



West Yorkshire Economic & Transport Insights Report

West Yorkshire Research & Intelligence Team

January 2023

Executive Summary – Economic Insights

- Updated economic forecasts produced by Experian suggest that the WY economy will be 10 percentage points worse off by 2036, compared to Spring 2021 forecasts. Most of this damage will be done over the next 2 years, as the new forecasts such that the WY economy will be roughly 6 percentage points worse off in 2023 and over 6.5 percentage points worse off in 2024. Economic scarring will then compound this, leading to the 10 percentage point gap by 2036.
- Employment levels across the region continued to increase. The number of payrolled employees in West Yorkshire increased by around 1,000 (0.1%) between November and December 2022, similar to the national growth rate.
- However, the number of unemployed claimants also increased in December. Figures show an increase of 1,200 or 2% between November and December 2022, the second consecutive monthly increase. This increase was experienced across all age groups.
- Vacancies remain high across the region, with 33,600 unique, new postings recorded in December 2022, a 16% increase on November 2022 and 43% higher than the level for December 2021.
- Prices rose by 10.5% between December 2021 and 2022, with food inflation being above 16%. Budget food brands have experienced even greater levels of price increases, meaning that people on lower incomes are experiencing even higher inflation than reported.
- We estimate around 5,000 businesses in West Yorkshire to be particularly exposed to the declining support via the Energy Bills Discount Scheme. Most of these businesses are in the manufacturing sector.

Executive Summary – Transport Insights

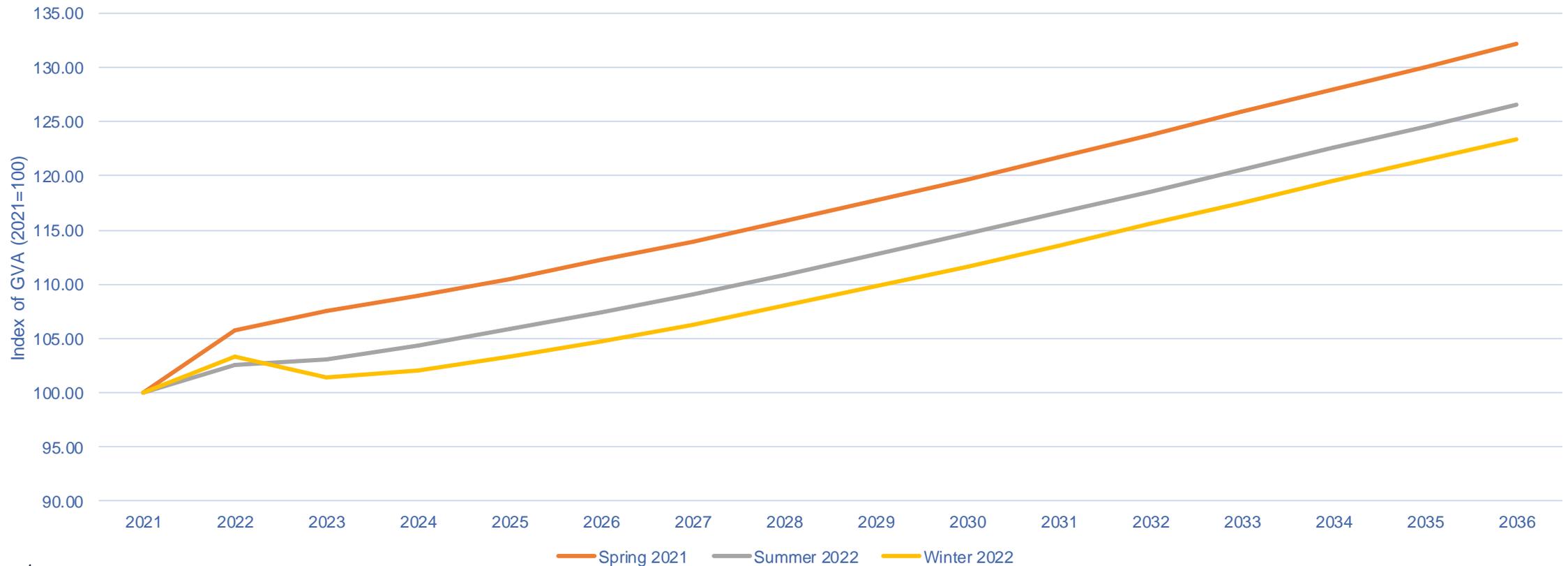
- In the run up to Christmas, national bus and rail usage increased to peak levels of recovery, 90% and 89% of baseline levels respectively, although rail usage was likely impacted by industrial action.
- Average weekday footfall at Leeds rail station reached a new peak of 84% of baseline in the run up to Christmas (before strike action).
- Locally, weekday average adult bus patronage stood at 77% of baseline levels in the first full working week of January 2023, up from 61% in the comparable week of 2022 (although some people were isolating due to the Omicron variant during this period).
- Before Christmas, traffic on Leeds radial roads remained 14% lower than the equivalent week in 2019, with traffic volumes in the AM inbound peak most reduced.
- Despite footfall recovery in Leeds city centre throughout 2022, night time footfall fell to lower than 2019 levels in November and December 2022.
- Bus Real Time Information (RTI) data, reveals the proportion of tracked bus journeys in West Yorkshire running on time fell from a peak of 86% in August to 77% in November, recovering partially to 80% in December.

Economic Insights



The updated REM shows that, by 2036, the West Yorkshire economy will be 10 percentage points worse off than previously forecast

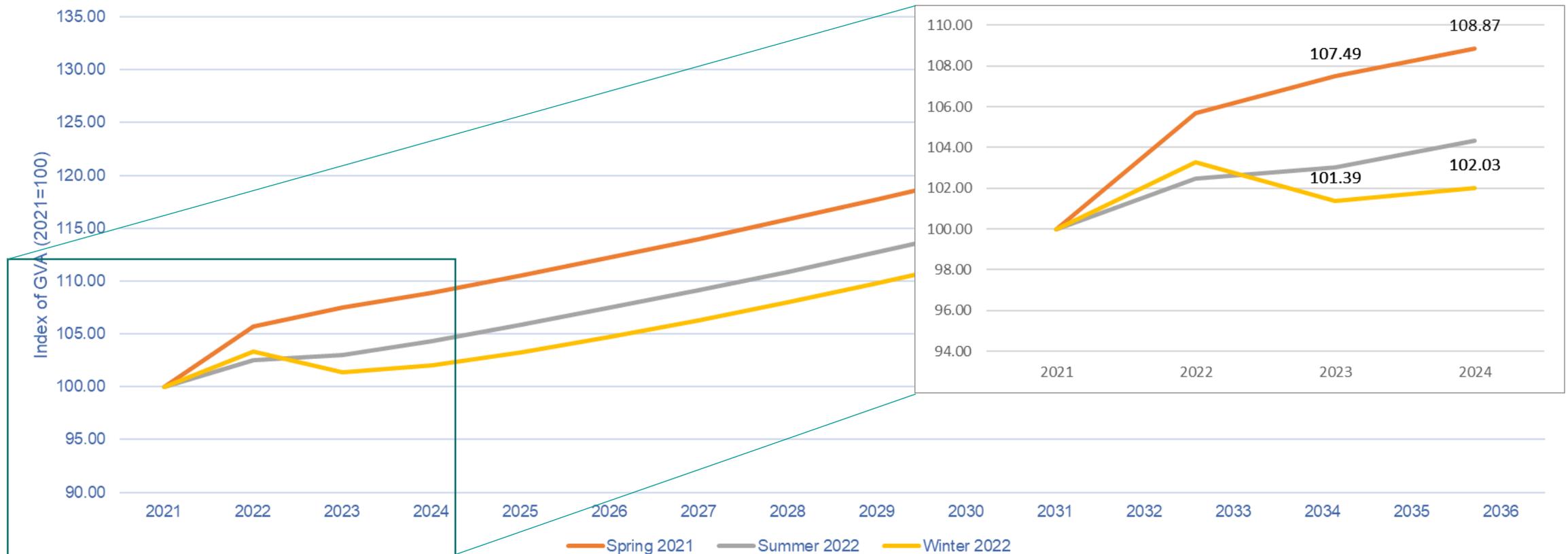
Updated figures from Experian show that the current economic recession is likely to have a persistent scarring effect on the West Yorkshire economy. The latest forecast, conducted in Winter 2022, predicts that the UK economy will enter a recession in 2023, compared with the dampened growth that was forecast in Summer 2022, compared with the Spring 2021 forecast.



Source: Experian

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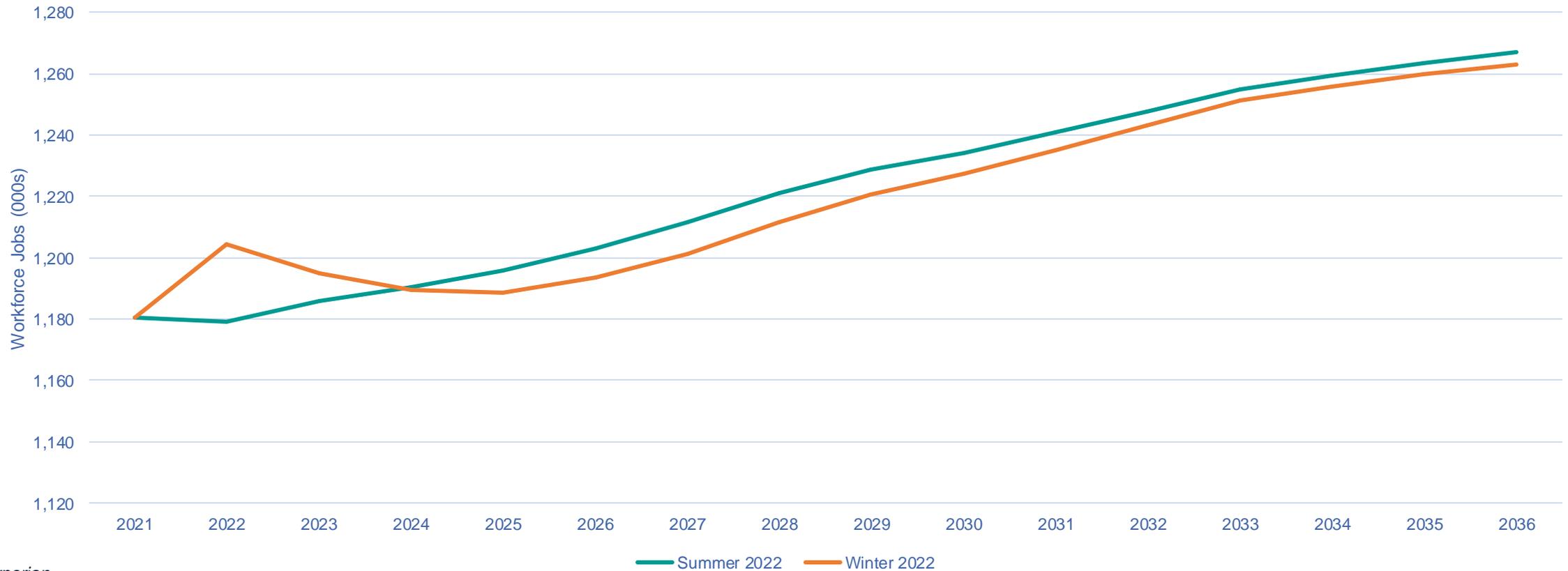
Much of the damage to the West Yorkshire economy will come in the next couple of years. Due to economic scarring effects, this damage will persist across the entire forecast period. Compared with the Spring 2021 REM forecasts, the Winter 2022 forecasts suggest GVA will be 6 percentage points smaller in 2023 and 2024.



