



West Yorkshire Economic & Transport Insights Report

West Yorkshire Research & Intelligence Team

8th July 2022

Executive Summary – Economic Insights

- The number of payrolled employees continue to grow, albeit at a slower pace than previous months.
- Vacancies continue to be high, and increased across all five districts and occupational codes throughout May.
- Equity deals look set to be down on previous years, but overall investment is likely to be higher.
- Business confidence has declined across Yorkshire and the Humber.
- House prices local and nationally reached another record high in April but the effect of rising inflation and interest rates may hit the market in the coming months.

Executive Summary – Transport Insights

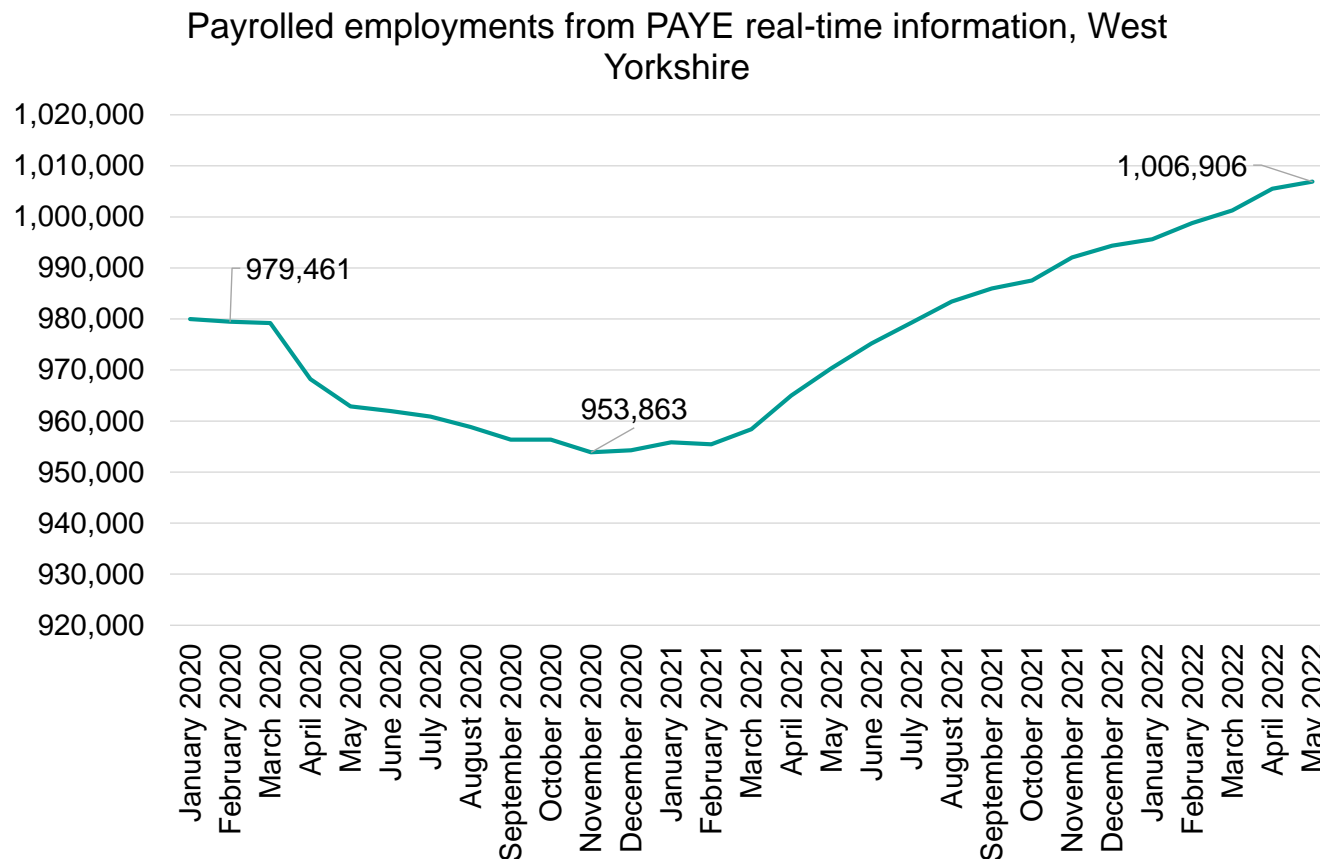
- Nationally, motor vehicle use remains around pre-pandemic levels, whilst rail use exceeded 90% of pre-pandemic levels before being impacted by strike action.
- Average weekday footfall at Leeds rail station fell to 40% of pre-pandemic levels in the week commencing 20th June due to strike action. Strike days saw footfall drop to 22% of the previous weeks levels, whilst the days between strikes (e.g. 22nd June) recorded footfall at 57% the previous weeks.
- Leeds traffic counts show radial traffic volumes haven't yet returned to pre-pandemic levels, and this is particularly true during the AM peak where recent levels remain 22% lower than the equivalent weeks in 2019.
- Bus passenger volumes (First & Transdev only) peaked at just under 80% of pre-pandemic levels in mid-June before the seasonal effect of student exams started.
- In the first half 2022, the number of walking/running trips recorded via Strava was more than double the equivalent period in 2019. The same trend isn't observed for cycling via Strava or via on street-cycle counters which show an overall decline relative to pre-pandemic conditions across West Yorkshire.
- Demand for air travel continues to recover despite the cost of living crisis and rising COVID-19 rates in many of the European destinations served by Leeds Bradford Airport.

Economic Insights



The count of payrolled employees continues to grow, although at a modest rate between April and May

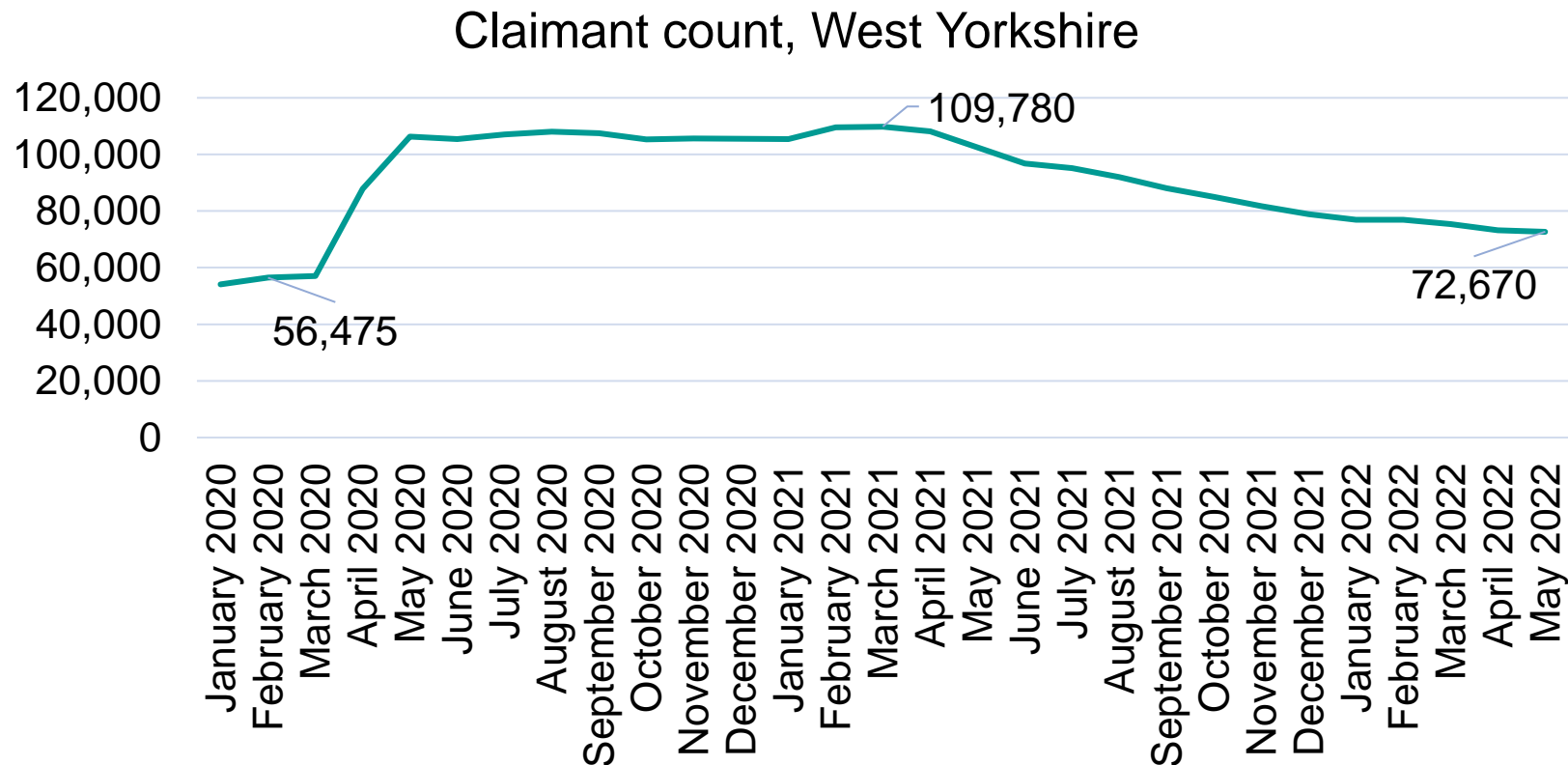
The number of payrolled employees in West Yorkshire grew by 1,600 between April and May 2022 and is now 3% above pre-pandemic levels. Payrolled employee levels are above pre-pandemic levels across all five local districts within West Yorkshire.



