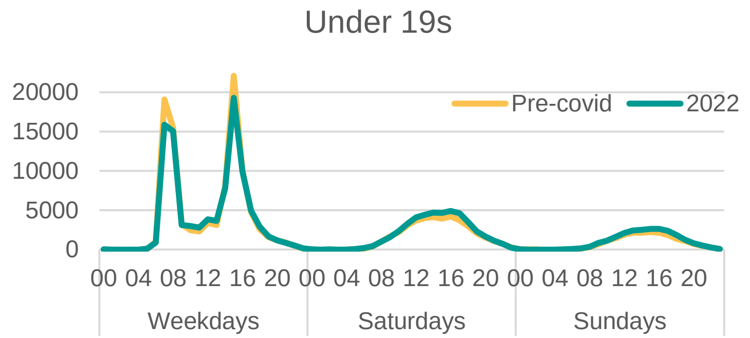


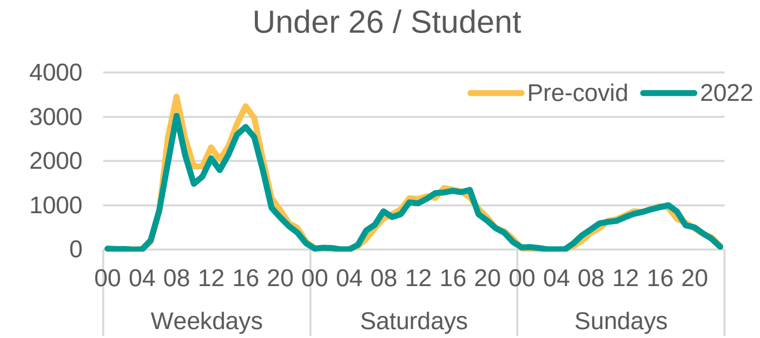
Source: *Baseline period is w/c Mon 02 Mar. Source: Bus operators electronic ticket machine data, passenger boarding locations in West Yorkshire. First, Arriva, Yorkshire Tiger and Transdev account for over 90% of bus services in West Yorkshire. Graph shows First, Transdev and Yorkshire Tiger data. Data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

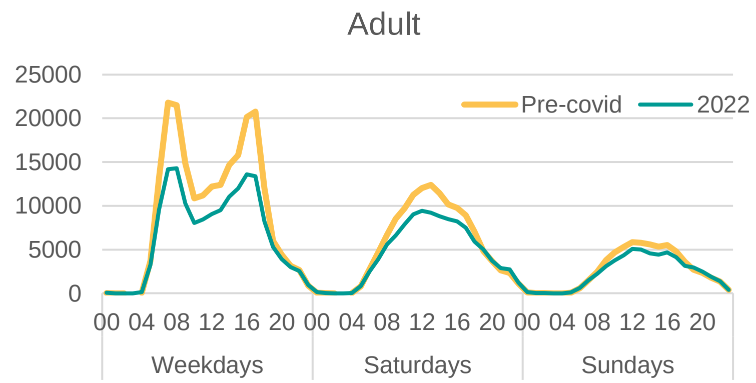
Daily bus use patterns are similar to pre-pandemic, but with reduced magnitude at peak times

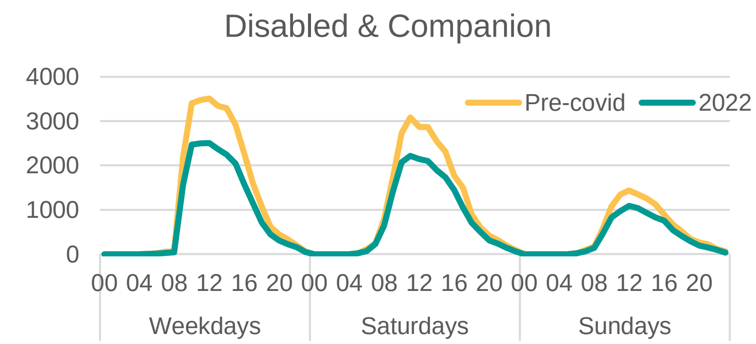
Overall bus use follows a similar pattern in mid-March 2022 as it did in early March 2020. There are still clear morning and afternoon peaks at traditional times, though as a proportion of the interpeak they are less.

