



West Yorkshire Economic & Transport Insights Report

West Yorkshire Research & Intelligence Team

February 2023

Executive Summary – Economic Insights

- The number of employees in West Yorkshire continued to increase by 3,000 between December and January. Employment numbers are 4% higher than pre-Pandemic levels. Bradford and Leeds have employee numbers 5% above pre-Pandemic levels, higher than the UK figure (4%).
- The number of out-of-work claimants has risen for the second consecutive month, albeit by a small amount (200 extra claimants, +0.3%). The count is now 21% (11,800) higher than pre-pandemic (February 2020). West Yorkshire's claimant rate of 4.6% (6.5% in Bradford) is above the national average of 3.7%. Of the 344,000 economically inactive people in West Yorkshire, 80,000 are inactive due to long-term sickness and this number has grown compared with pre-pandemic.
- 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. Sales saw the biggest growth in absolute (+810) and percentage terms (+33%) but there were also big increases for Clerical / Admin, Engineering, Business management and operations and Hospitality, food and tourism.
- 2,203 businesses went into liquidation in January 2023, higher than at any point in 2022. The manufacturing and construction sectors, as well as the arts and entertainment sectors are over-represented in the liquidation figures relative to the proportion of businesses within the region.
- Inflation hit 10.1% in January 2023, down from 10.5% in December 2022. Food inflation continues to run at higher levels, disproportionately impacting the poorest within West Yorkshire. With gas futures prices falling dramatically over the last two months, inflation is expected to continue to fall throughout the year.

Executive Summary – Transport Insights

- Over the past month weekend bus use outside of London to rose to levels which matched all motor vehicles, whilst weekday was similar to that of late 2022.
- Following Christmas and subsequent rail strike actions in January and February, average weekday footfall at Leeds rail station increased to 76% of baseline levels.
- Since the start of the new year, overall weekday bus patronage (which includes all passenger cohorts) in West Yorkshire has steadily increased to 85% of the pre pandemic baseline (March 2020). Adult bus patronage now stands at 81% of baseline levels, which compares to 69% for the equivalent week in 2022.
- English National Concessionary Travel Scheme (ENCTS) bus patronage (which excludes the impact of recent fare caps) in 2022/23 follows pre-pandemic seasonal trends, but with reduced magnitude. This shows that senior and disabled bus pass holders fully haven't returned using the bus, although this is set against a longer term declining trend.
- Traffic on Leeds radial roads in the continues be suppressed relative to pre-pandemic; the weekday morning peak at the end of January was 19% lower than the equivalent week in 2019, with weekends 11% lower
- Despite footfall recovery in Leeds city centre throughout 2022, night time footfall fell lower than 2019 levels in January 2023, although footfall was higher than the equivalent month in 2022.
- Bus Real Time Information (RTI) data, reveals share of tracked bus journeys in West Yorkshire running on time in January 2023 (80%) was 5% points lower than the equivalent month in 2022 (85%), although this had increased from the recent low of 77% in November 2022.

Economic Insights



Ofgem price cap falls by £999 to £3,280 for April – June, but energy prices will still rise for households

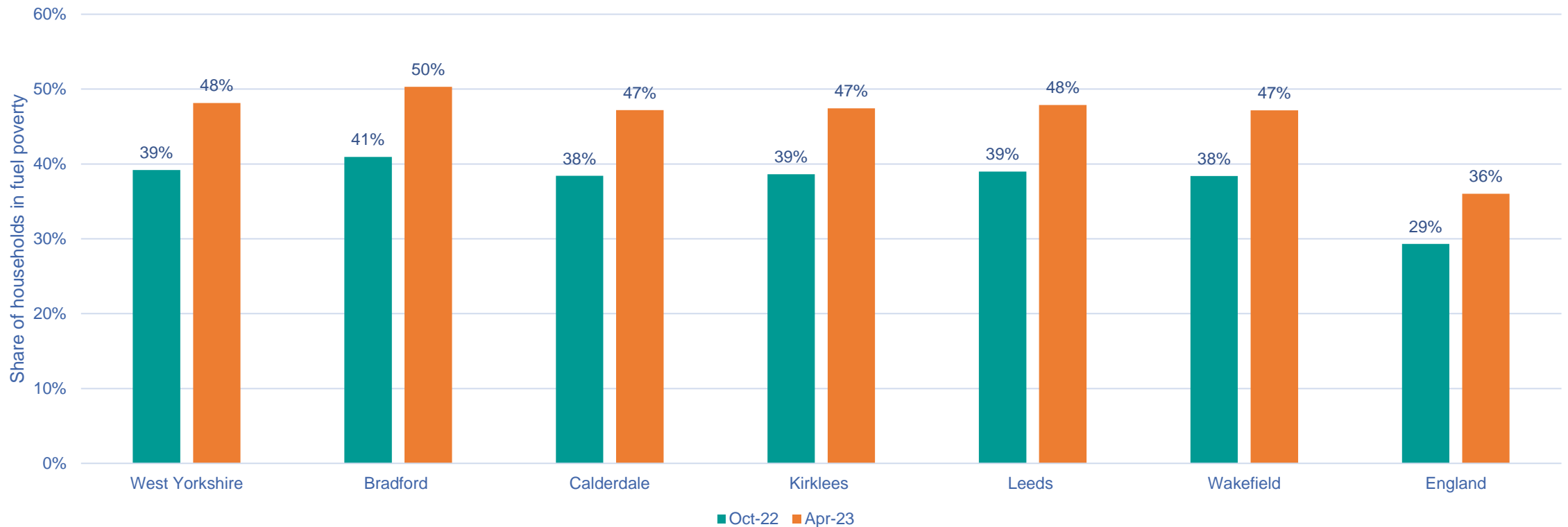
Current legislation means that consumers pay the lower of the Ofgem price cap or the Energy Price Guarantee (EPG) offered by the government, which is currently £2,500 per year for average household energy usage, but will rise to £3,000 from 1 April. Trends in gas futures prices have led experts to predict the Ofgem price cap will fall below the £3,000 EPG, but as the Ofgem price cap is calculated quarterly, this could take until July to filter through to consumers. As of 27 February 2023, gas futures prices have fallen by 83% from their August 2022 peak of 702.95p per therm.