Source: Experian

The number of jobs in West Yorkshire will not recover to 2022 levels until 2028

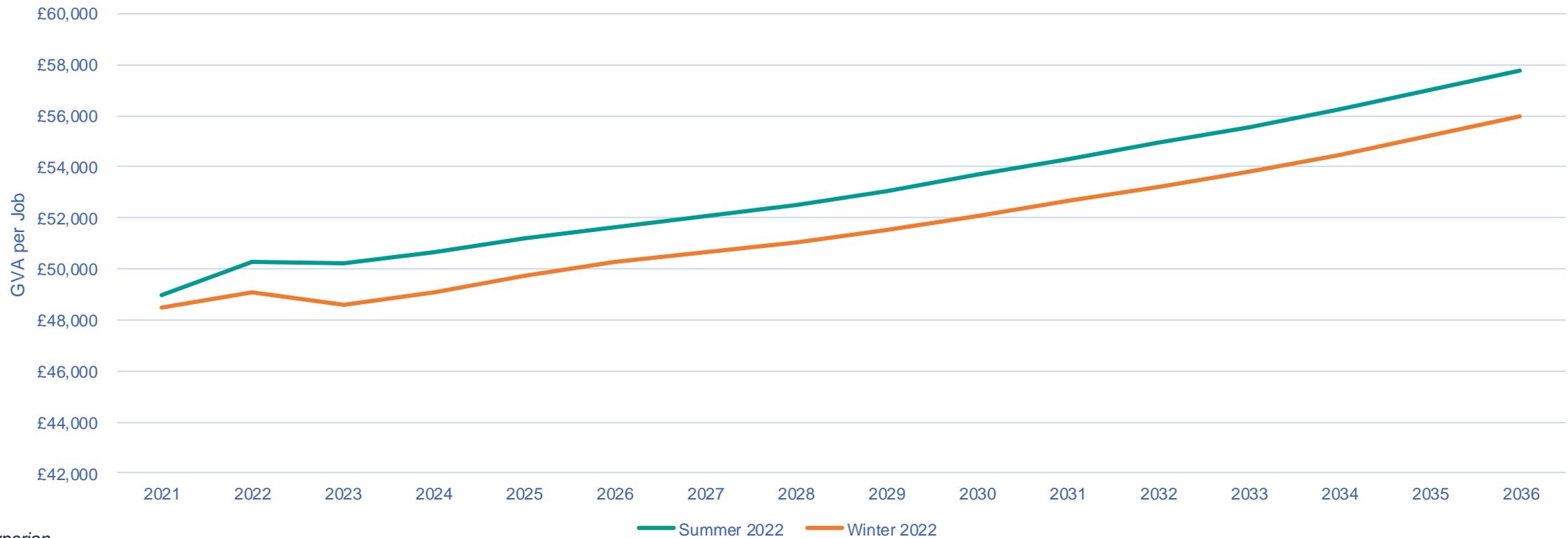
West Yorkshire saw a strong performance in the number of jobs during and after the pandemic, but that is forecast to drop off over the next year. The recovery will take some time, just to get back to 2022 levels of workforce jobs, and the current economic situation will leave a scarring effect throughout the forecast period. Between now and 2028, manufacturing is set to be the hardest hit sector in this regard.



Source: Experian

Productivity will take a hit this year, and will consistently remain below the levels forecast in Summer 2022

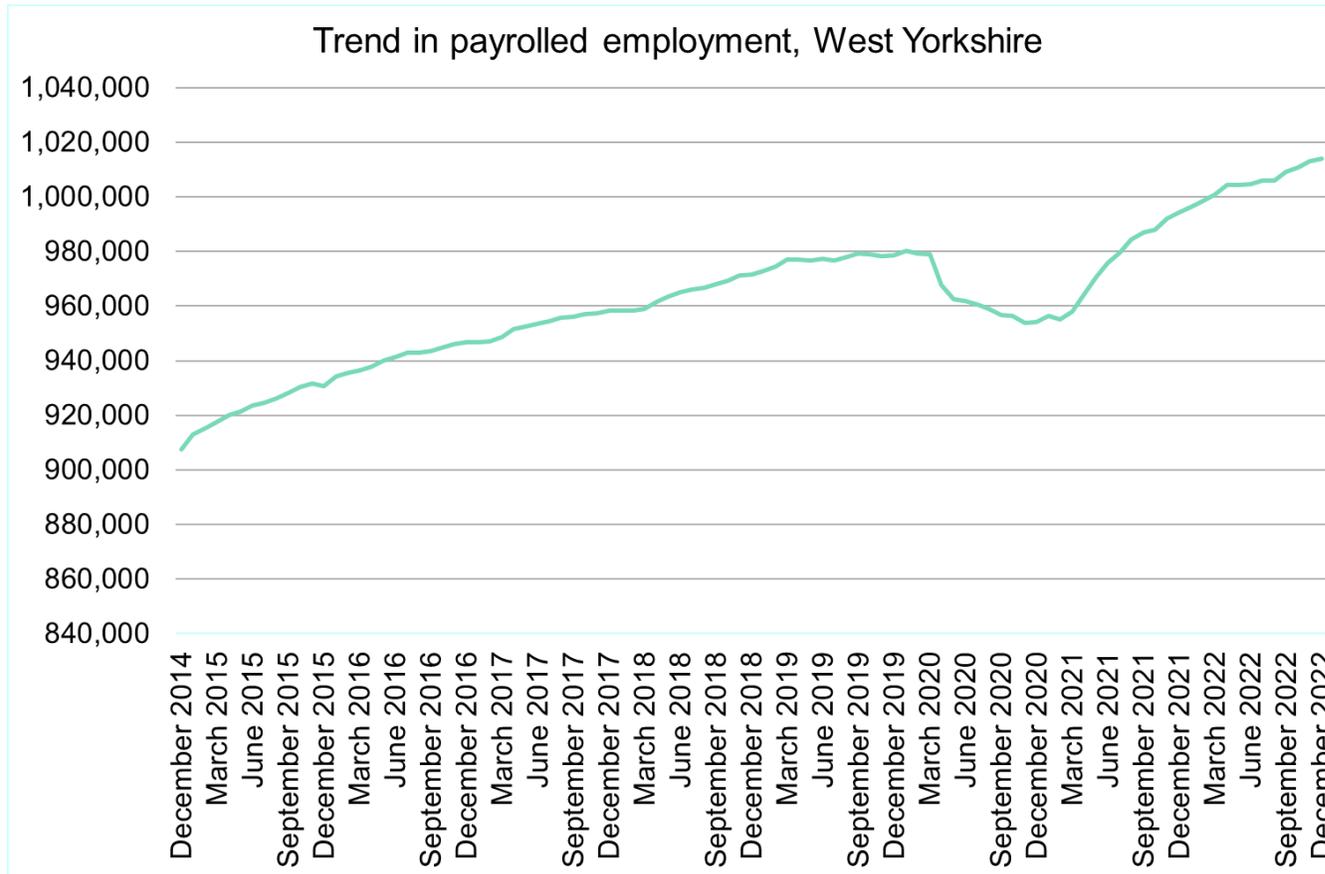
Productivity, as measured by GVA per job, is forecast to fall by 1% in 2023, and will not recover. **At this level, it is the equivalent of people in London being as productive in 3 days as West Yorkshire employees are in 5 days.**