Source: HMRC

Unemployed claimant count continues to fall at a gradual rate

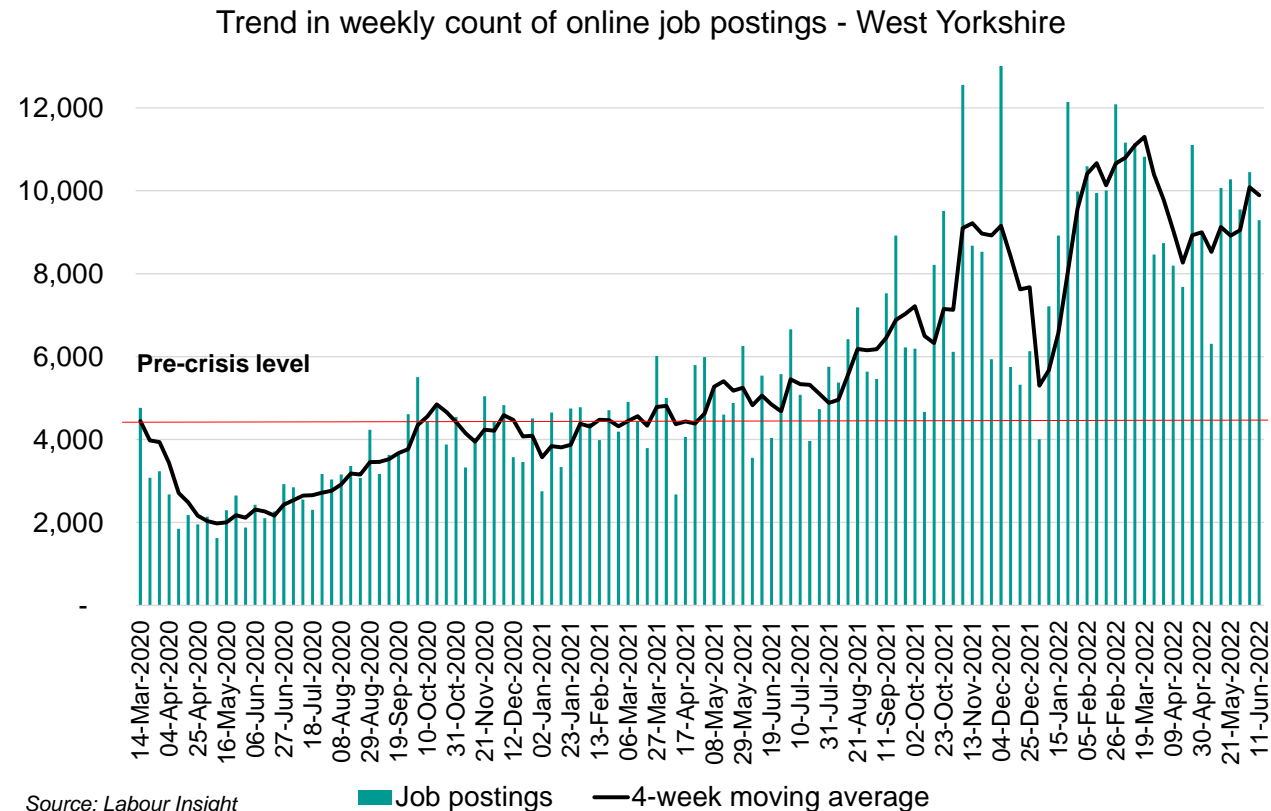
The latest claimant count figures for West Yorkshire, which relate to the number of people on out-of-work benefits, show a decline of 500 (-1%) between April and May 2022. The count remains 29% (16,200) higher than pre-pandemic (February 2020).



Source: NOMIS

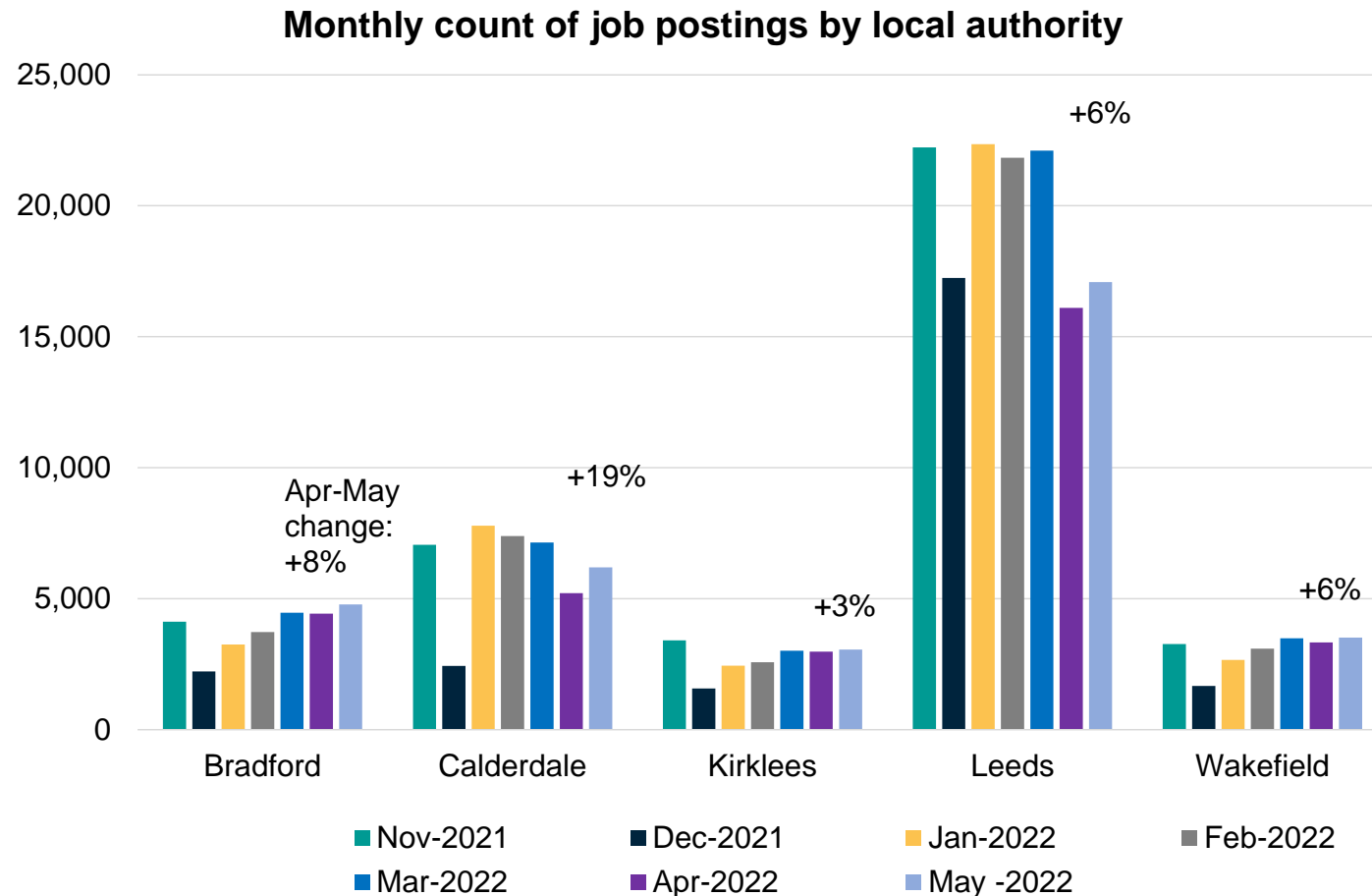
The weekly vacancy count remains at high levels

During late-Feb 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 8-10,000 per week. It's unclear whether this change reflects the wider economic context or a “natural” correction to very high recruitment levels. There are signs of a return to growth in the count in the last couple of weeks.