Source: BBC

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

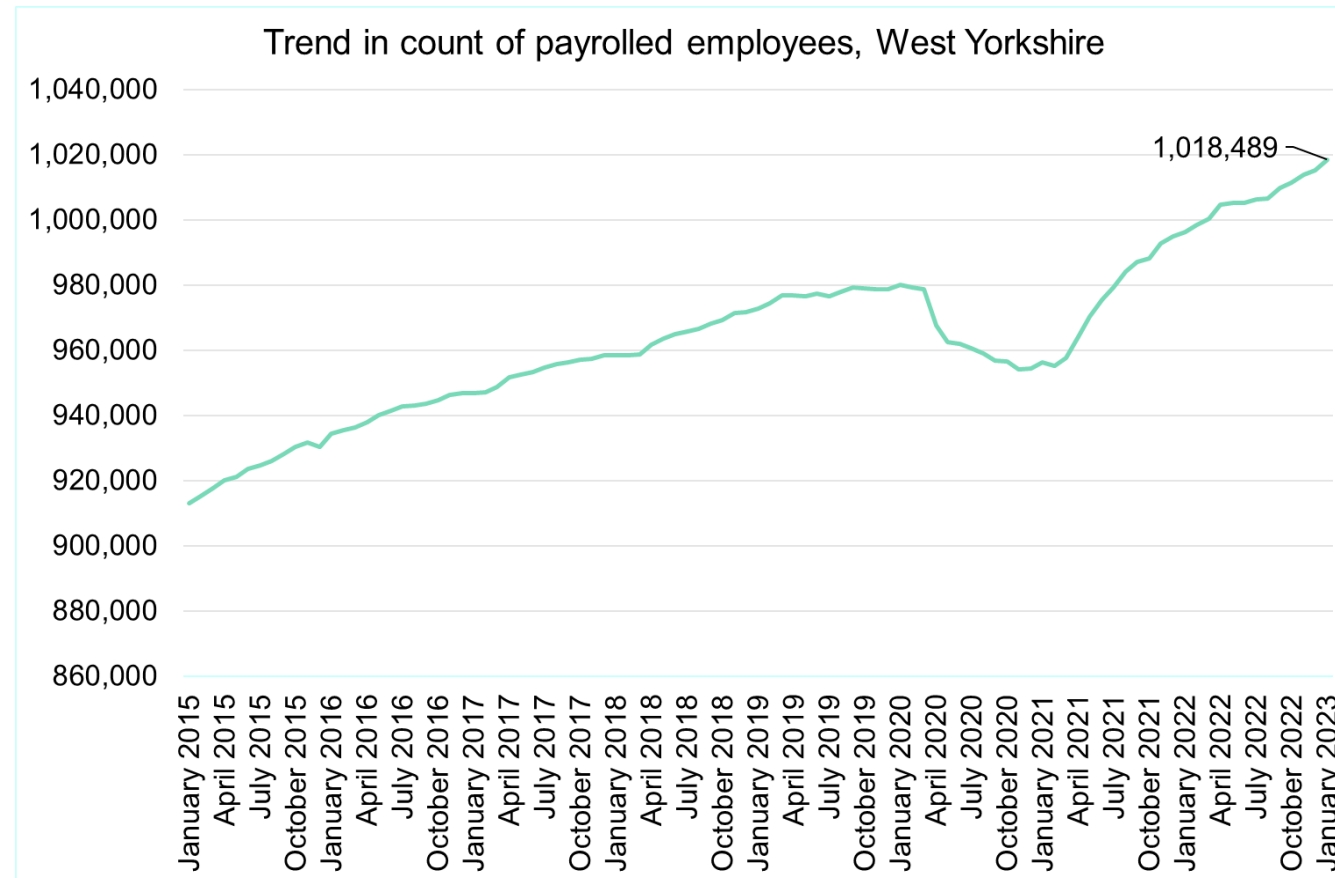
The combination of the increase in the Energy Price Guarantee combined with the end of the Energy Bill Relief Scheme will lead to an average overnight energy bill increase of £900 per year. This will put another 90,000 West Yorkshire households (180,000 residents) into fuel poverty.