Source: Experian

West Yorkshire's employee count continues on upward trend

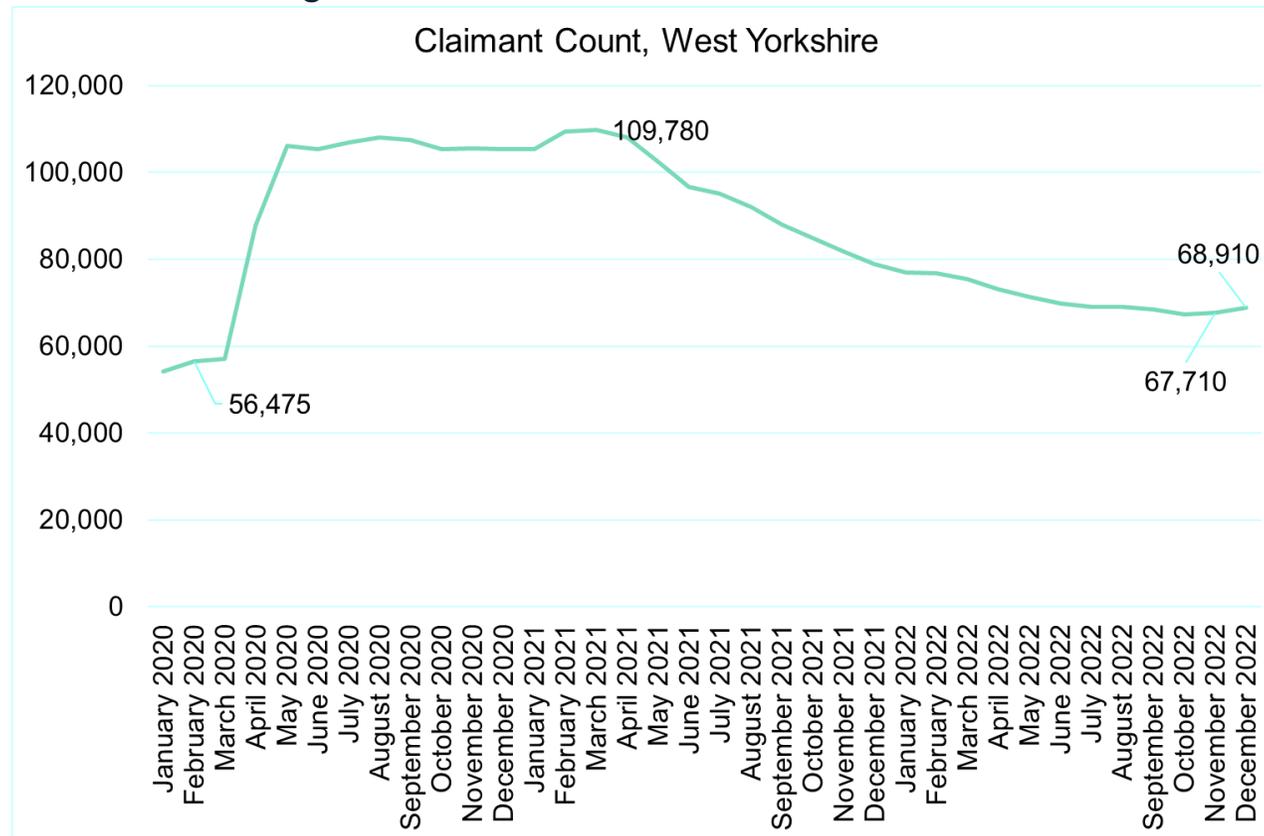
The seasonally adjusted number of payrolled employees in West Yorkshire increased by around 1,000 (0.1%) between November and December 2022, similar to the national growth rate. The employee count is now 35,000 (4%) above pre-pandemic levels (Feb 2020), in line with the national position



Source: HMRC

West Yorkshire's unemployed Claimant Count increased in December

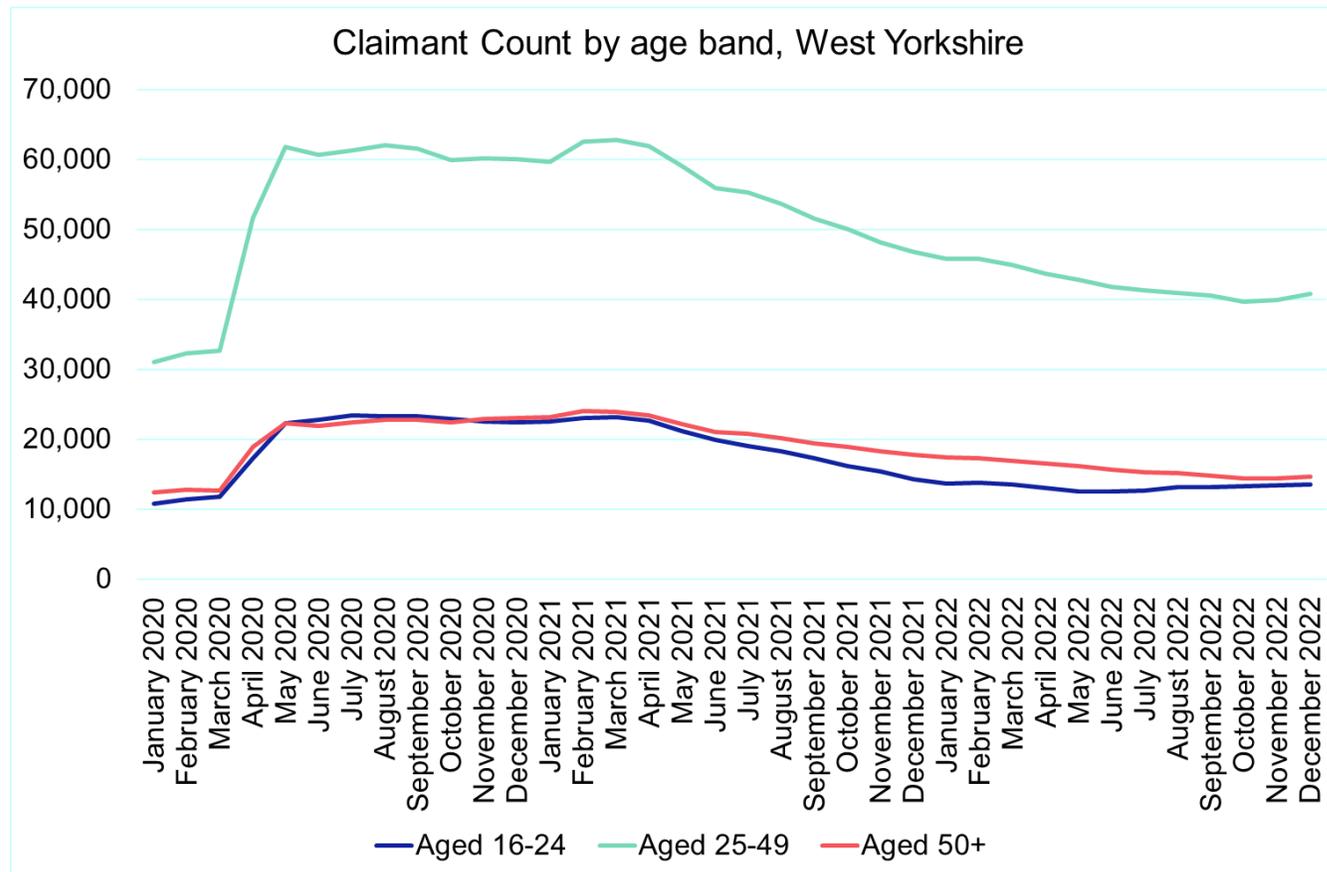
The latest claimant count figures for West Yorkshire, which relate to the number of people on out-of-work benefits, show an increase of 1,200 or 2% between November and December 2022, the second consecutive monthly increase. The count is now 22% (12,400) higher than pre-pandemic (February 2020). West Yorkshire's claimant rate of 4.7% (6.7% in Bradford) is above the national average of 3.8%



Source: NOMIS

All age groups saw small increases in Claimants in December

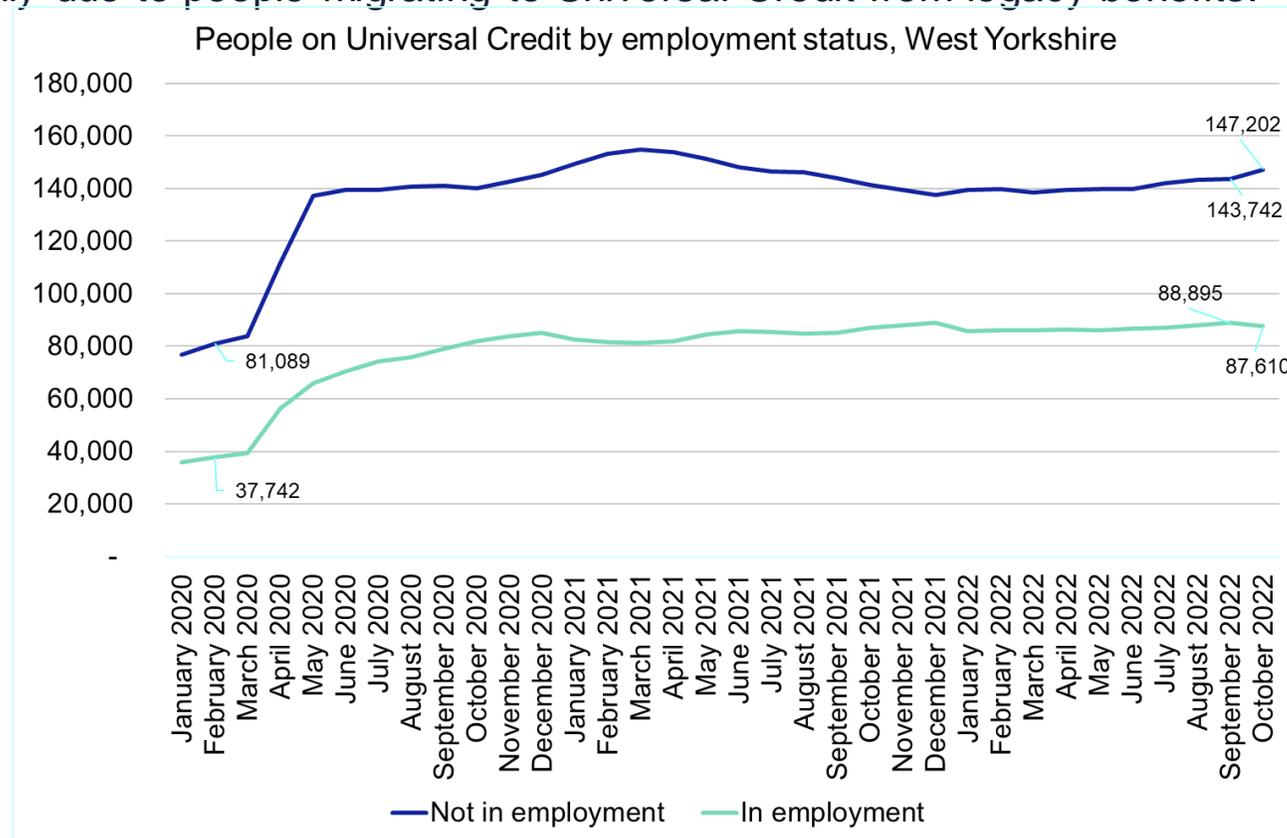
The number of young (16-24) claimants has been increasing for several months but this trend spread to all broad age groups in December, although the scale of the increases was modest, ranging from +135 for 16-24 year olds (+1%), +875 for 25-49 year olds (+2%) and +185 for 50+ (+1%)



Source: NOMIS

The number of people on Universal Credit continues to increase, although there was a slight fall in employed claimants in latest data