Vacancy growth across all five LAs during May, following declines in April

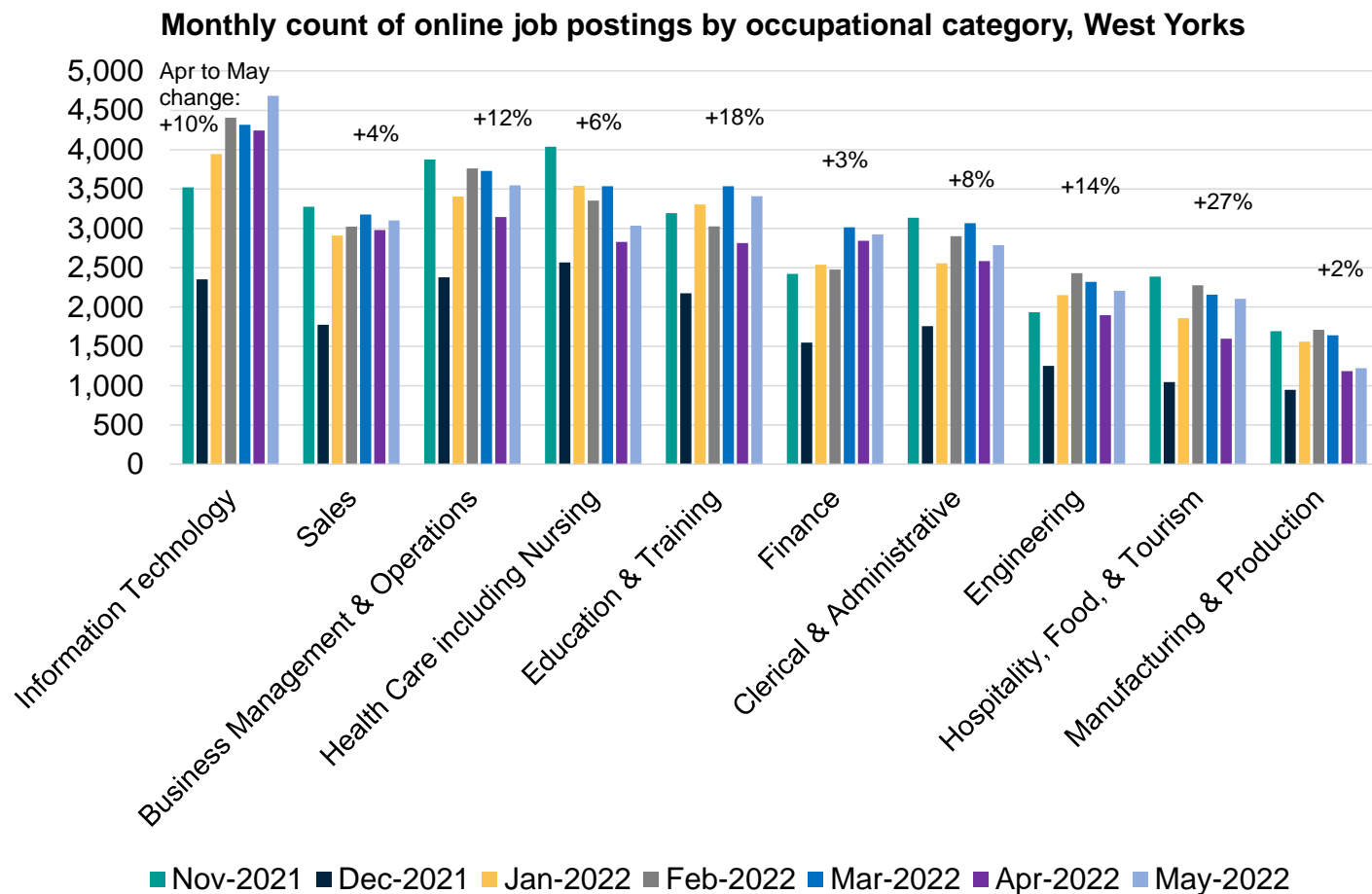
All five local authorities in West Yorkshire experienced growth in online job postings between April and May 2022. In some LAs, including Leeds and Calderdale, the level of recruitment activity is below that seen at the beginning of 2022.



Source: Labour Insight

Vacancy count rebounded across all occupational categories during May

All occupational categories experienced a fall in vacancies during April, but this was followed by growth in May, with Hospitality, food and tourism seeing the biggest percentage growth.



Source: Labour Insight

Liquidations across West Yorkshire are 37% higher than Q1 2019 levels, a larger increase than other areas (Q1 2019 = 100)

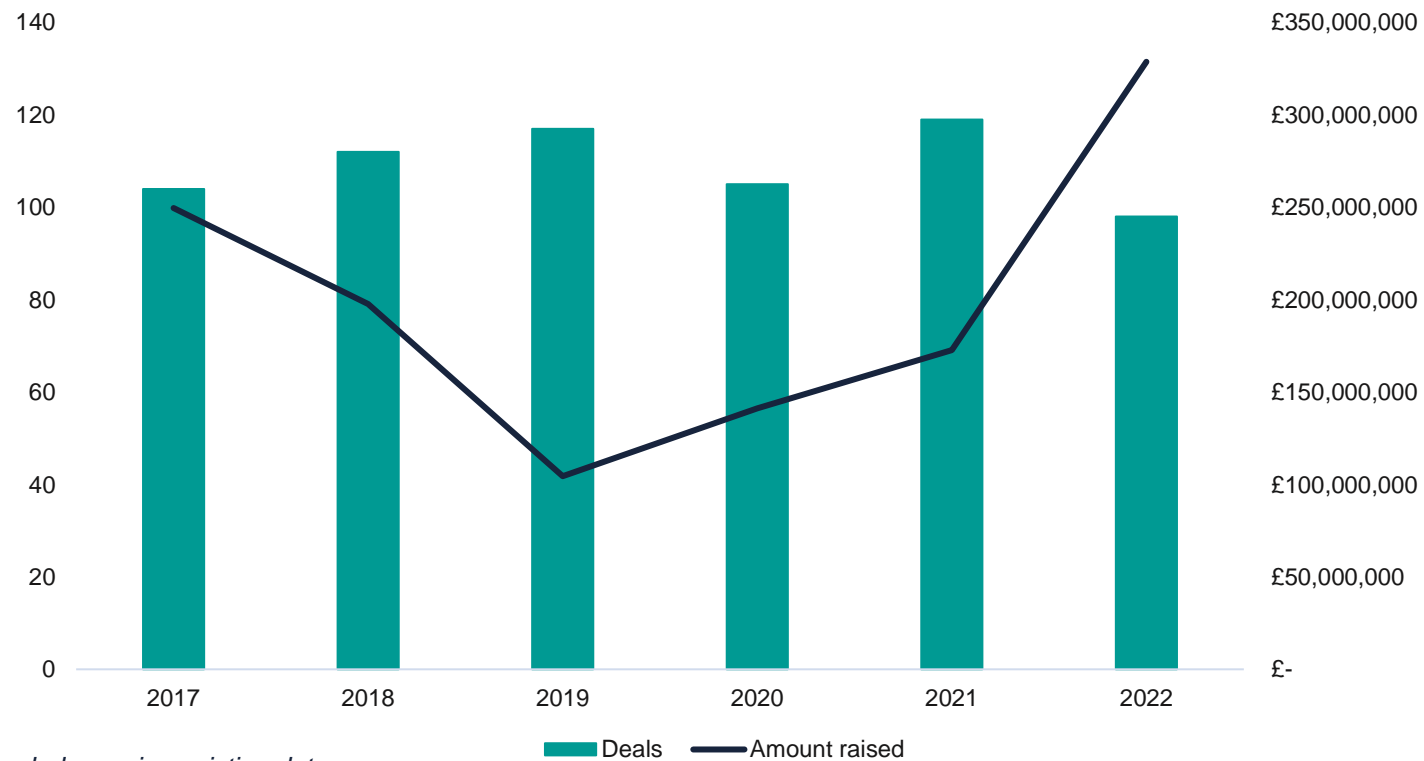
Compared to Q1 2019, liquidations across West Yorkshire are 37% higher, compared with 27% in Greater Manchester, 26% in the West Midlands and 17% in South Yorkshire. Q4 2020 saw West Yorkshire experience the highest number of liquidations compared to pre-pandemic levels (40% higher). The LCR Business Survey is currently out in the field to gather data on potential business risks over the next 6-12 months.