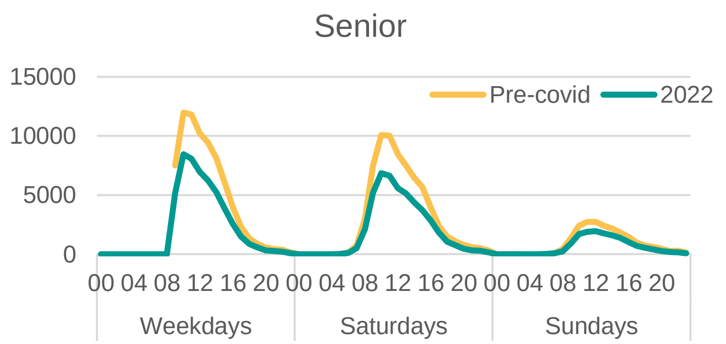












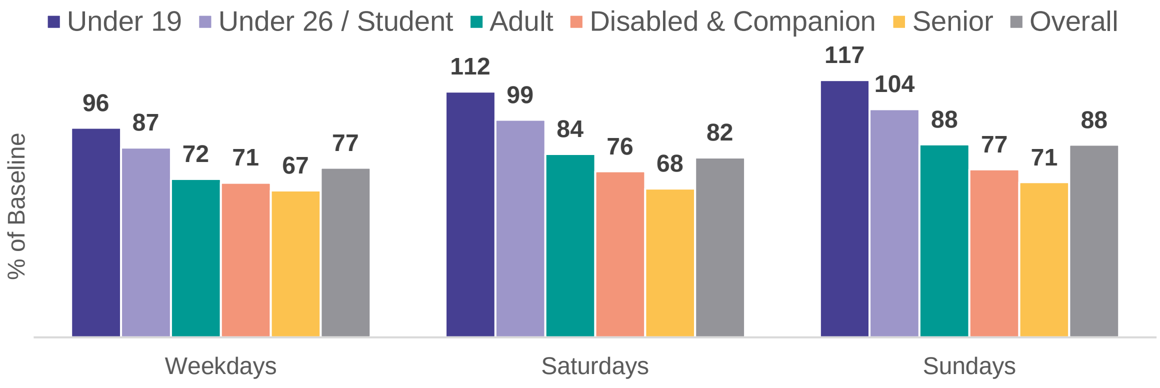
Source: *Ticket machine data from First, Arriva, Yorkshire Tiger and Transdev. Pre-COVID-19 data from 01 to 07 March 2020, Recent data from 06 to 19 March 2022.*

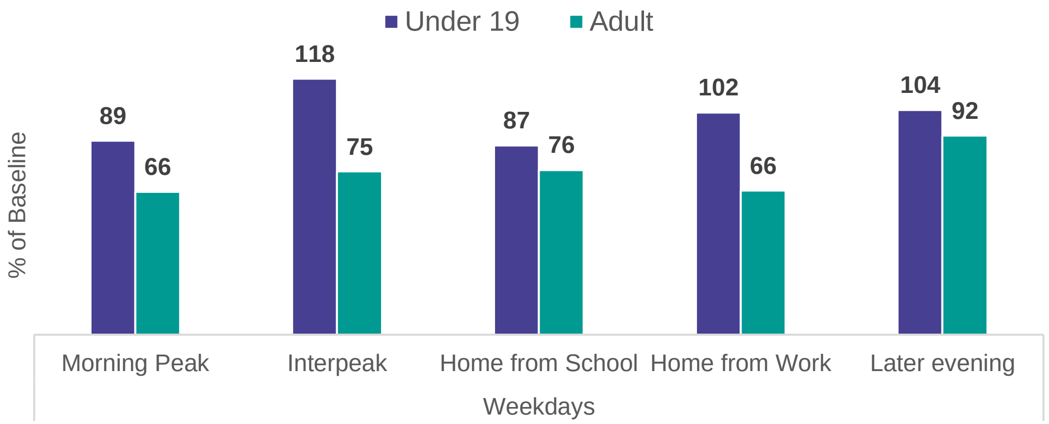
Bus use recovery has been stronger during off-peak hours and weekends

Comparison of weekdays and weekend bus use relative to pre-pandemic, reveals a greater recovery in all cohorts at weekends, particularly Sundays (left chart).