Source: End Fuel Poverty Coalition

Further growth in West Yorkshire's employee count in January

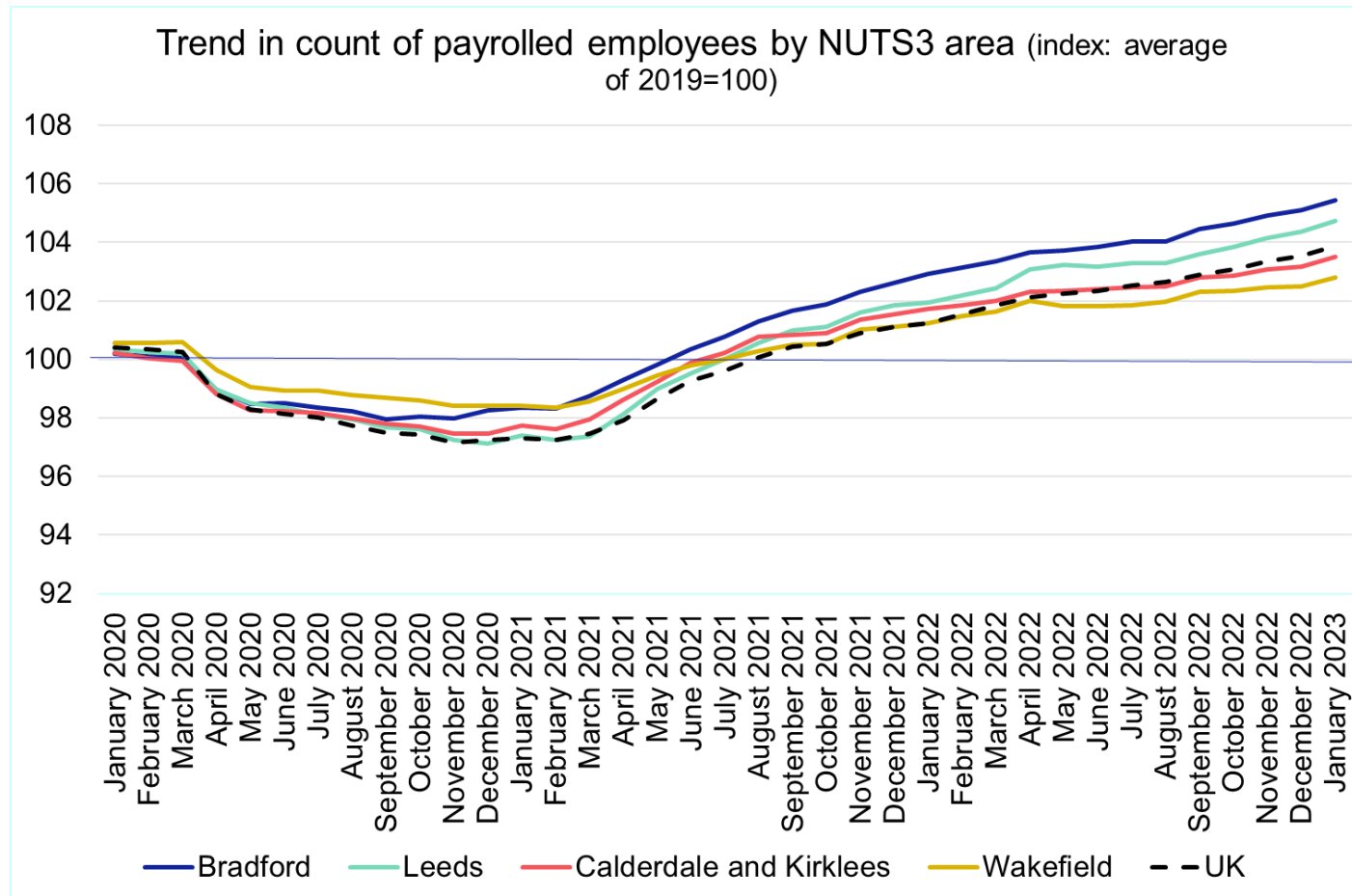
The seasonally adjusted number of payrolled employees in West Yorkshire increased by around 3,000 (0.3%) between December and January; this is similar to the national growth rate. The employee count is now 4% above pre-pandemic levels (based on average of 2019 employment figures), which is in line with the national position



Source: HMRC

Bradford and Leeds have seen a slightly stronger employment recovery than rest of West Yorkshire, based on HMRC real-time data