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

Equity deals look set to be down compared to previous years, but investment continues to increase

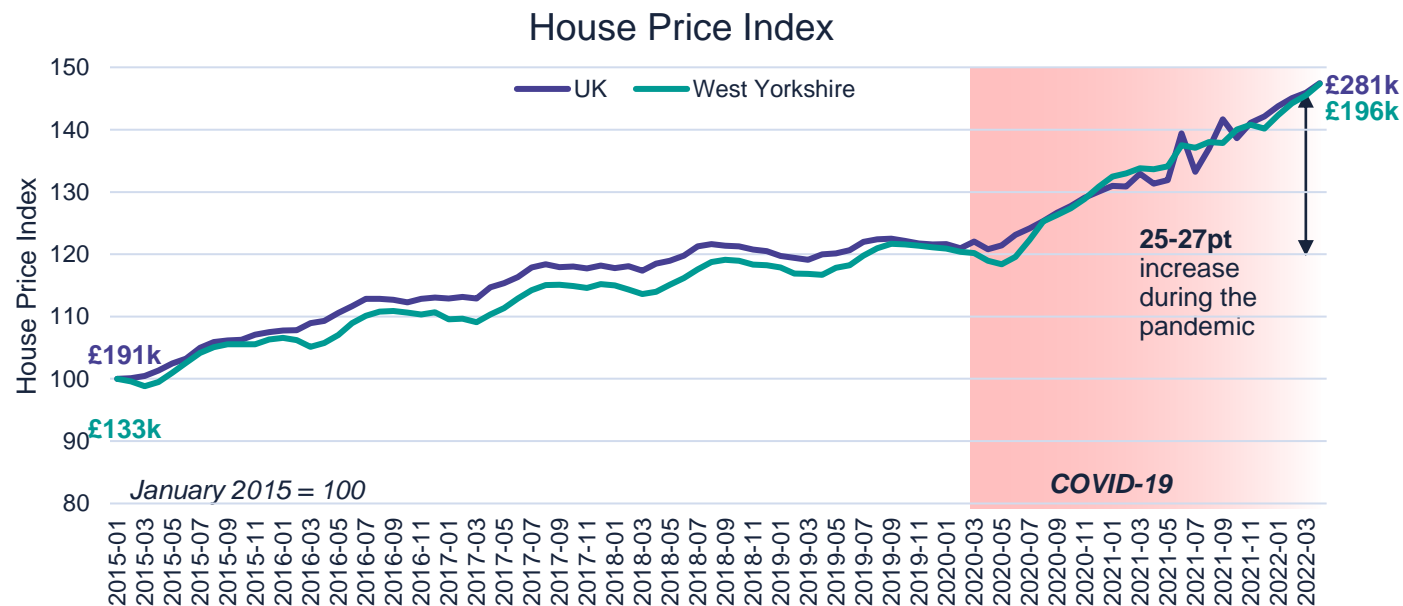
Since 2019, investment into West Yorkshire based businesses has continued to increase, from £105m in 2019 to an expected £320m in 2022. It is worth noting that large deals can contribute to large upswings in investment values, that may only happen once. The businesses which have experienced the largest number of deals are those involved in artificial intelligence, fintech and the internet of things.



Source: Beauhurst, 2022 deals have been rounded up using existing data

House prices reached another record high but the effect of rising inflation and interest rates may hit the market in the coming months

House prices reached another record high in April 2022 (latest data) with the average property price in West Yorkshire now £196k, compared to the UK average of £281k. The house price index for West Yorkshire and the UK increased by 27 and 25 points respectively in the 25 months since the start of the pandemic (March 2020). That means the average West Yorkshire property has increased in value by over £36k; that's equivalent to £1,450 a month. The latest report from the [Halifax](#)¹ suggest that this period of house price growth may come to an end in the coming months as higher interest rates and inflation puts pressure on household budgets affecting demand.