Examining weekdays further, off-peak bus use has recovered more than the peak hours. Bus use by Adults in mid-March 2022 was only 66% of baseline in the traditional travel to and from work hours compared with 75% in the interpeak and 92% in the later evening (right chart).

Bus use by under 19's in the morning peak (travel to school) after afternoon peaks (return from school) was 89% and 87% of baseline levels respectively, whilst exceeding 100% of baseline levels at other times. Reference to previous slides show the baseline levels.

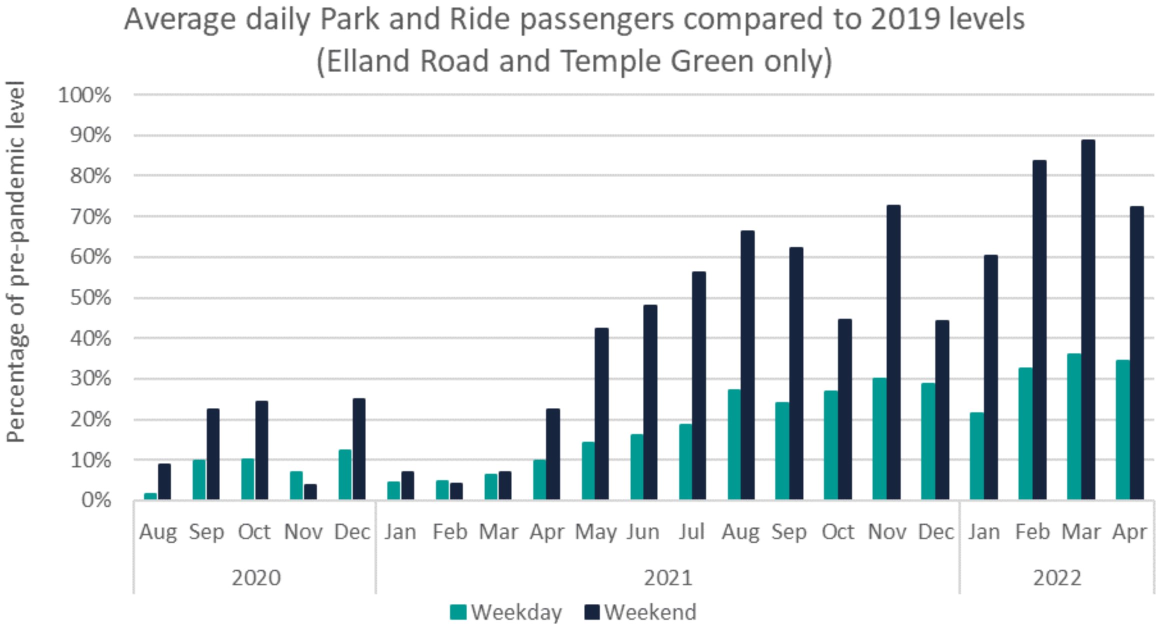


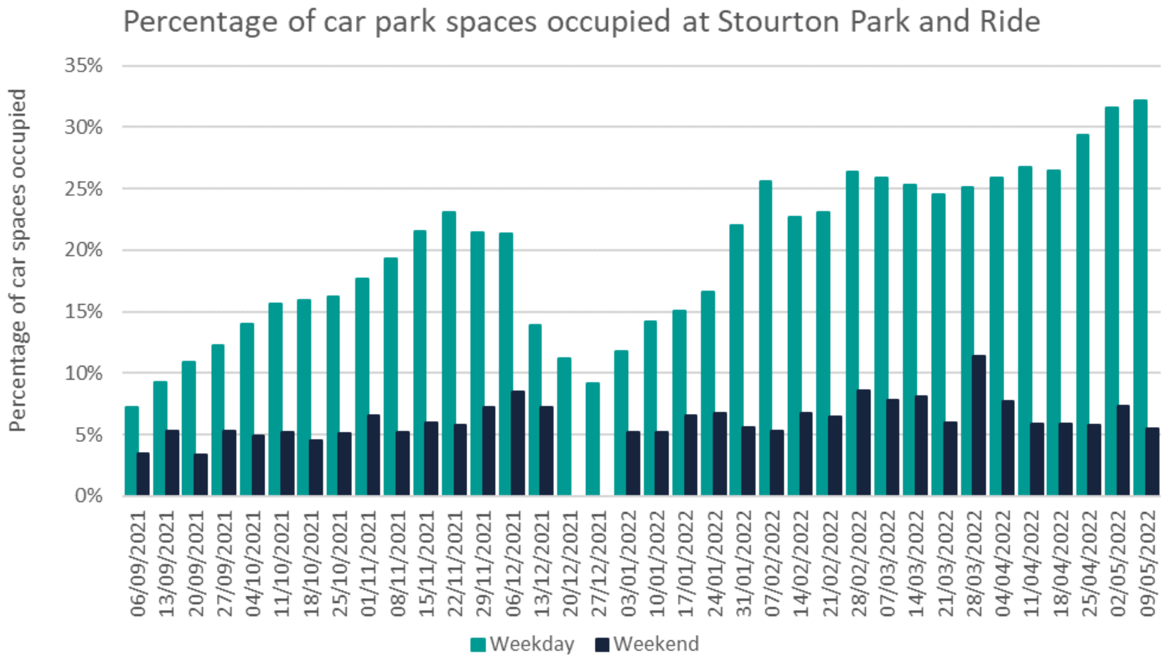


Source: *Ticket machine data from First, Arriva, Yorkshire Tiger and Transdev. Pre-COVID-19 data from 01 to 07 March 2020, Recent data from 06 to 19 March 2022.*
Illustrated times of Day: *Morning Peak 0700 to 0859, Interpeak 1000 to 1359, Home from School 1500 to 1559, Home from Work 1600 to 1859, Later evening 1900 to 2359*

Park and ride passenger numbers have recovered more at weekends compared to weekdays

Total Park and Ride passenger numbers are currently at about 50% of pre-pandemic levels, however, this includes passengers using Stourton which has only been open since September 2021. When looking only at the two sites open before the pandemic, average daily passenger numbers on weekdays in March 2022 (the last month when full data is available) were only 36% of levels in March 2019 but had recovered to 89% on weekends. Stourton Park and Ride is currently only 30% full on weekdays, but has shown steady growth since opening (except over the Christmas period during the Omicron wave). Usage at weekends appears steady over the last few months.