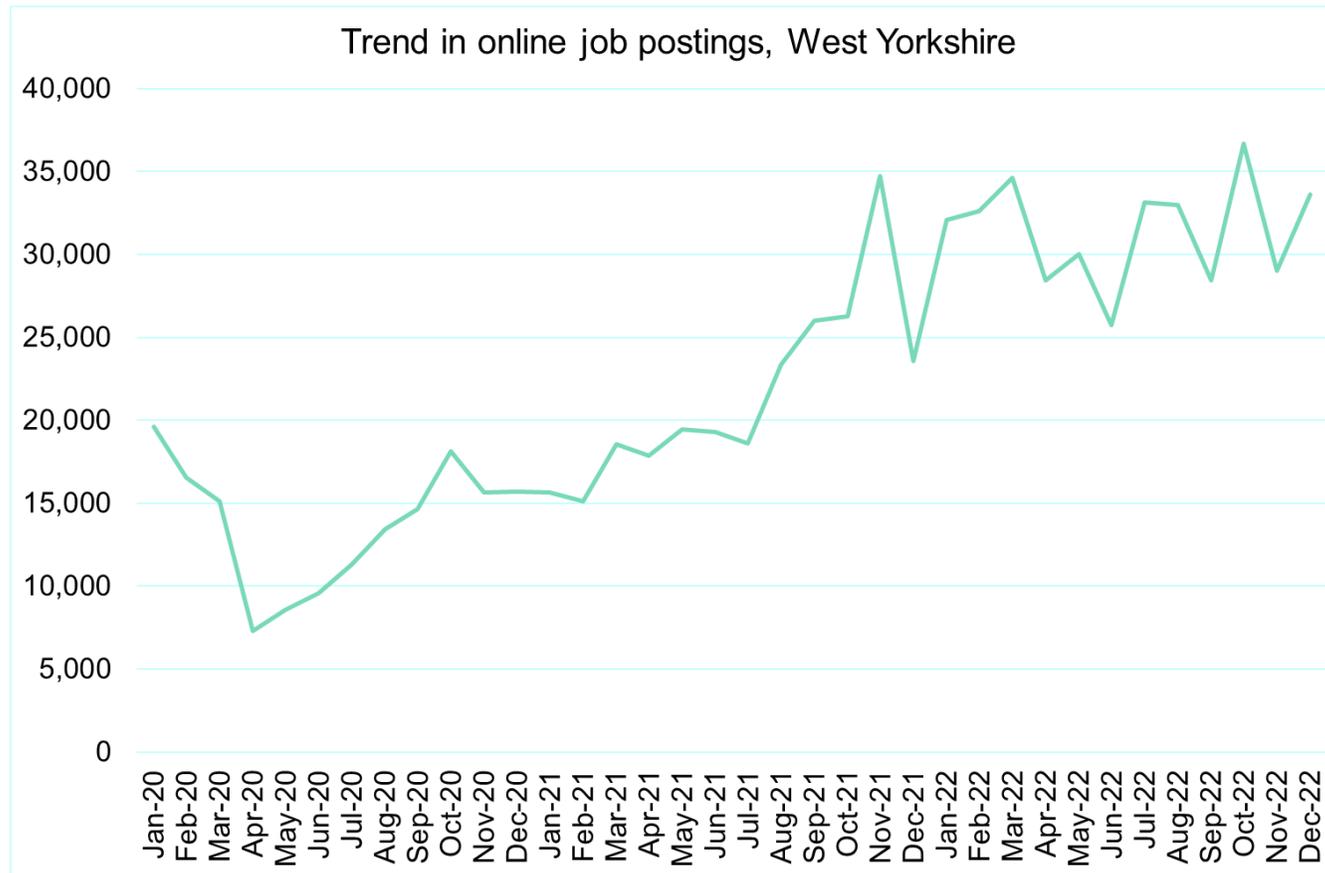
The latest figures for people on Universal Credit (Oct 2022) show that around 88,000 claimants are in employment, accounting for 37% of all people on Universal Credit. Between September and October the number of people in employment on Universal Credit fell by 1% whilst the number not in employment grew by 2%. It should be noted that changes are partially due to people migrating to Universal Credit from legacy benefits.



Source: Stat-Xplore, DWP

Recruitment activity remained strong as of December 2022

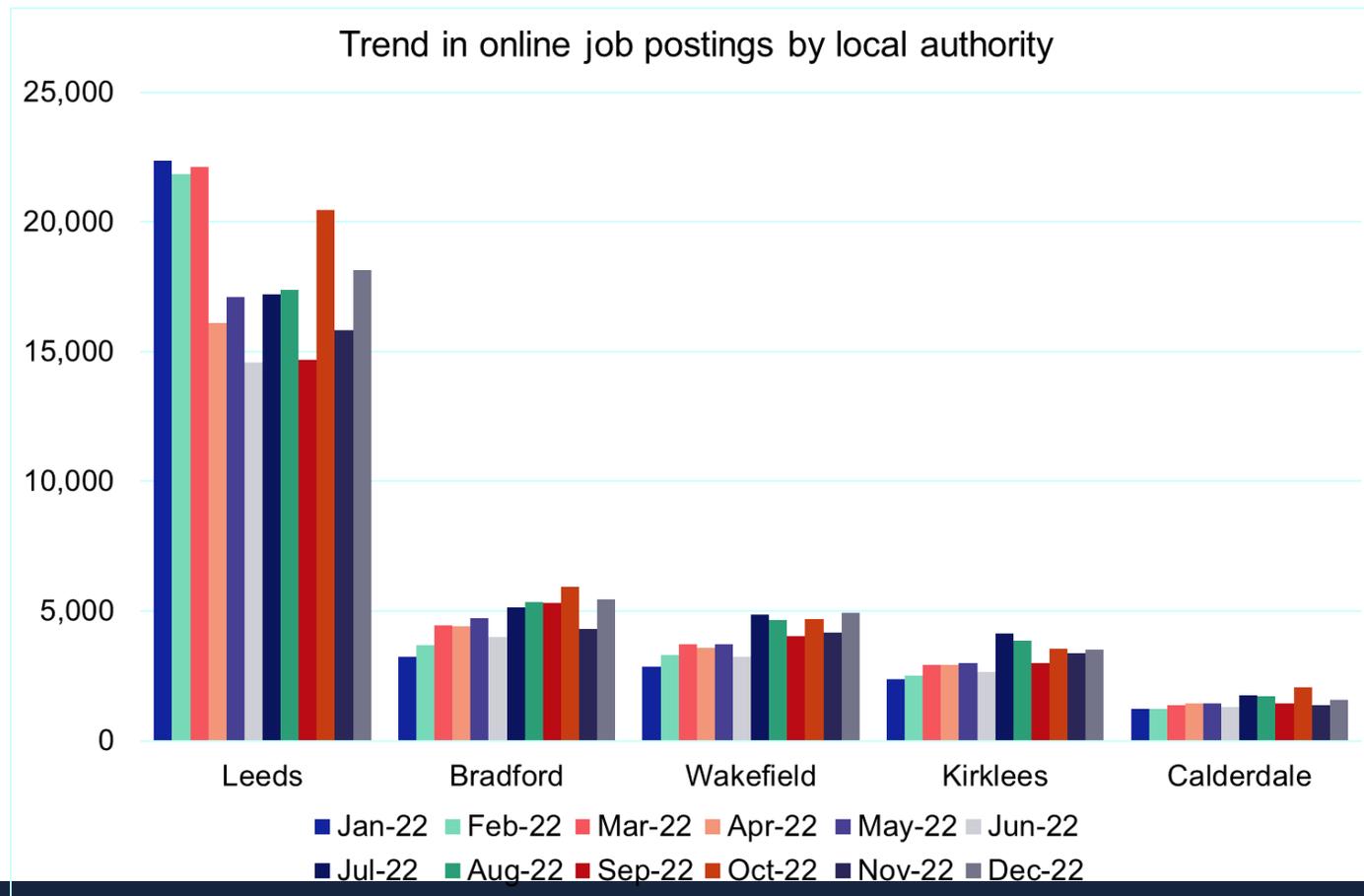
The monthly count of online job postings is volatile but remains at very high in historic terms. There were 33,600 unique, new postings recorded in December 2022, a 16% increase on November 2022 and 43% higher than the level for December 2021.



Source: Lightcast

Four out of five local authorities have seen an upward trend in vacancies throughout 2022

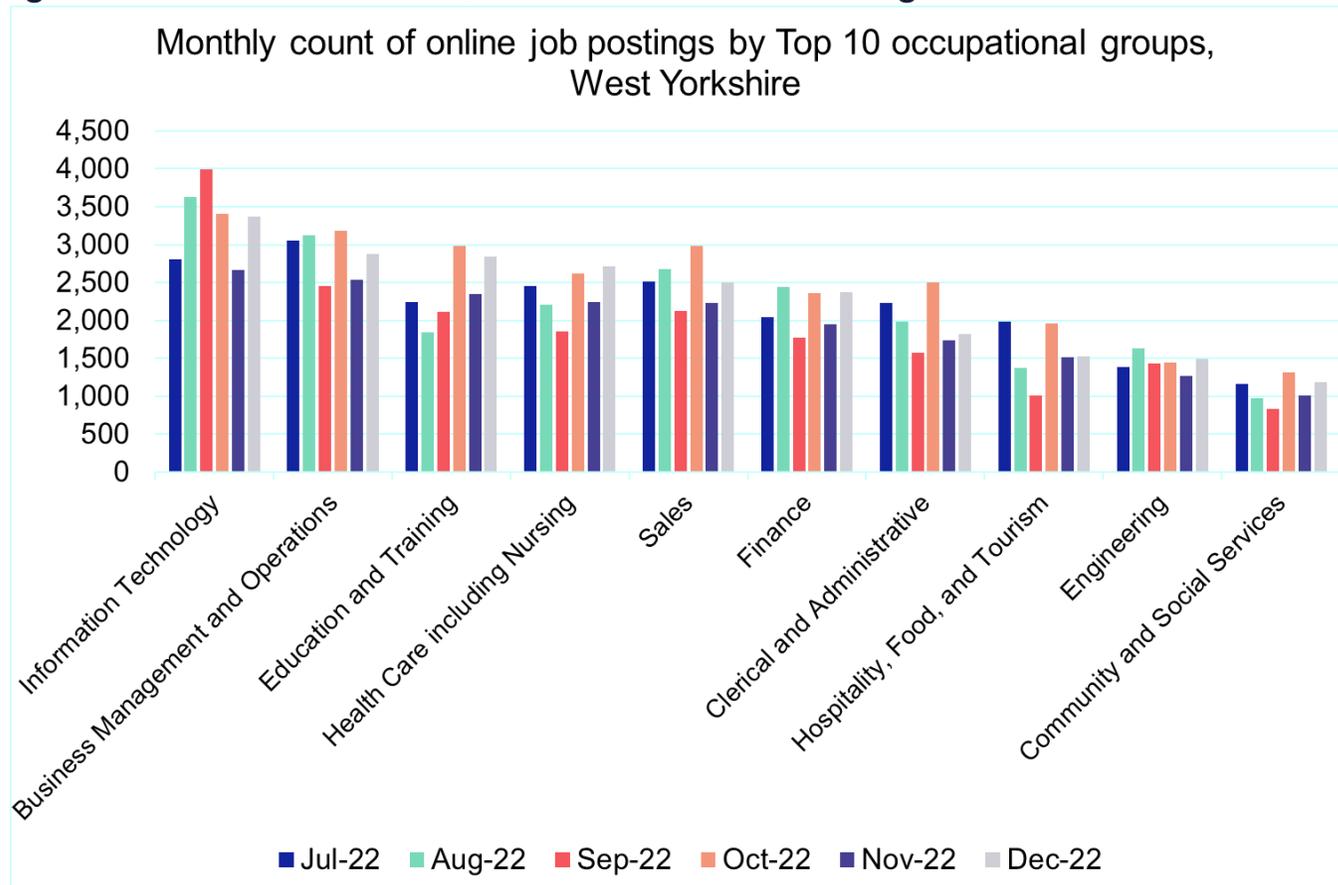
The count of job postings in Leeds was 19% lower in December than in January but all other local authorities saw net growth over this period. The rate of growth ranged from 28% in Calderdale to 72% in Wakefield and 69% in Bradford.