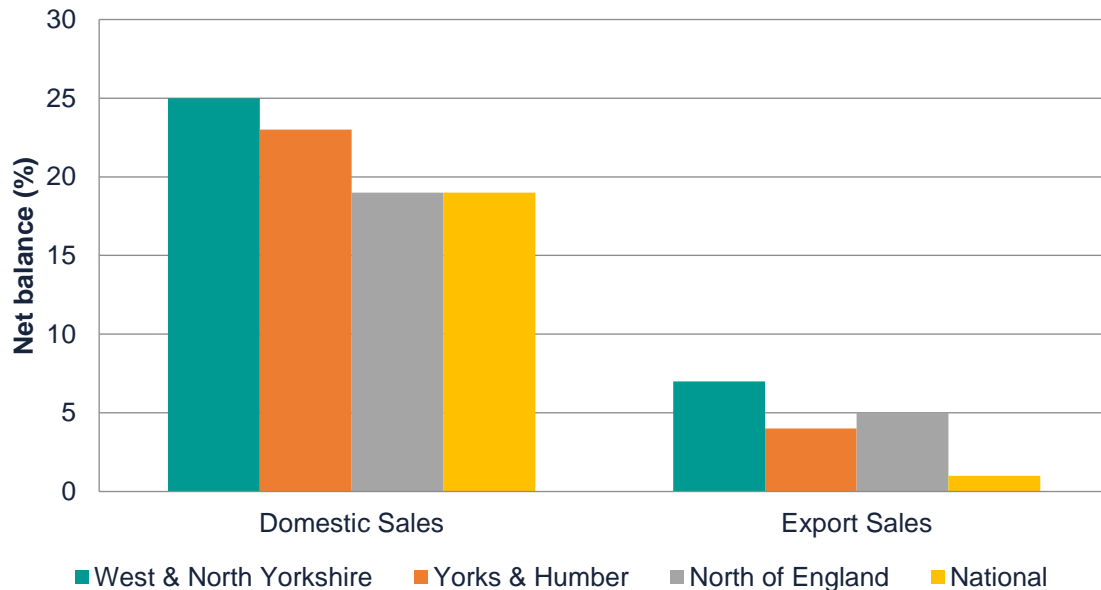
Source: HM Land Registry

1. Halifax House Price Report <https://www.halifax.co.uk/assets/pdf/june-2022-halifax-price-index.pdf>

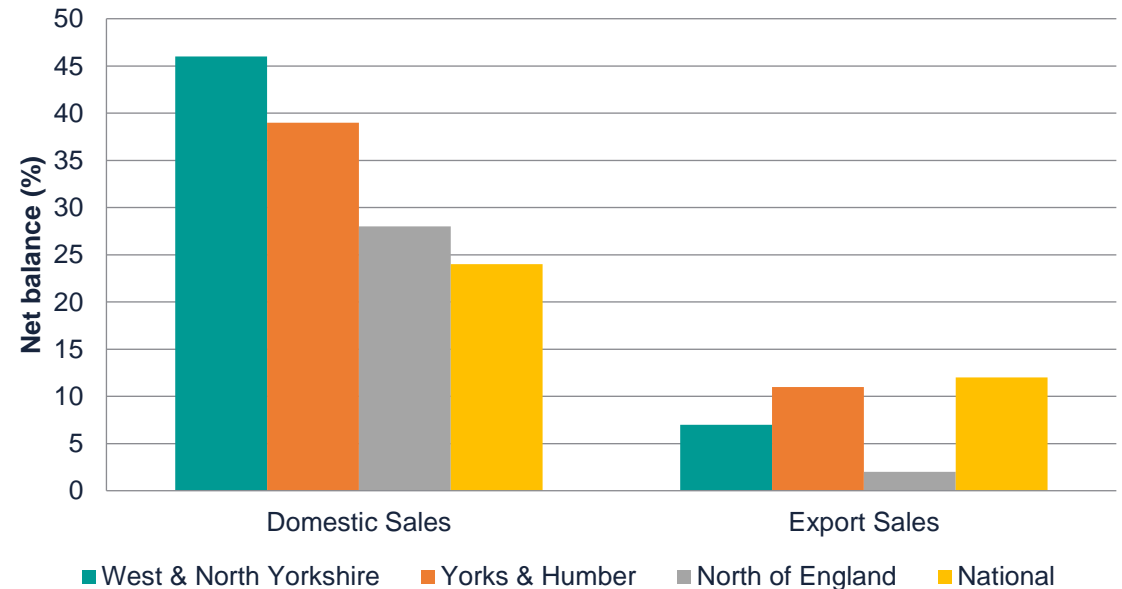
Businesses in West and North Yorkshire are outperforming the England average in terms of sales growth – domestically and globally

Despite the ongoing economic challenges faced by businesses, including rising input prices and the recruitment difficulties, West and North Yorkshire exhibited strong sales growth over the past quarter. West Yorkshire has a key opportunity to lead the way to economic recovery.

Sales comparisons - Manufacturing



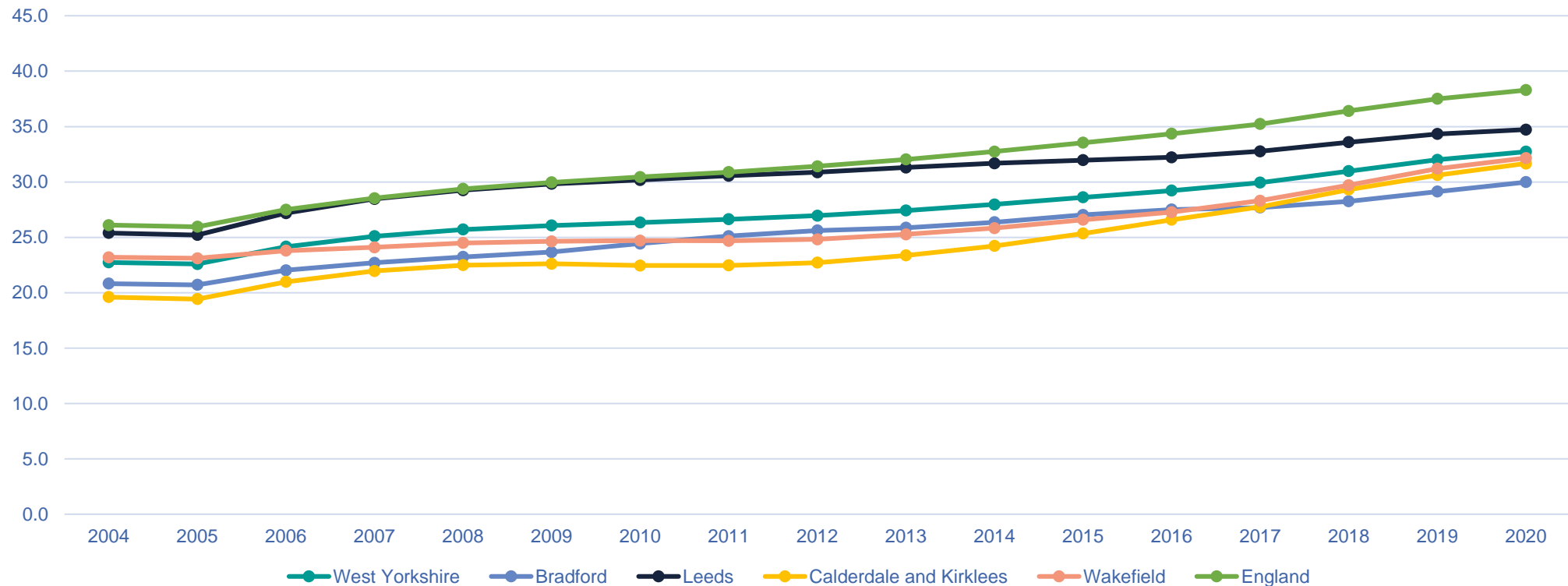
Sales comparisons - Service



Source: Chamber of Commerce QES

Productivity rose in West Yorkshire in 2020 in line with the Yorkshire and England average, despite the impact of Covid-19

Calderdale and Kirklees (+3.4%), Wakefield (+3.1%) and Bradford (+3.0%) all saw growth in the GVA per hour worked considerably above the England average of 2.1% between 2019 and 2020. Whilst Leeds has the highest GVA per hour worked in West Yorkshire, it only experienced growth of 1.1% during the same period.

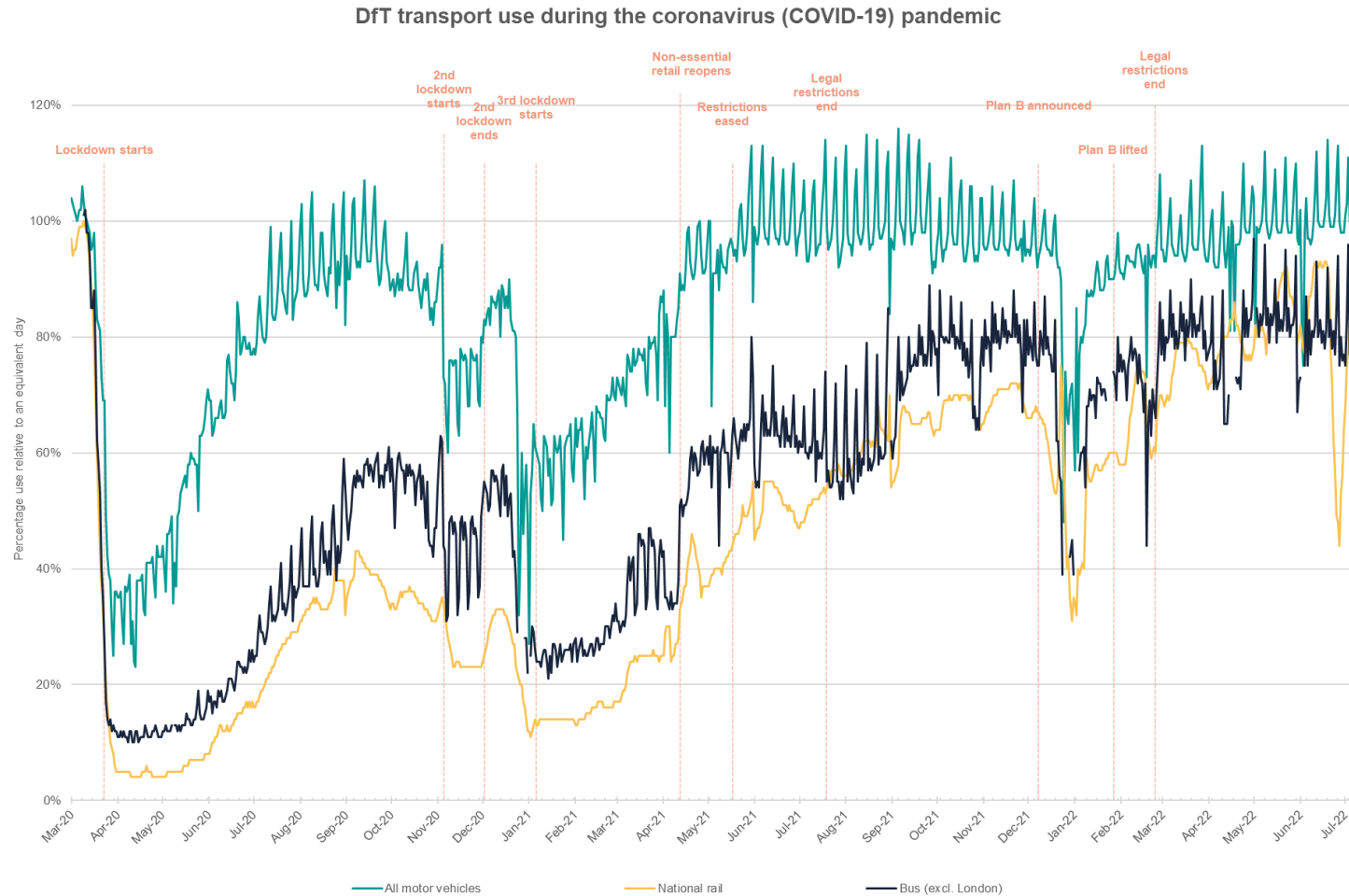


Source: [Subnational productivity: labour productivity indices by UK ITL2 and ITL3 subregions](#), ONS

Transport Insights



National road usage has recovered, bus and rail lagging



Nationally, motor vehicle use remains around pre-pandemic levels with weekend usage exceeding baseline conditions.