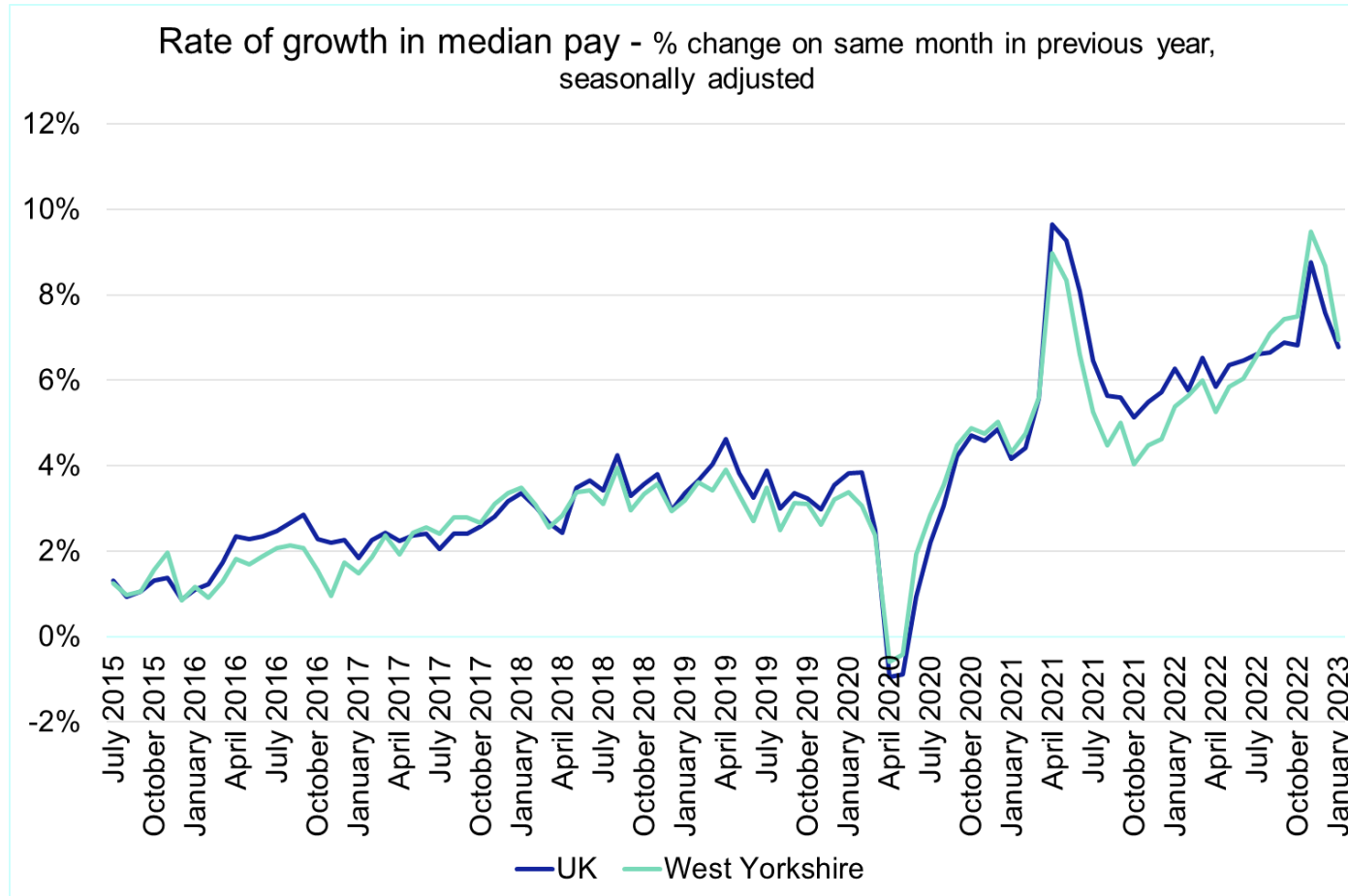
The count of payrolled employees is 5% higher than pre-pandemic (average of 2019 employment figures) in both Leeds and Bradford. The figures for Calderdale / Kirklees (4%) and Wakefield (3%) are slightly lower but broadly in line with UK average of 4% growth.



Source: HMRC

Median monthly pay in West Yorkshire is growing strongly, according to HMRC real-time data

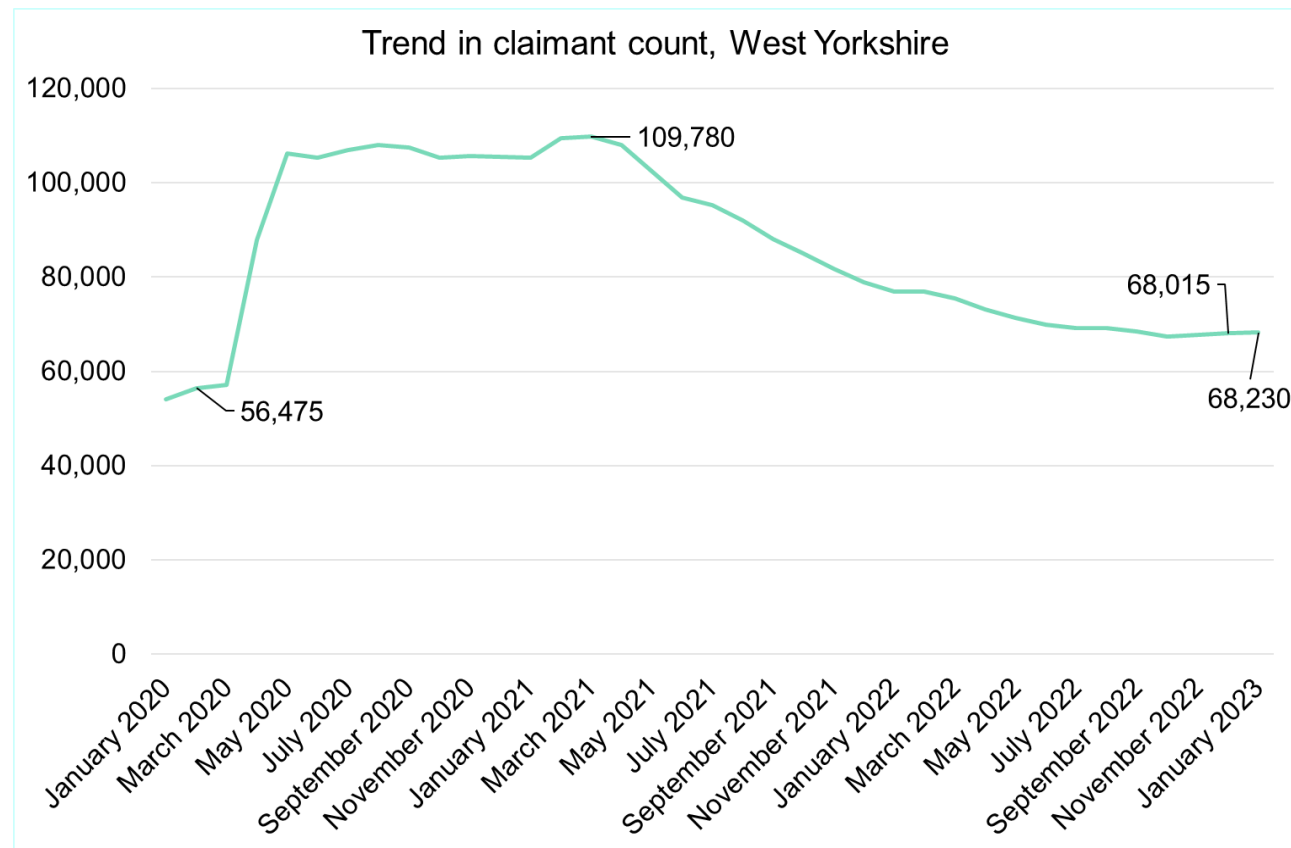
Employees' median monthly pay is currently growing by around 7% year-on-year in West Yorkshire, which is a strong growth rate in historic terms but still equates to a real terms cut due to high inflation. This growth rate is similar to the UK average, although the current level of median monthly pay in West Yorkshire (£2,049) is only around 94% of the UK average.