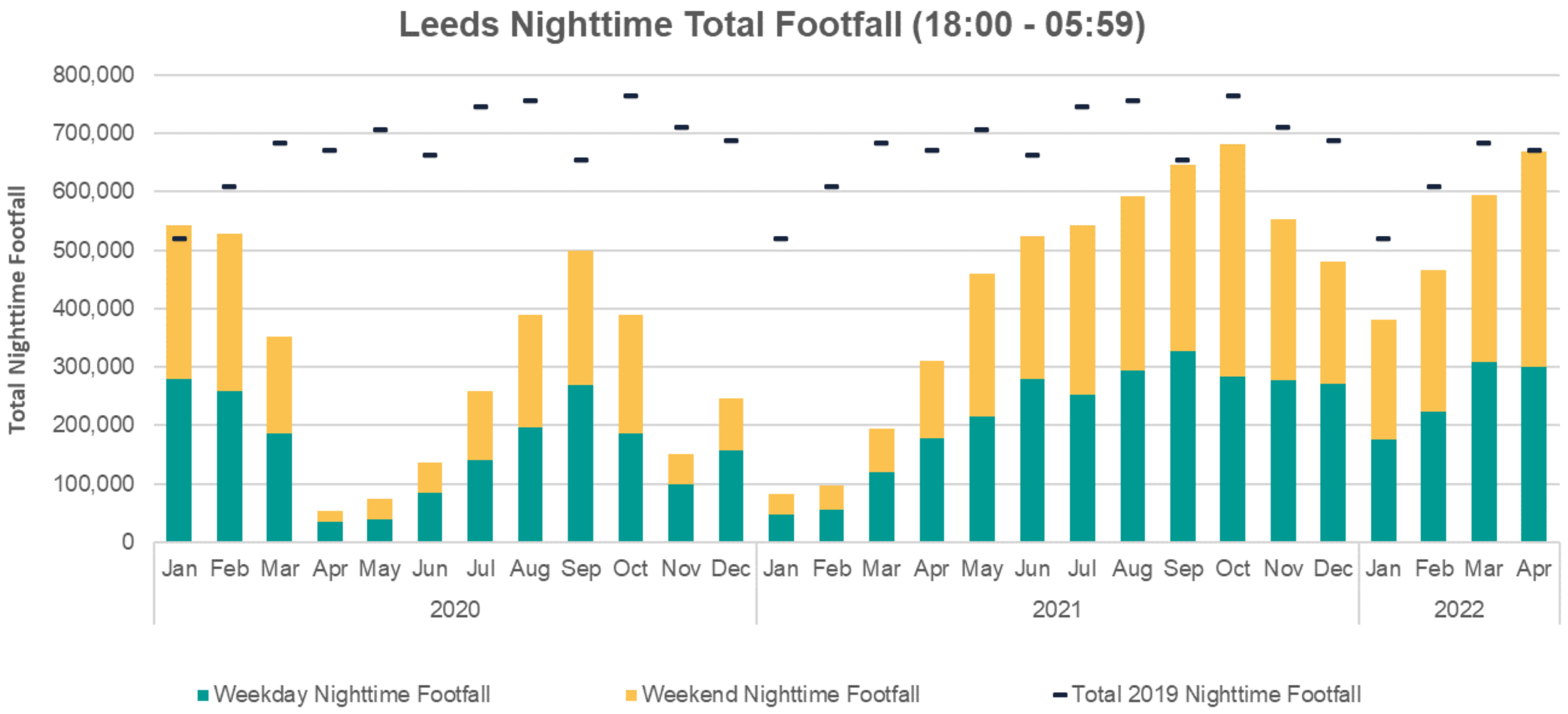




Source: *Park and Ride Operators*

Leeds centre night time footfall reached pre-pandemic levels in April 2022

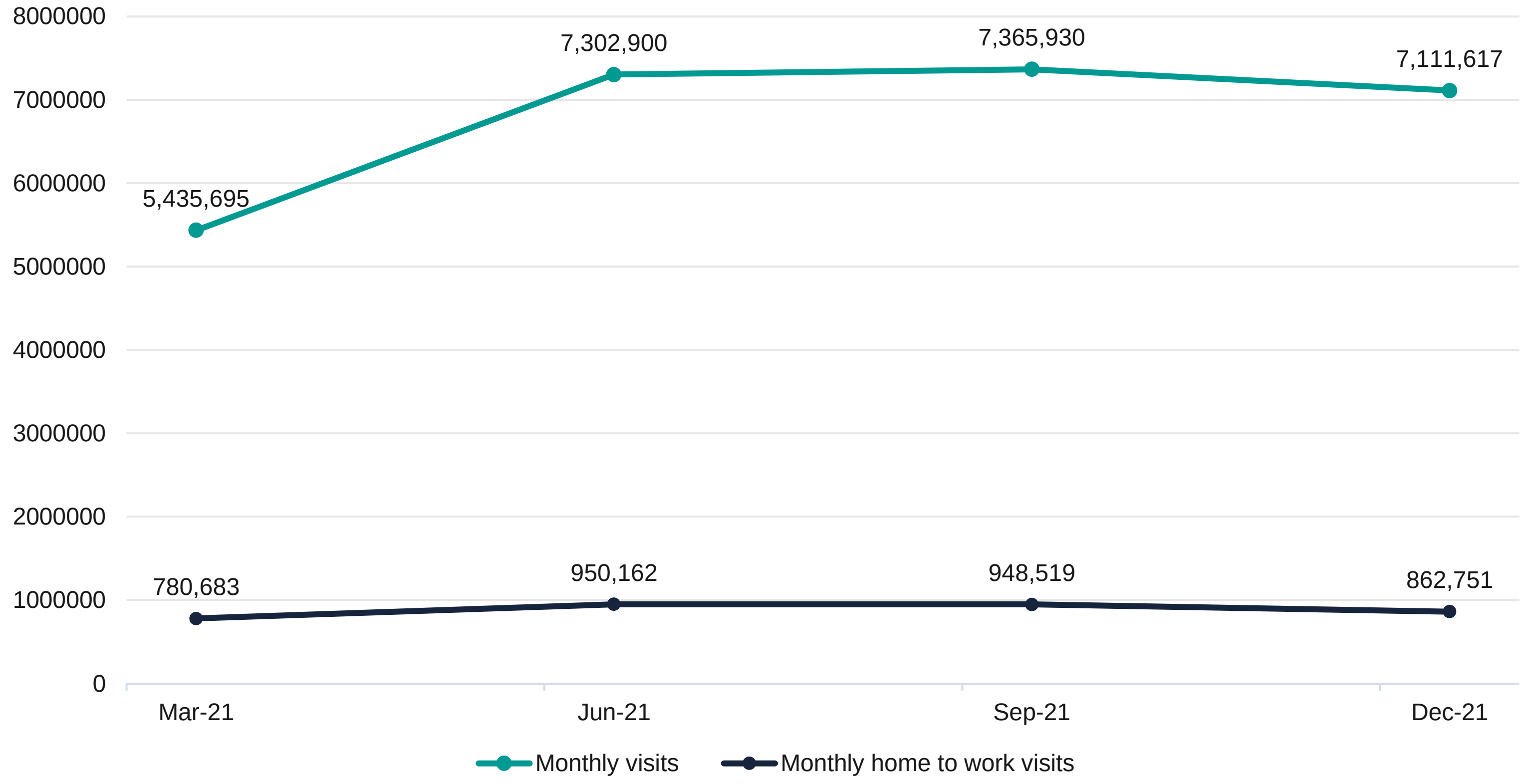
Leeds city centre total night-time footfall reached pre-pandemic levels (2019) in April 2022 having steadily closed the gap since winter.



Source: *Leeds City Council*

Overall visit numbers across West Yorkshire increased significantly after March 2021, with a potential seasonal downswing in December