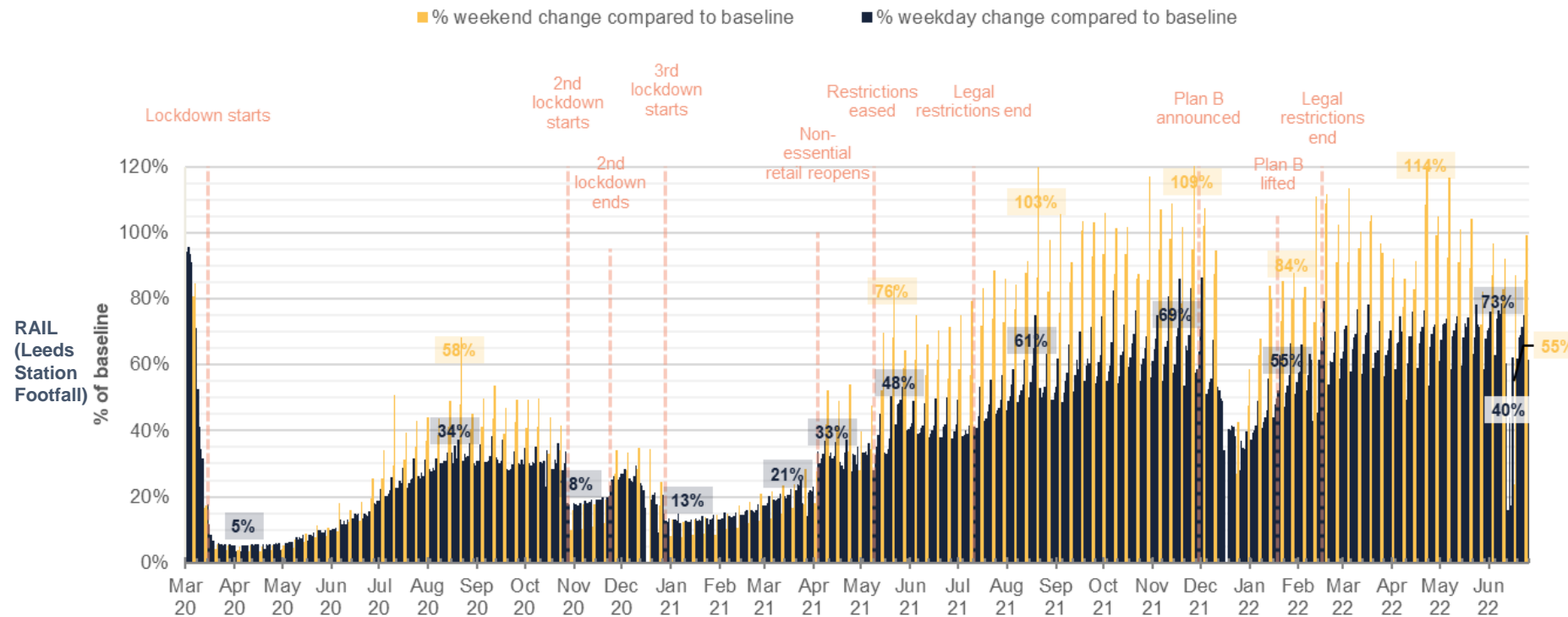
Bus use outside London has dipped below 80% over recent weekdays, with weekend usage spikes.

Rail use had exceeded 90% before being impacted by strike action in the most recent week with available data.

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

Rail footfall impacted by recent strike action

Average weekday footfall at Leeds rail station fell to 40% of baseline levels in the week commencing 20th June due to strike action. Weekend levels, which also saw strikes on 25th June, fell to 55%. The week before the strikes saw record weekday levels of 73%. Following the strikes, footfall has recovered to near normal. Weekend usage peaked in May.

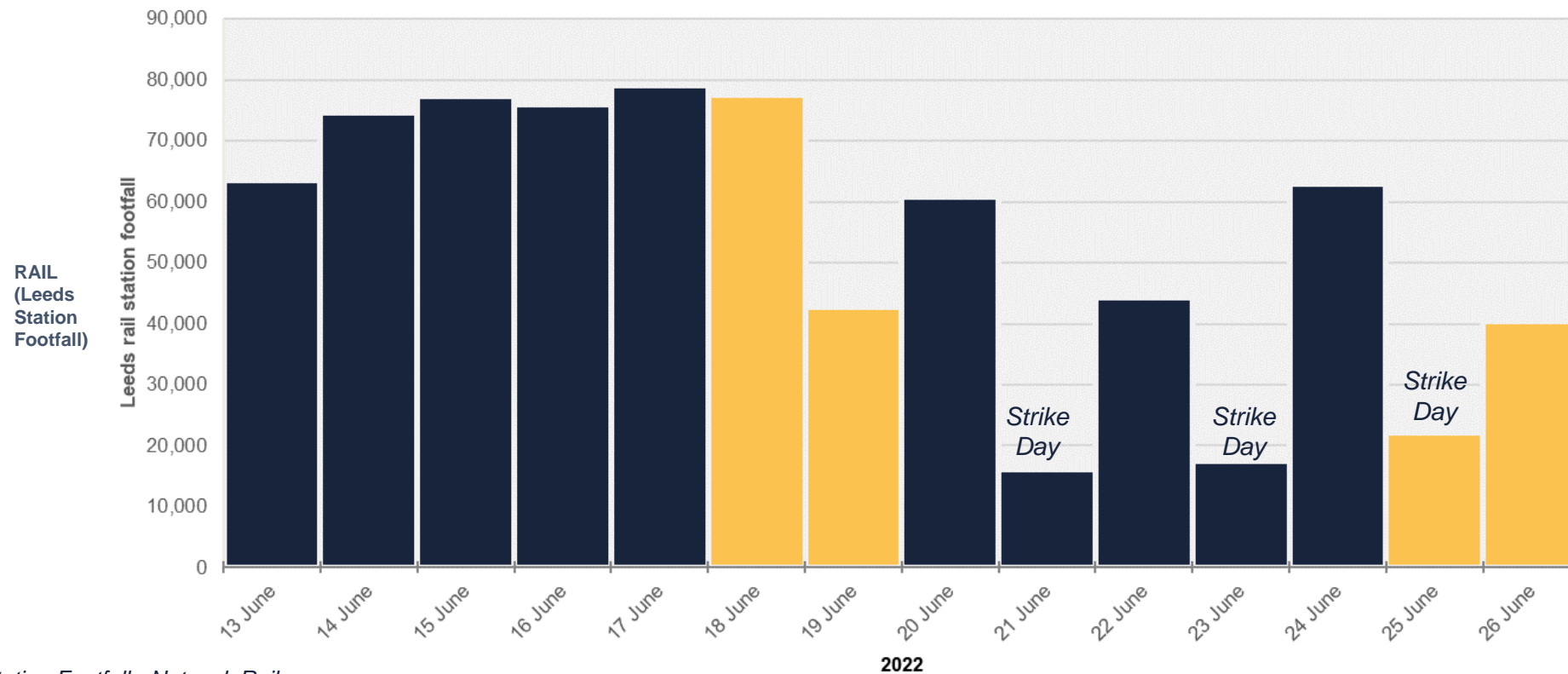


Baseline period is Monday 2nd - Friday 6th March 2020 (weekdays) and 29th Feb -1st March and 6th-7th March (weekends)

Source: Leeds Rail Station Footfall - Network Rail

Rail footfall impacted by strikes even on non-strike days

Strike weekdays saw declines to around 22% of the previous weeks' levels. Non-strike days were affected, particularly the 22nd at 57%. The weekend strike day saw levels down to 28%, with the following Sunday showing recovery.