Source: HMRC

West Yorkshire's unemployed claimant count saw little change in January

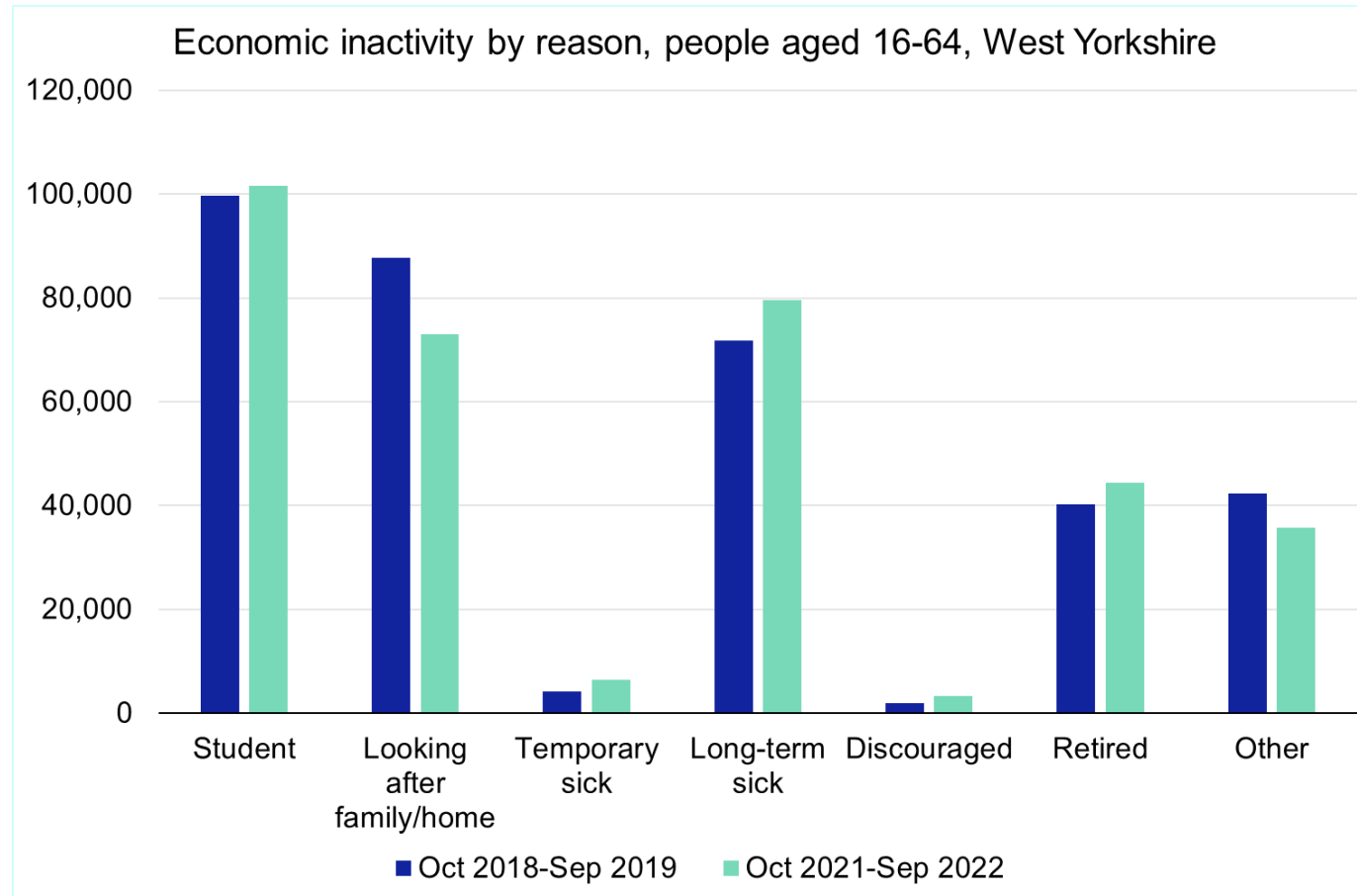
The latest claimant count figures for West Yorkshire, which relate to the number of people on out-of-work benefits, show a very small increase of 200 or 0.3% between December and January, following a second consecutive monthly increase in December. The count is now 21% (11,800) higher than pre-pandemic (February 2020). West Yorkshire's claimant rate of 4.6% (6.5% in Bradford) is above the national average of 3.7%