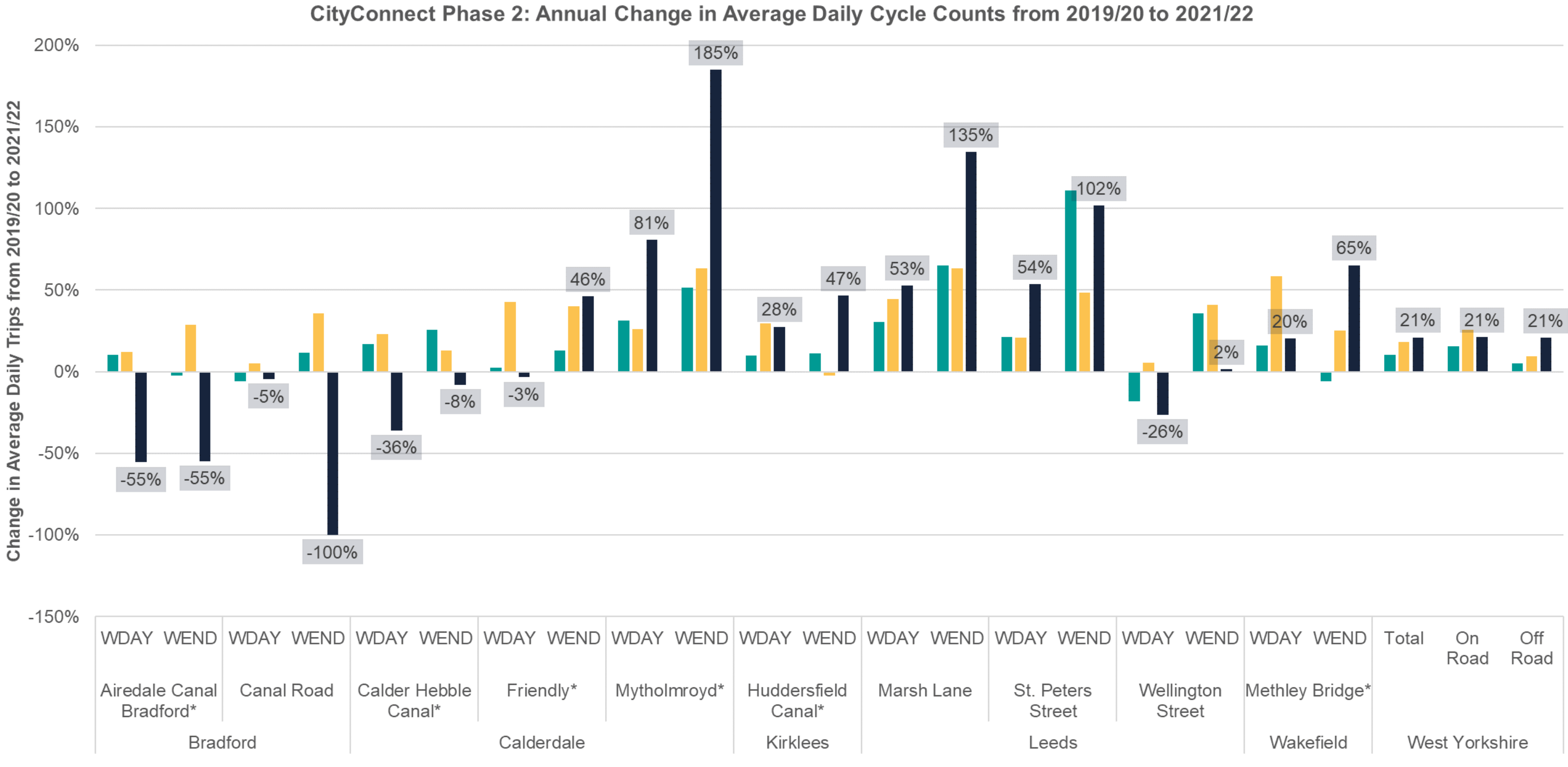
Monthly visit numbers to West Yorkshire increased by 31% over the four quarters of 2021, whilst home to work trips increased by 11%. The three most visited zones across the year were Leeds, Bradford and Keighley. Journeys to Leeds increased by 48% across the year. More time-series analysis will be done as we receive more data covering 2020 and 2022.



Source: *Citi Logik*

Overall cycle counts show growth compared to pre-pandemic levels

Cycle counts show overall growth against pre-pandemic conditions across West Yorkshire, with some of the largest changes at weekends. Cycle counter sites in Calderdale, Leeds and Kirklees and Wakefield recorded the largest increases, whilst Bradford sites recorded a decline. There is no difference between on and off road routes at West Yorkshire level.