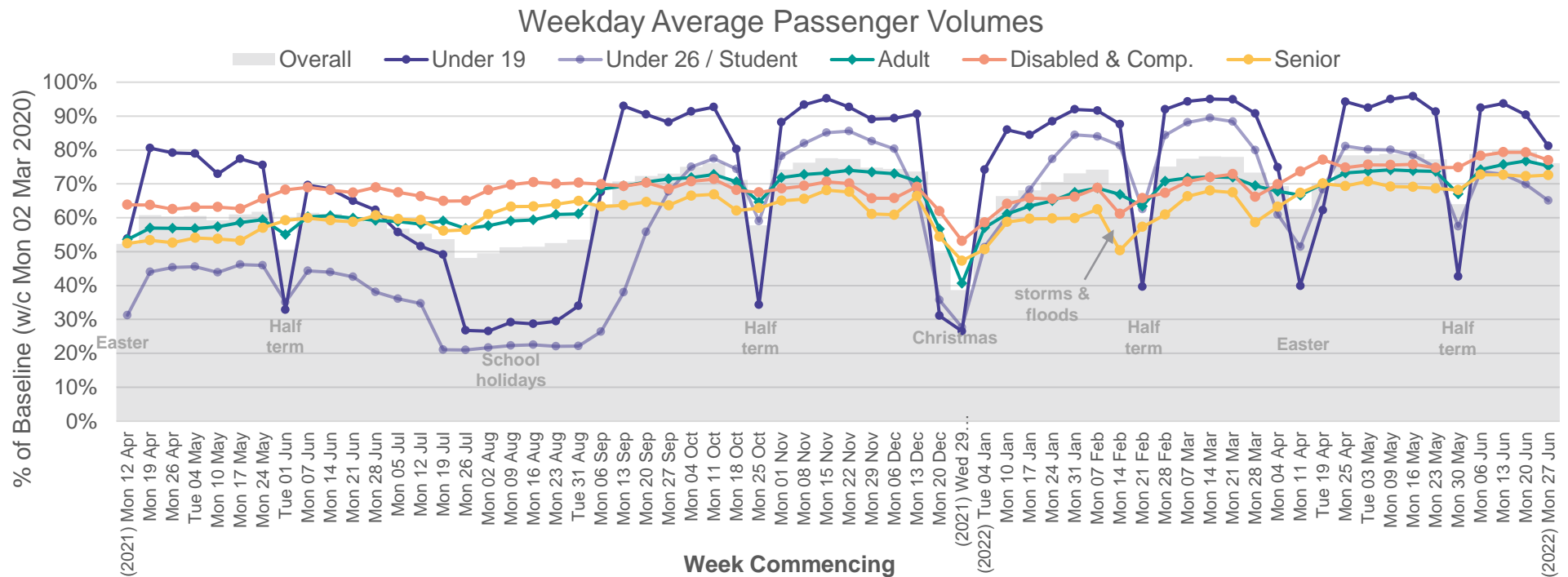


Source: Leeds Rail Station Footfall - Network Rail

Bus passenger volumes peaked at just under 80% of pre-pandemic levels in mid-June

The temporal trend in bus use (via ticket machines) relative to pre-pandemic is shown in the chart below. Ticket machine data from First and Transdev only (Arriva excluded) reveals that the week commencing Monday 13th June recorded the highest weekday patronage in two years (79.7%) before the effects of the academic year ending for some scholars and students.

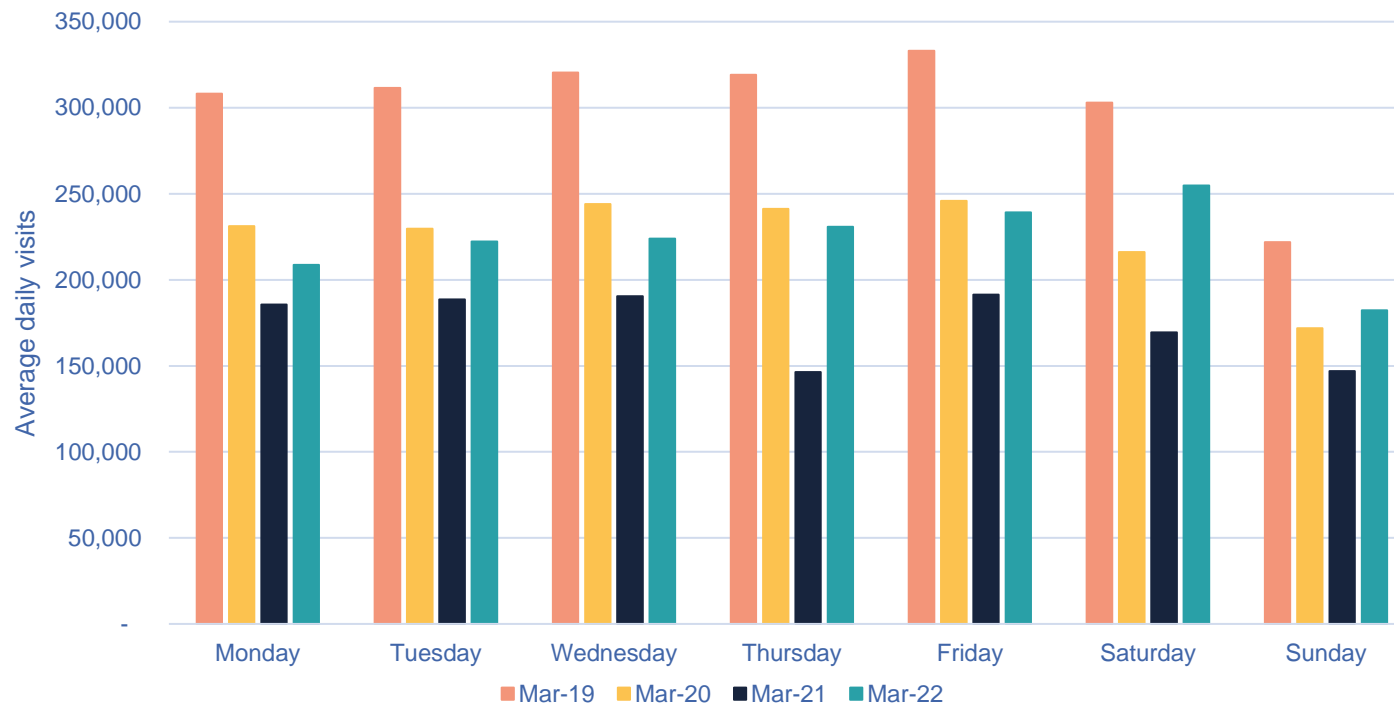
Passengers per weekday before COVID	
Adult	221,000
Under 19	101,000
Senior	74,000
Under 26 / Student	34,000
Disabled & Companion	29,000
Miscellaneous	9,000
Data from First, Arriva, Yorkshire Tiger and Transdev	



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.