Source: Lightcast

There was vacancy growth across all the biggest occupational groups during December

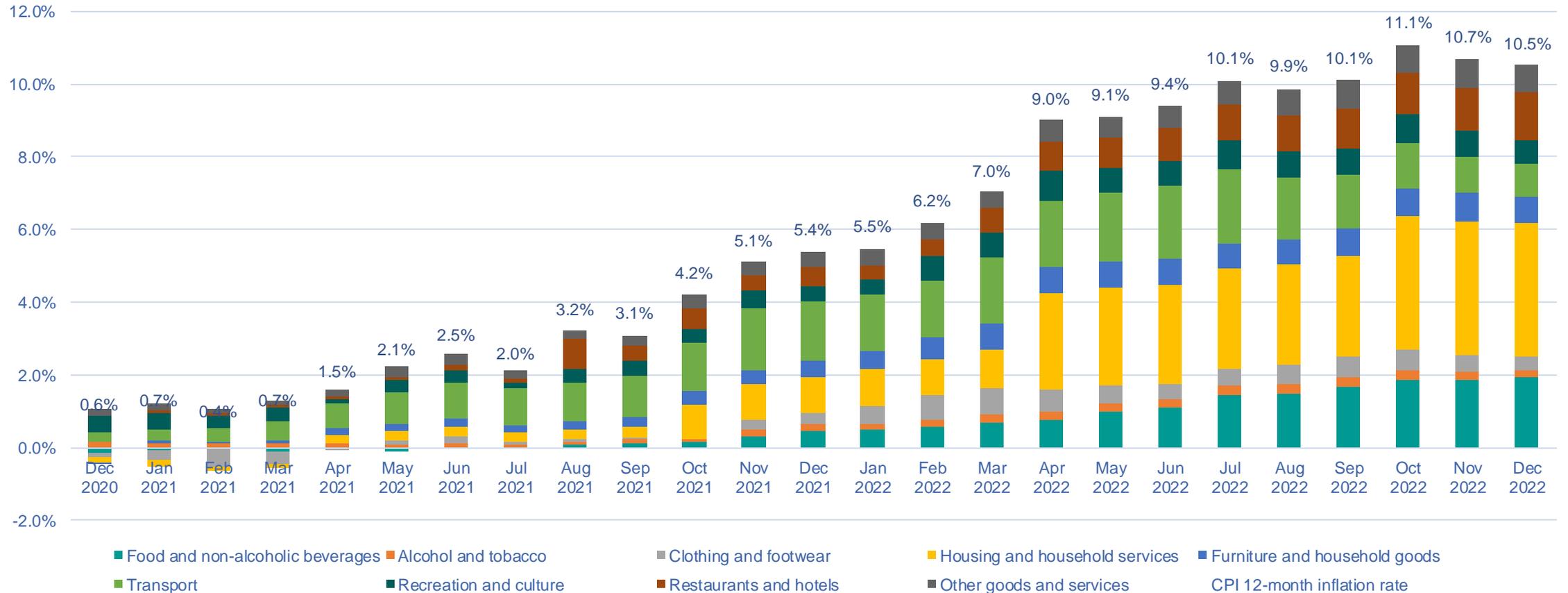
All the top occupational groups saw growth in online job postings during December, except Hospitality, food and tourism which remained flat. Information Technology saw the biggest growth in absolute (+700) and percentage terms (+27%) but there were also big increases for Finance, Education and Training and Health Care.



Source: Lightcast

Inflation rose by 10.5% in the year to December, down from 10.7% in the year to November

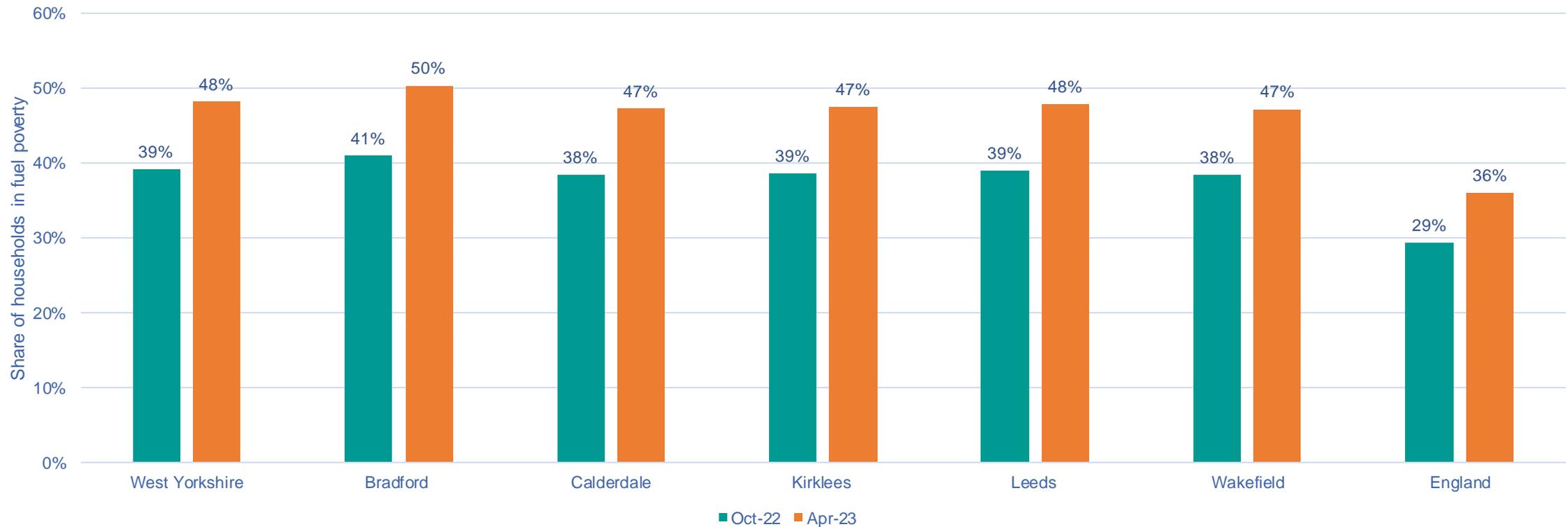
Housing and household costs, and food price inflation remain the key drivers of inflation in the UK. People towards the lower end of the income distribution spend a greater proportion of their income on these goods, so face an above-economy average level of inflation.



Source: Consumer price inflation, UK: December 2022

Up to 1 in 2 West Yorkshire households will be in fuel poverty by April

The combination of the increase in the Energy Price Guarantee combined with the end of the Energy Bill Relief Scheme will lead to an average overnight energy bill increase of £900 per year. This will put another 180,000 West Yorkshire households into fuel poverty.



Source: End Fuel Poverty Coalition

A greater share of West Yorkshire firms to receive support from enhanced EBDS, but some key industries will miss out

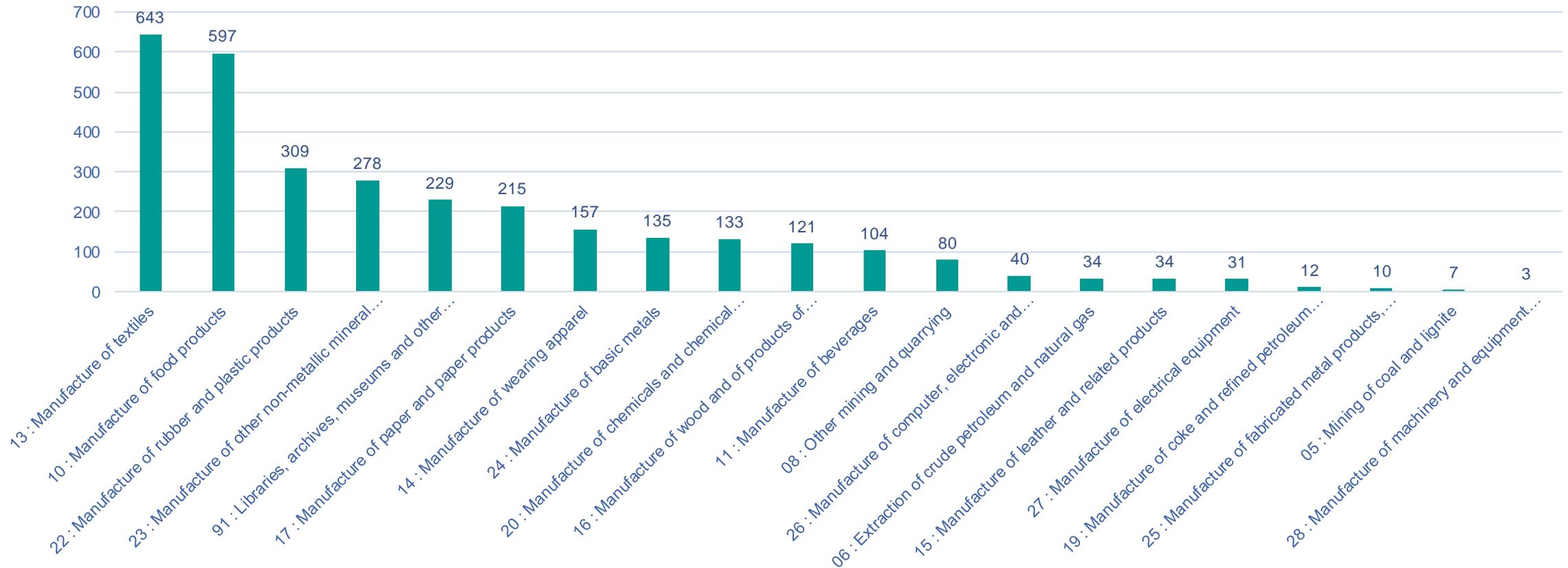
In October 2022, we calculated the number of West Yorkshire businesses that were likely to be disproportionately exposed to the impacts of high energy bills to be around 8,000. This week's announcement places 3,000 in the Energy and Trade Intensive Industries, which will receive greater discounts that kick in at lower price thresholds, leaving more than 5,000 West Yorkshire businesses exposed.