Source: NOMIS

Many of West Yorkshire's economically inactive are long-term sick and their number has grown since pandemic

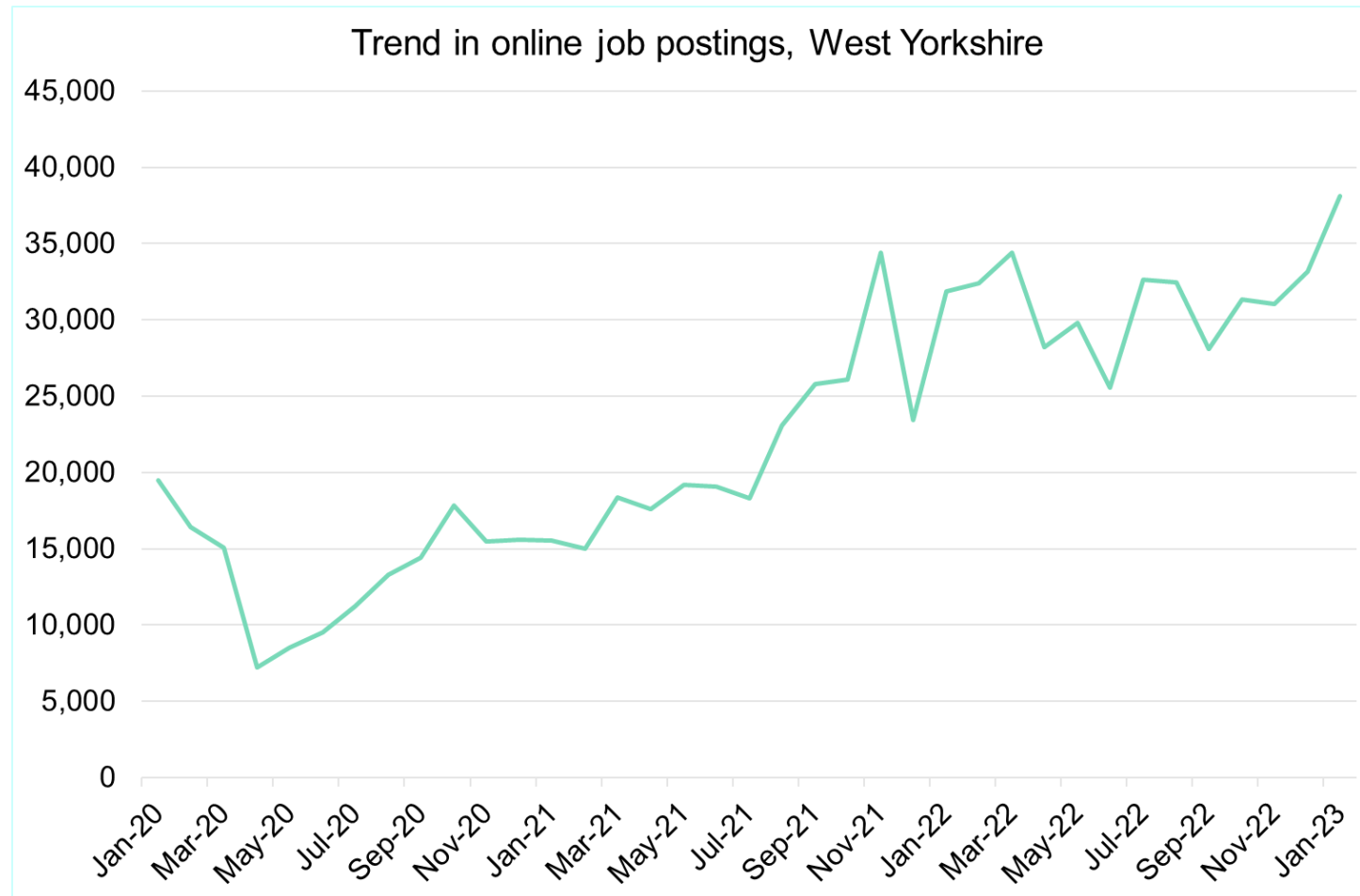
Around 344,000 people of working age in West Yorkshire are economically inactive. 80,000 of the inactive group are inactive due to long-term sickness and this number has grown compared with pre-pandemic. Large numbers of the inactive are also students or people looking after family / home.