Footfall across West Yorkshire has increased by 28% over the past year, but is still 26% below 2019 levels

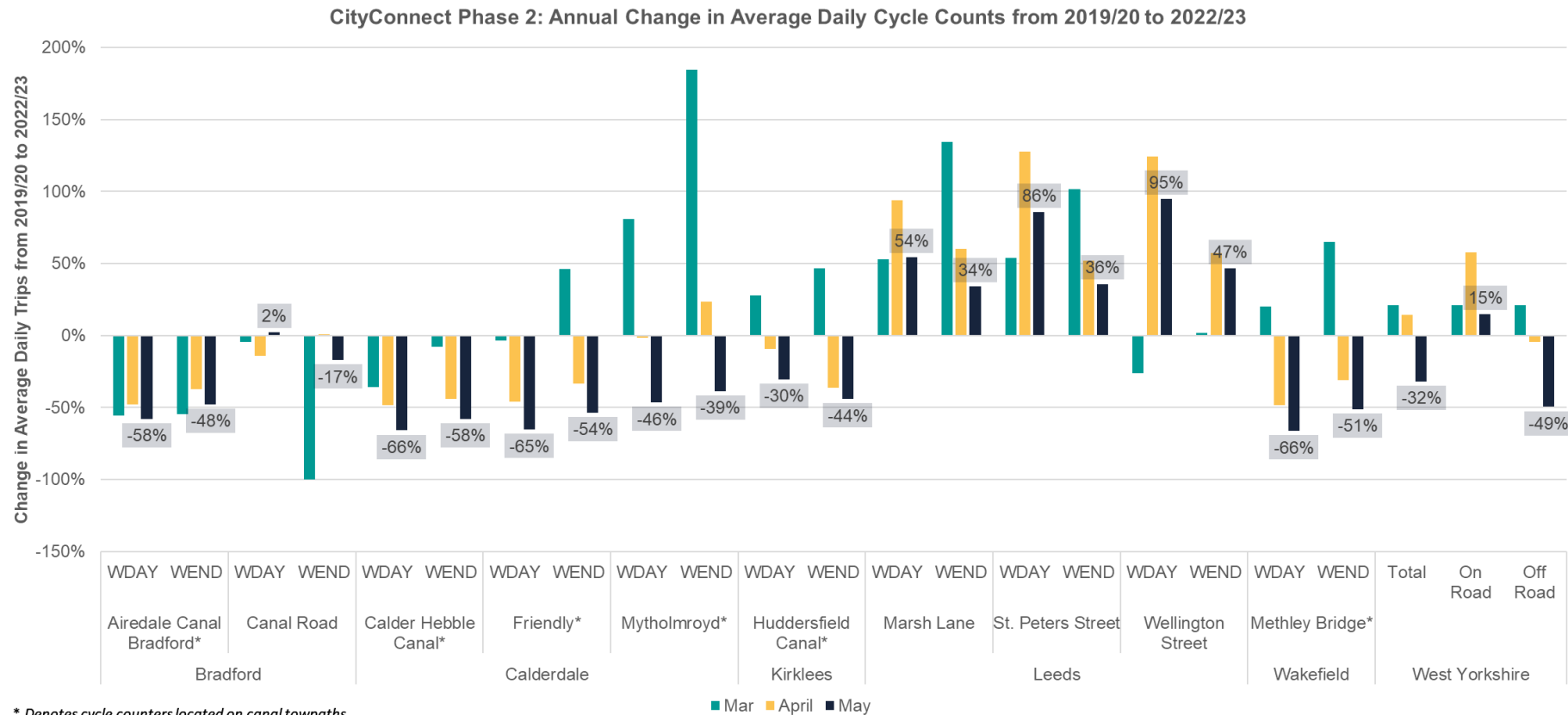
Estimates of average daily visits to 13 identified West Yorkshire zones derived from mobile phone data by Citi Logik are used to help understand the degree of recovery to urban centres. The data shows that compared to the same period in 2021, in March 2022 there were large increases on Thursdays (+58%) and Saturdays (+50%) which potentially demonstrate the establishment of regular office days for hybrid workers, and the increased availability of recreation activities at the weekend. Despite this growth, weekdays see around 30% fewer visits than in 2019, whilst weekends see 15% fewer.



Source: Citi Logik

Overall cycle counts show decline compared to pre-pandemic levels

Cycle counts show an overall decline relative to pre-pandemic conditions across West Yorkshire. Cycle counter sites in Bradford, Calderdale, Kirklees and Wakefield recorded reductions in levels, while Leeds recorded increases. On road routes showed some growth however not enough to offset the decline in off road routes.

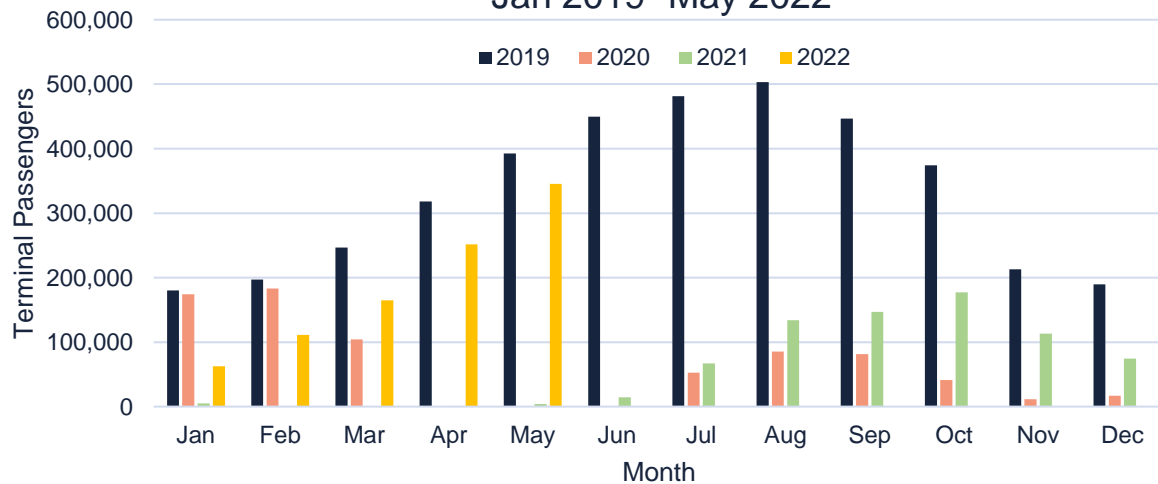


Source: Leeds City Council * Denotes cycle counters located on canal towpaths

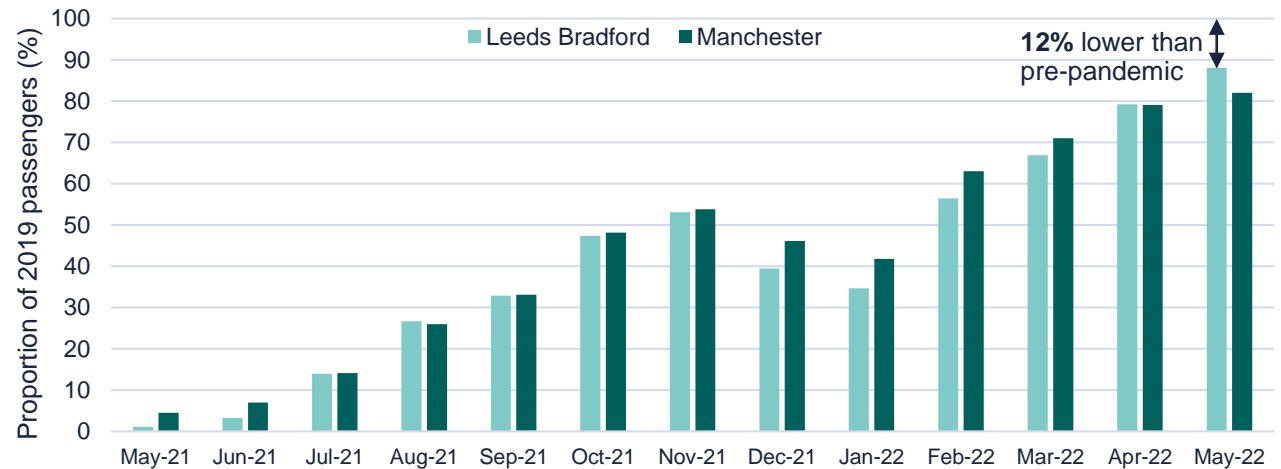
Leeds Bradford Airport passenger numbers recover to 88% of pre-pandemic levels in May 2022

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). The latest data (May 2022) reveals that terminal passengers at LBA were around 88% of pre-pandemic levels (2019), up 9 percentage points from the previous month (right chart). The current trend shows recovery in demand for air travel despite the cost of living crisis and rising COVID-19 rates in many of the European destinations served by LBA.

Leeds Bradford Airport Monthly Terminal Passengers
Jan 2019- May 2022



2021/2022 passengers relative to 2019



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