Source: FAME, Bureau van Dijk

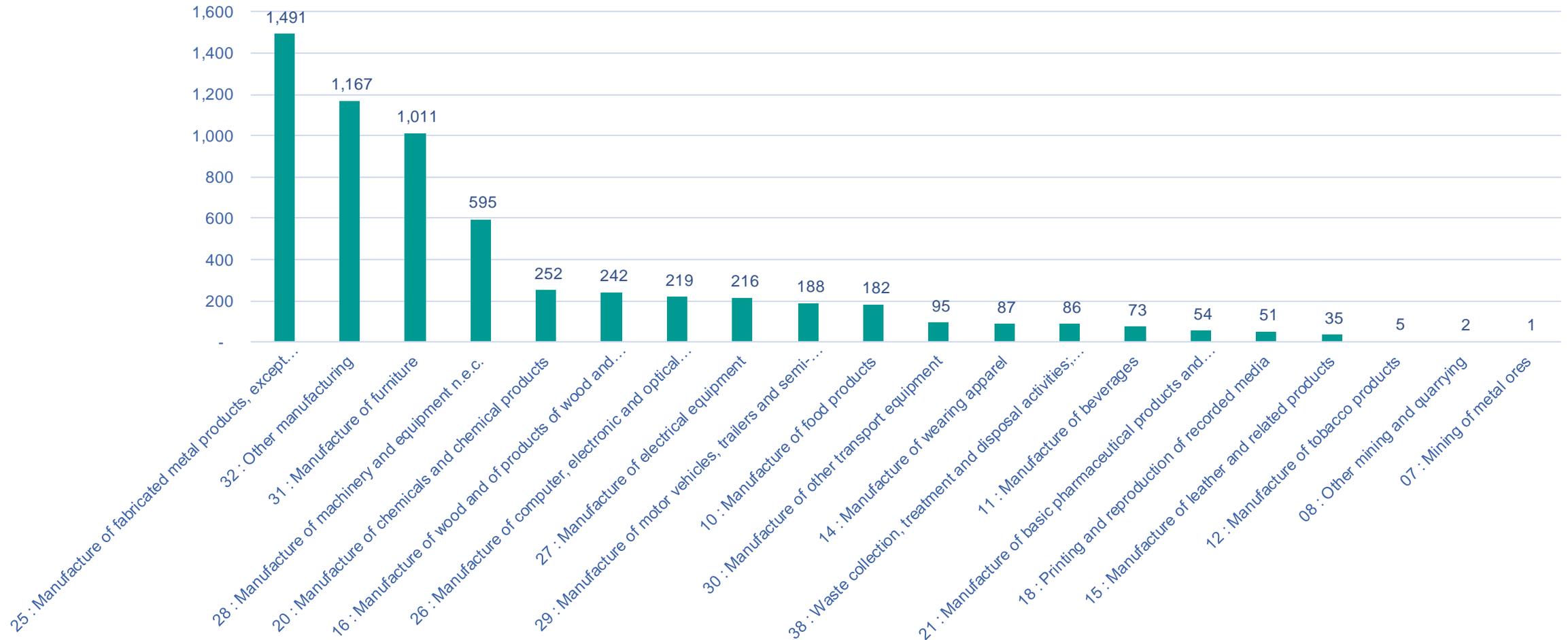
Manufacturers of textiles and food products sectors will be receiving the greatest level of support in West Yorkshire

Many of West Yorkshire's key businesses will be shielded from high energy costs, but there is very little support for the culture and recreation sector – only libraries, archives and museums will receive the higher level of support.



Source: FAME, Bureau van Dijk

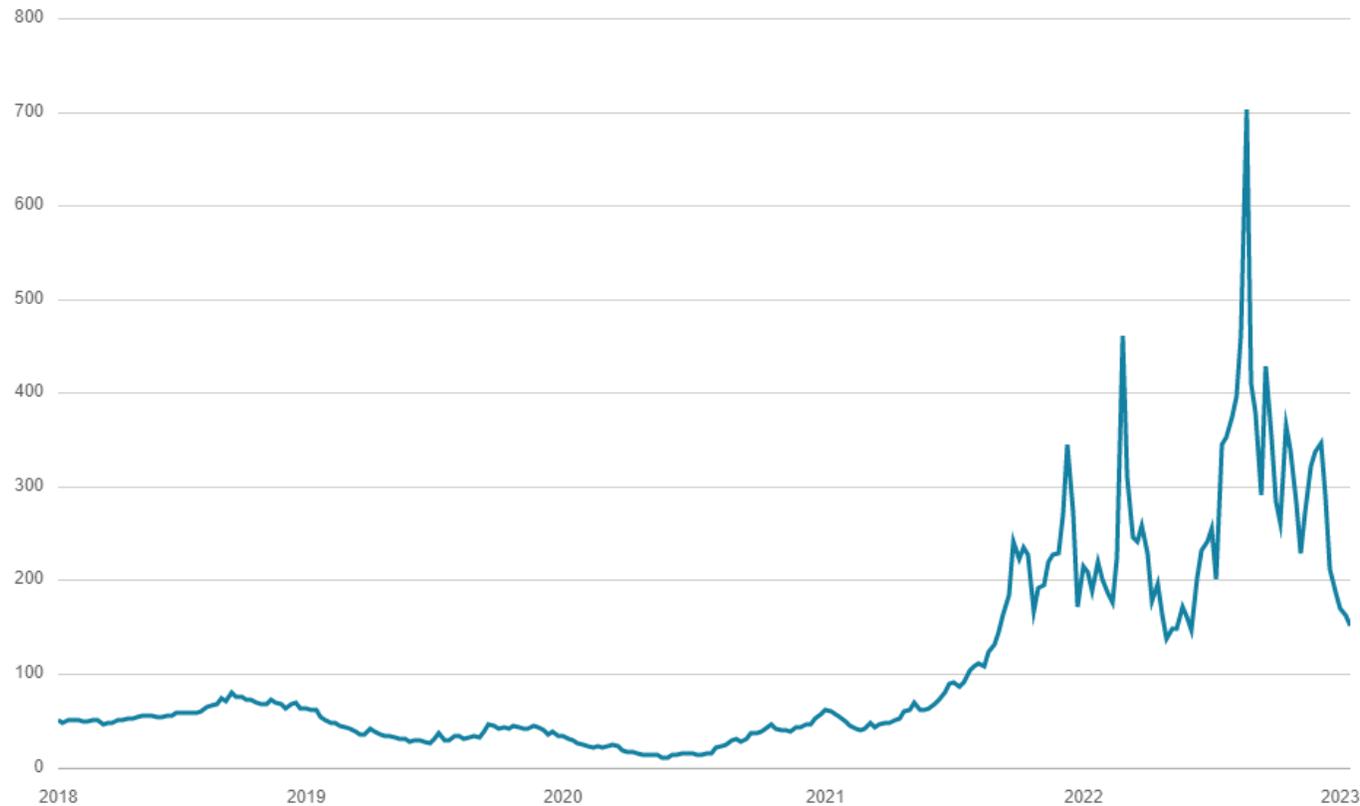
BUT the majority of those firms in need who will miss out are also in the manufacturing sector



Source: FAME, Bureau van Dijk

Gas futures prices have fallen to 147.5p per therm (as of 18th Jan), down from a peak of 702.95p in August 2022

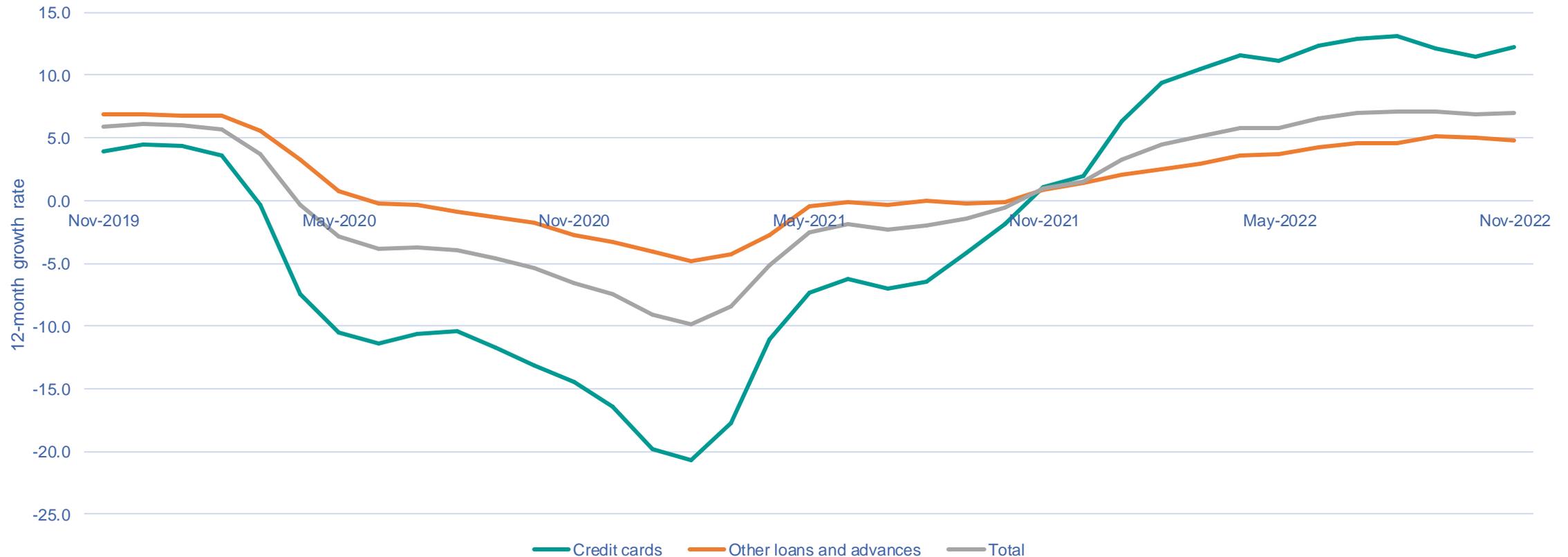
With futures prices falling, there is some light at the end of the tunnel for the energy crisis, **however**, lower prices are unlikely to be passed on immediately to consumers. Whilst the falling futures price is promising, it is still considerably higher than it was for much of 2021, and all of 2020.