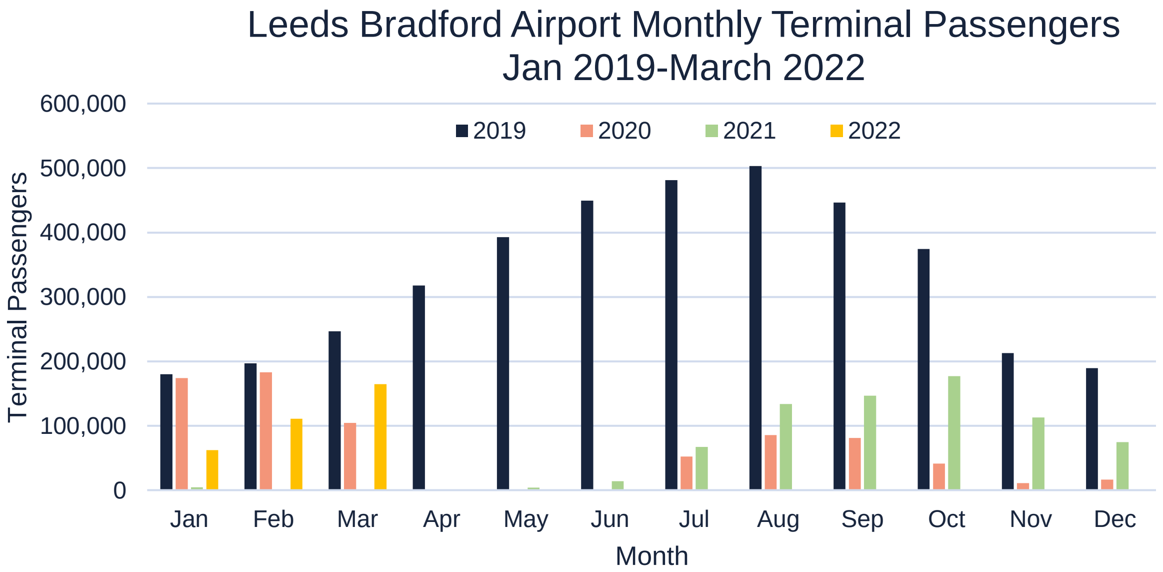


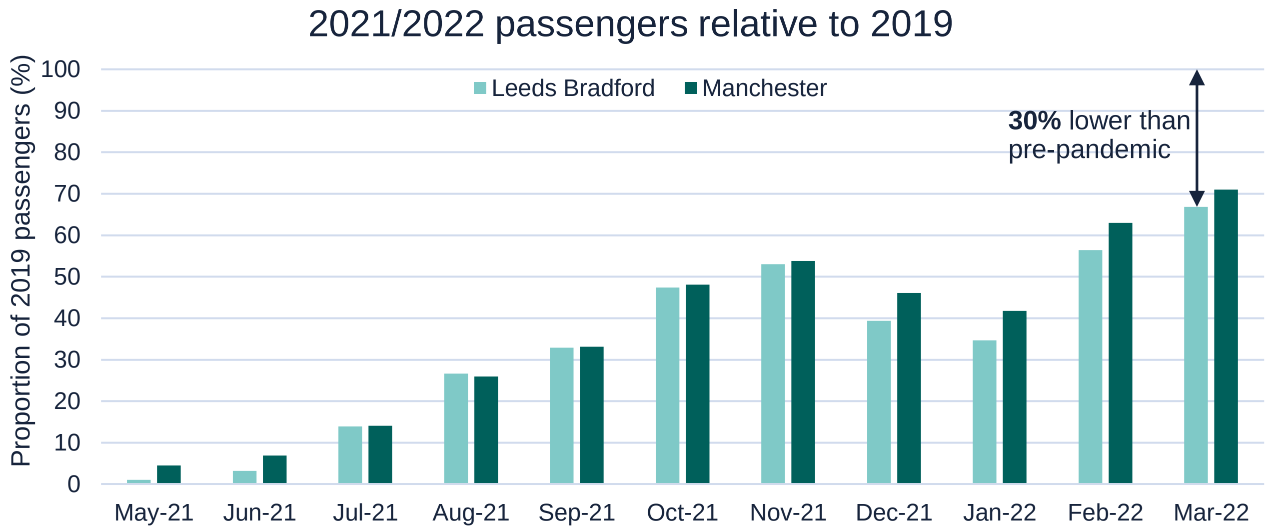
** Denotes cycle counters located on canal towpaths*

Source: *Leeds City Council*

Easing of COVID-19 restrictions drives recovery of Leeds Bradford Airport passenger numbers, but levels remain 30% lower than pre-pandemic

The UK Civil Aviation Authority release monthly passenger figures for all UK airports. The monthly trend of Leeds Bradford Airport (LBA) passenger figures throughout the COVID-19 pandemic is shown below (left chart). Passenger figures for LBA reveal a steady recovery for air travel as COVID-19 restrictions in the UK and other countries have eased. The latest data (March 2022) reveals that terminal passengers at LBA were around 67% of pre-pandemic levels (2019), with a similar picture at Manchester Airport (71%, right chart). The dip in December 2021 and January 2022 reflects the impact of the Omicron variant.





Source: *UK Civil Aviation Authority (Table 9 – Terminal & Transit Passengers)*