Source: Annual Population Survey

Recruitment activity remained strong during January 2023

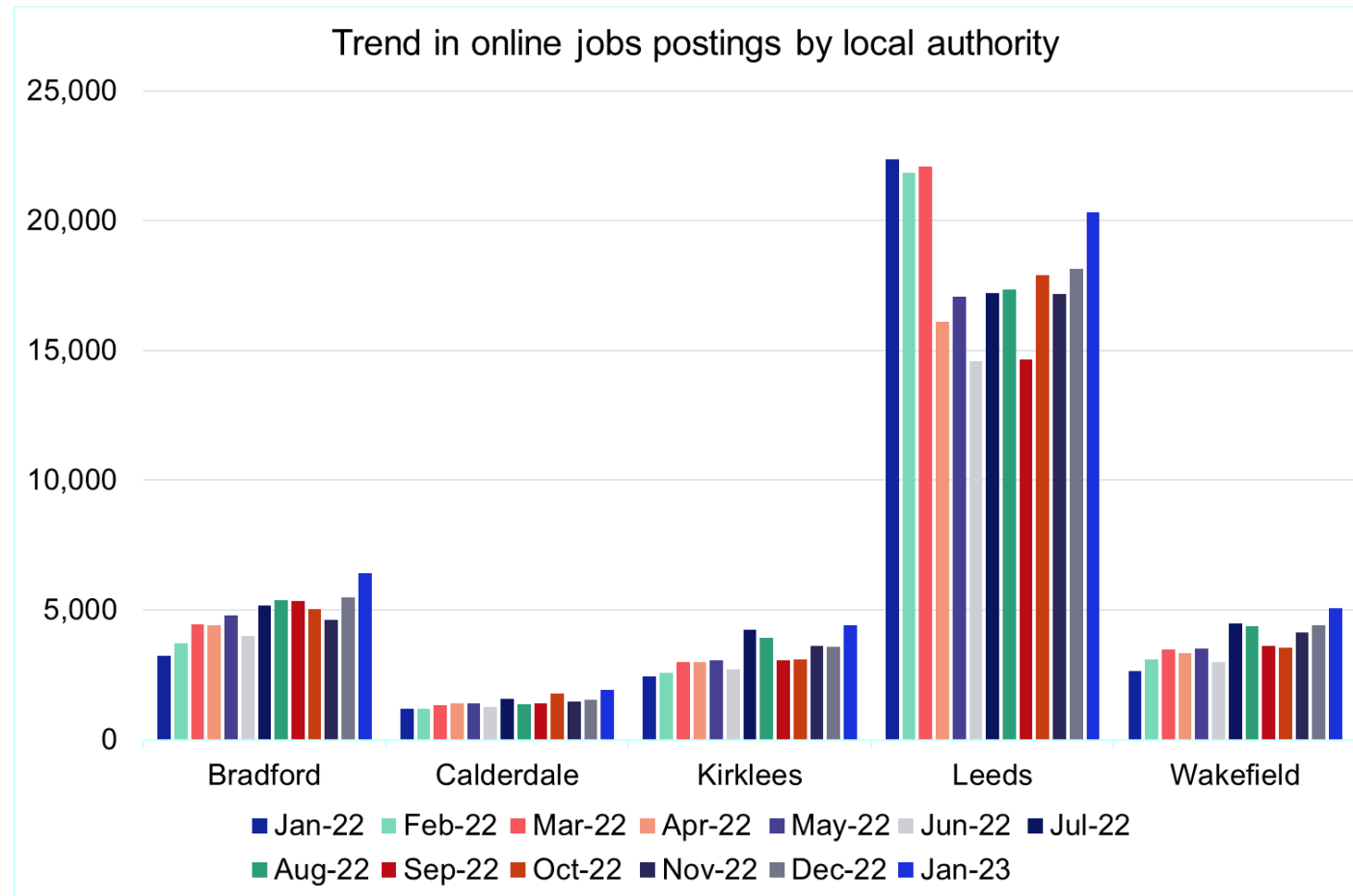
The monthly count of online job postings is volatile but remains at very high levels in historic terms. There were 38,100 unique, new postings recorded in January 2023, a 15% increase on December 2022 and 20% higher than the level for January 2022.