Source: *BBC*

Total consumer credit has risen by 7% in the year to November 2022

Credit card spending has risen by even more – 12.2% in the twelve months to November. There remains a strong demand for credit to finance regular spending, such as household food costs. Data from Step Change, a debt charity, show that 56% of those seeking debt management support are in employment.

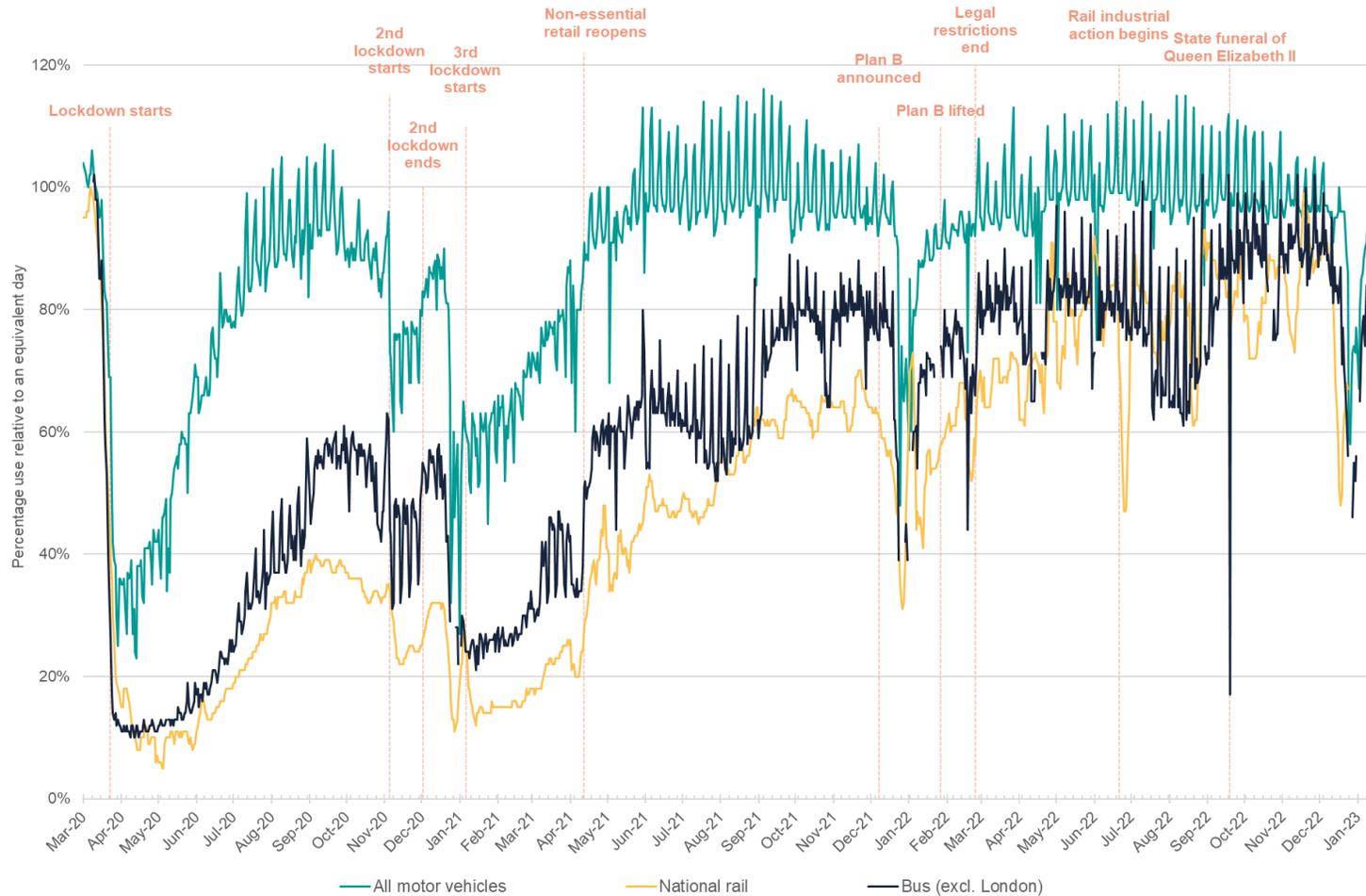


Source: Bank of England, Money and Credit

Transport Insights



Festive period and industrial action disrupt travel nationally



In the run up to Christmas, national bus and rail usage increased to peak levels of recovery very close to that of motor vehicles, although rail usage was likely impacted by industrial action.

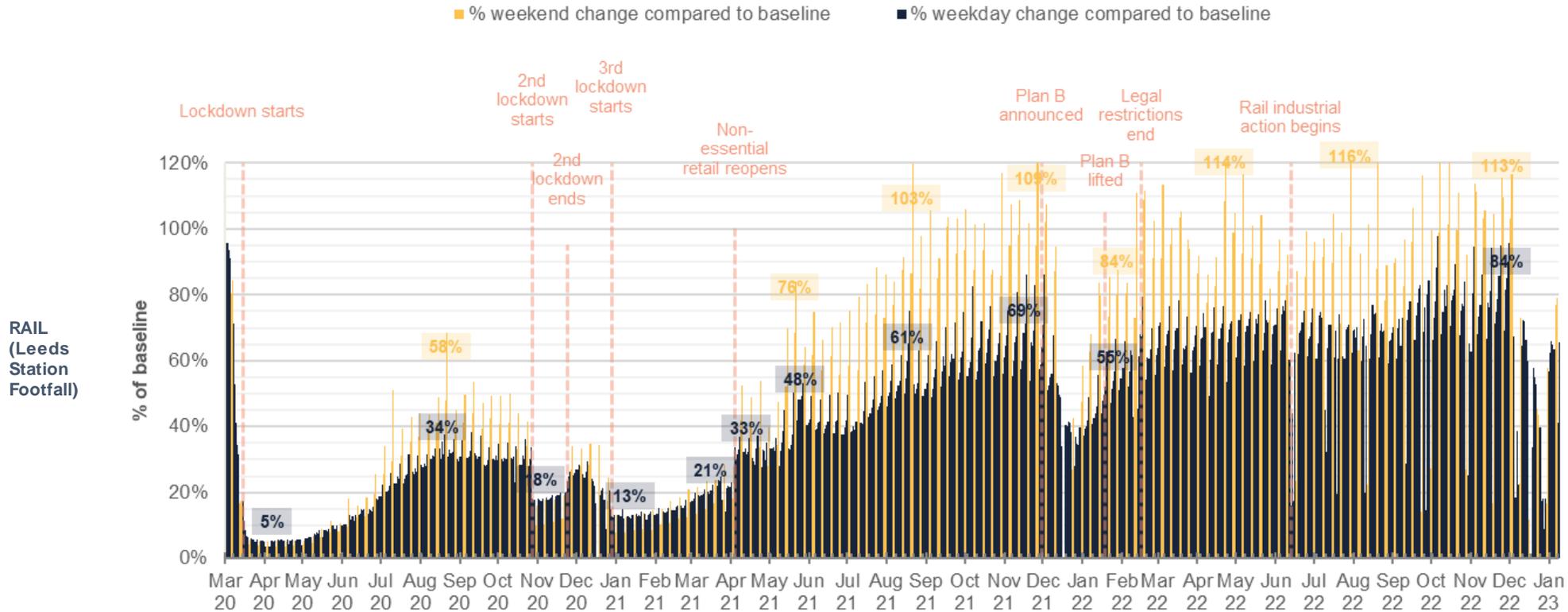
The Christmas and new year period had the usual impact on transport use nationally over recent weeks.

Early signs are that motor vehicle and bus usage have started the year with a similar pattern to previous weeks, with motor vehicle use being higher than bus, although some recent bus and rail data is unavailable.

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

Leeds rail weekday footfall hit new peak before strikes

Average weekday footfall at Leeds rail station reached a new peak at 84% of baseline in the run up to Christmas, before strike action. Weekend levels remained near peak levels around the same time. The festive period and strike action likely caused substantial declines over recent weeks and this appears more severe than 2021/22.

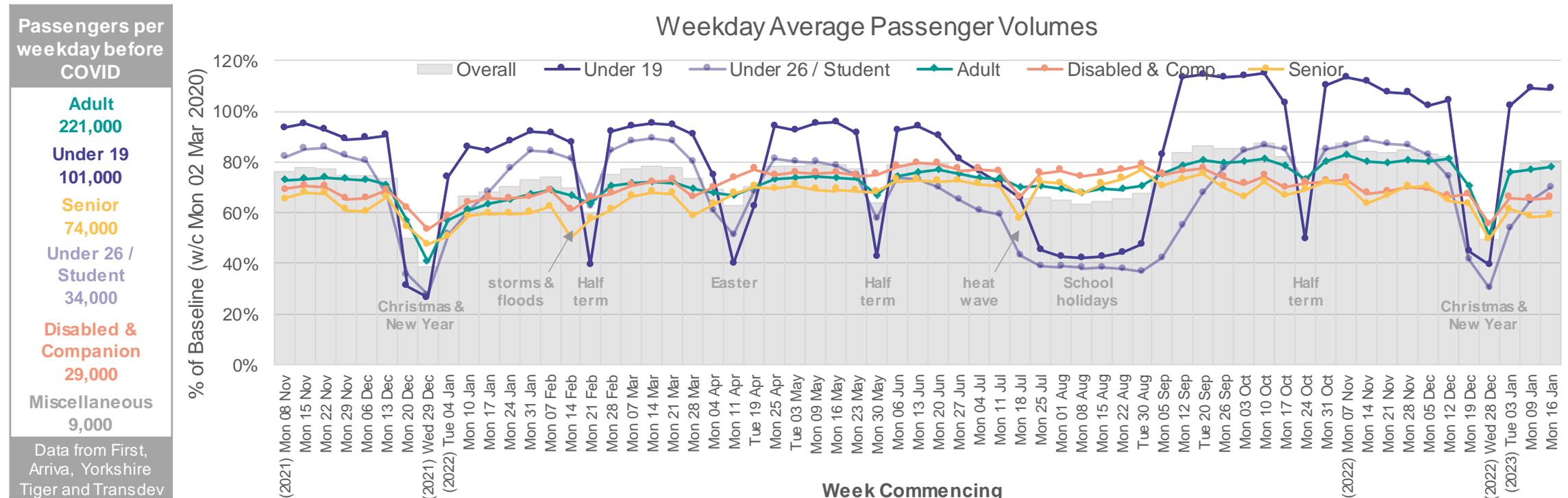


Baseline period is Monday 2nd - Friday 6th March 2020 (weekdays) and 29th Feb -1st March and 6th-7th March (weekends)

Source: Leeds Rail Station Footfall - Network Rail

Adult bus patronage at 77% of baseline levels in the first full working week of January 2023, up from 61% in the comparable week of 2022

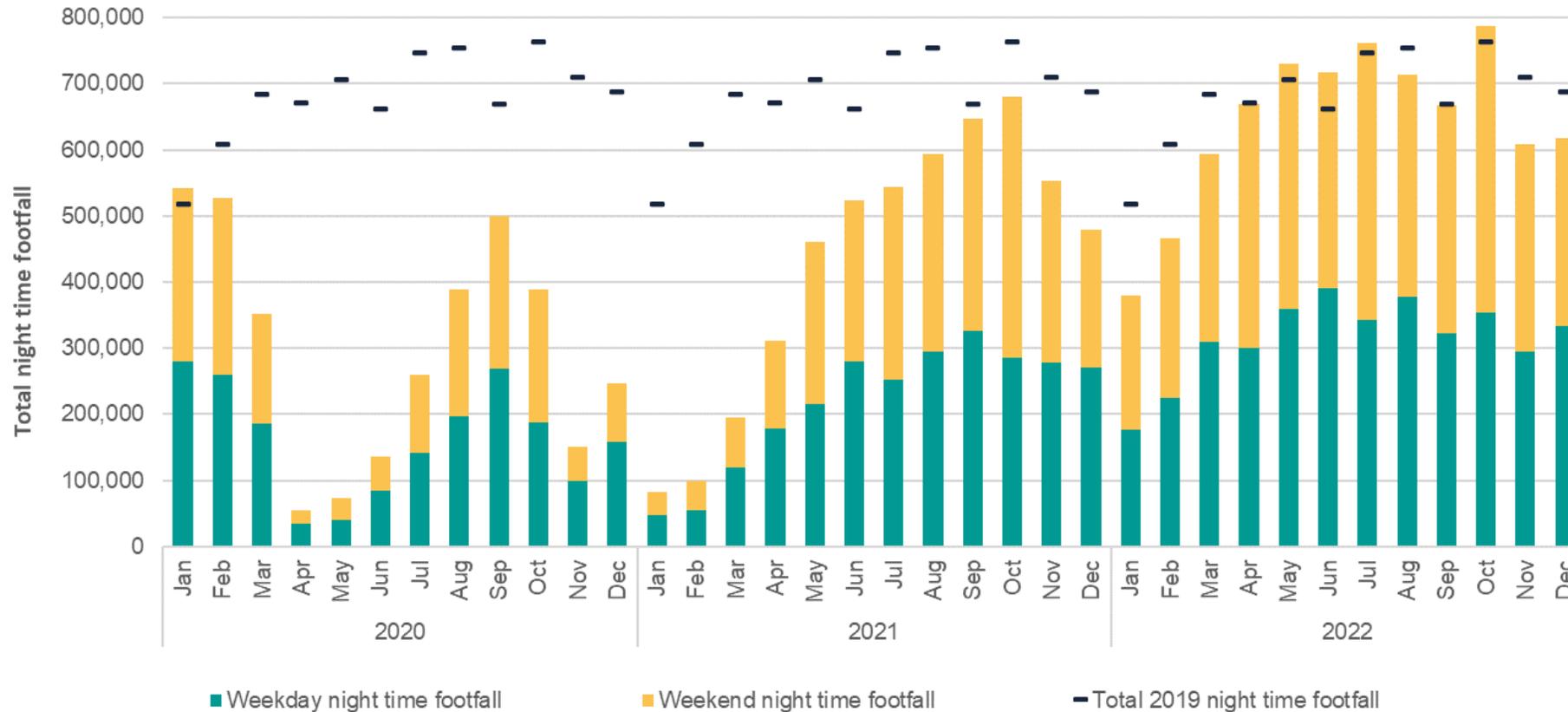
The chart below shows bus use relative to pre-pandemic conditions. Under 19s patronage matched pre-Christmas levels of use in the first full week of January 2023 whereas it took until late-January 2022 to match pre-Christmas 2021. Comparing the last few weeks with the similar period 12 months previous shows that the recent Adult cohort recovery is better relative to Under 26 / Student, Senior, and Disabled cohorts. In the first full working week of January 2023 use by Adults was 77% of baseline (61% last year). A return to commuting, the existence of fare caps, and ongoing rail strikes could all be influencing factors. It is believed that early 2022 use was impacted by people self-isolating for the Omicron variant.



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.

Leeds centre night time footfall falls before Christmas

Leeds city centre night time footfall fell to lower than 2019 levels in November and December.

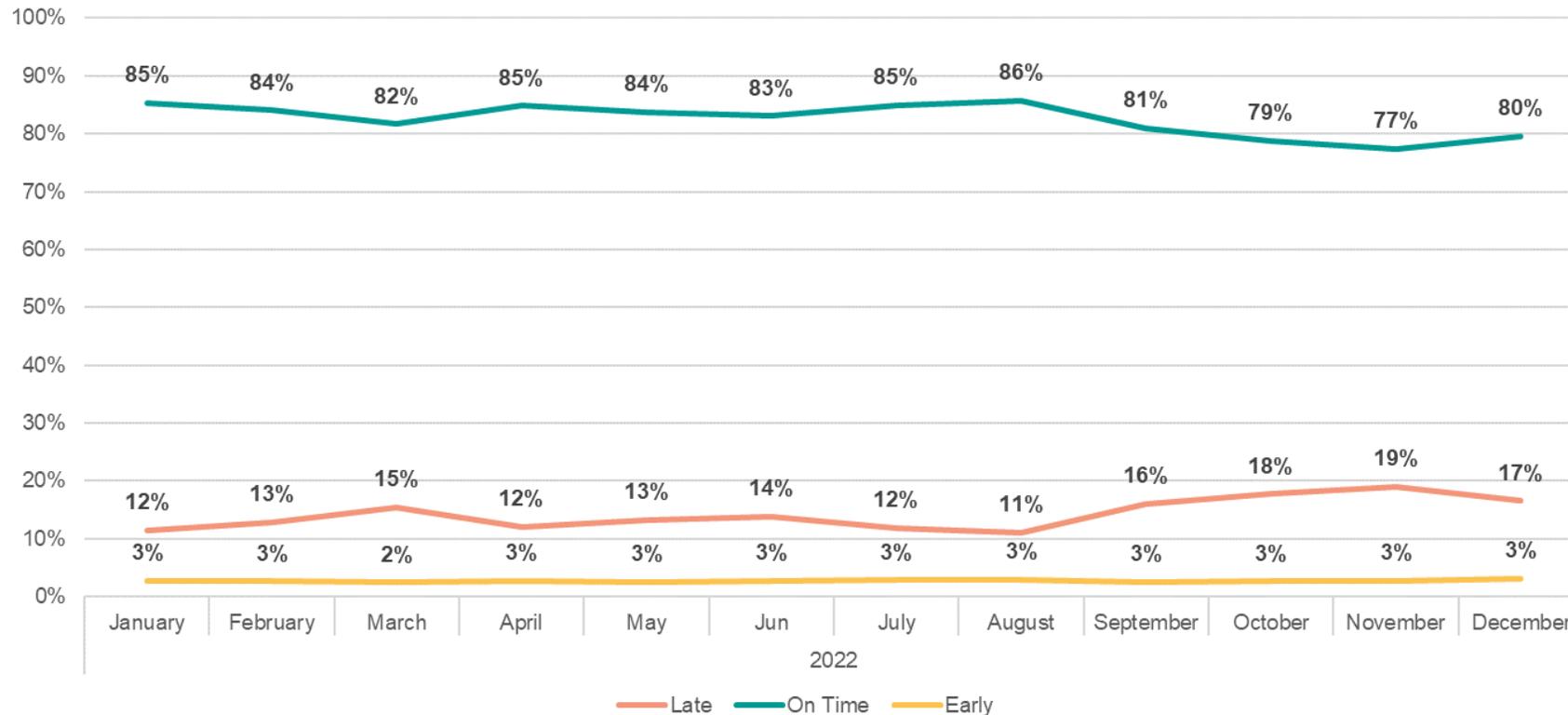


Source: Leeds City Council

On time bus performance declined in West Yorkshire at the end of 2022

According to Real Time Information (RTI) data, the proportion of tracked bus journeys in West Yorkshire running on time fell from a peak of 86% in August to 77% in November, recovering partially to 80% in December.

This was driven by an increase in late journeys which reached a peak of 19% in November. The proportion of early journeys remained largely unchanged.



Source: West Yorkshire Combined Authority Real Time Information system