Source: Lightcast

All local authorities shared in January's increase in job postings

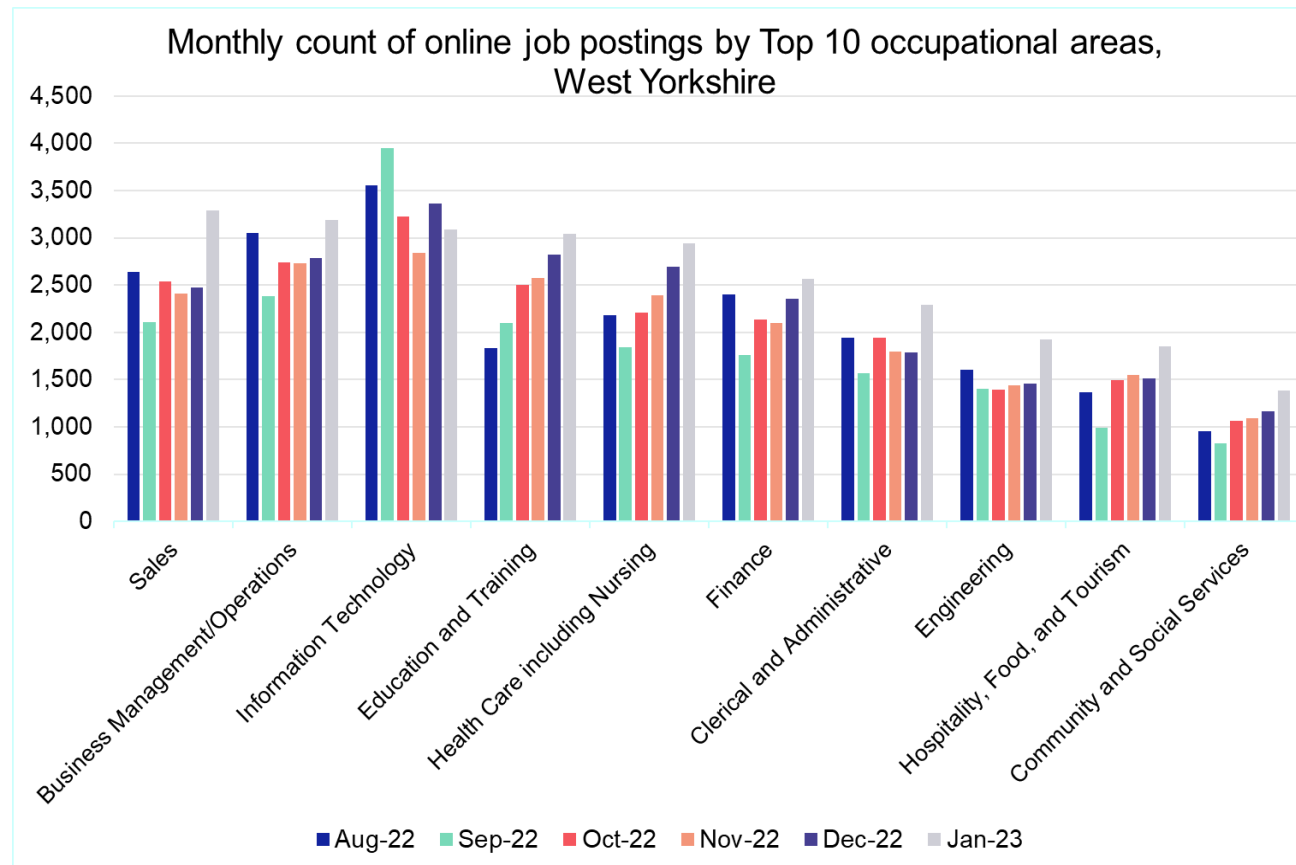
Leeds saw the biggest growth during January in absolute terms, as postings increased by almost 2,200 (12%) compared with the previous month. However, postings in Leeds remained below their January 2022 level. Calderdale and Kirklees saw the biggest percentage growth in January compared with the previous month, of 25% and 22% respectively.



Source: Lightcast

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

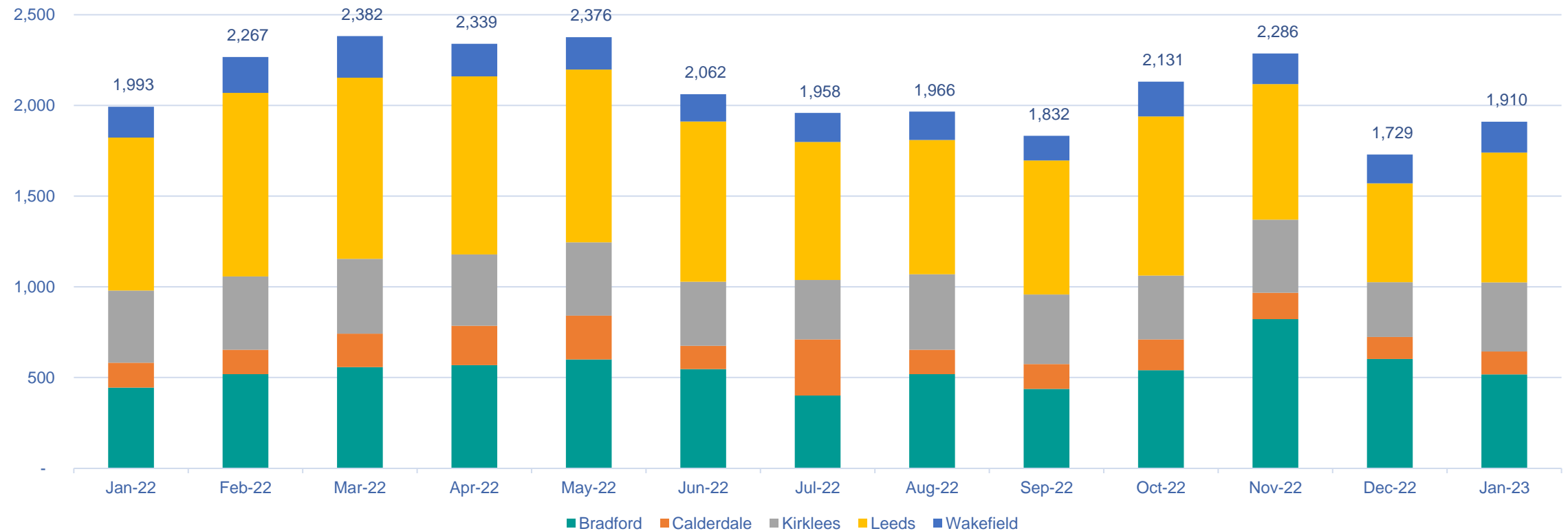
All the top occupational groups saw growth in online job postings during January, except Information Technology, which fell slightly, following a big increase in December. Sales saw the biggest growth in absolute (+810) and percentage terms (+33%) but there were also big increases for Clerical / Admin, Engineering, Business management and operations and Hospitality, food and tourism.



Source: Lightcast

Business registrations fluctuated with the season in December and January, producing some of the lowest figures of the year

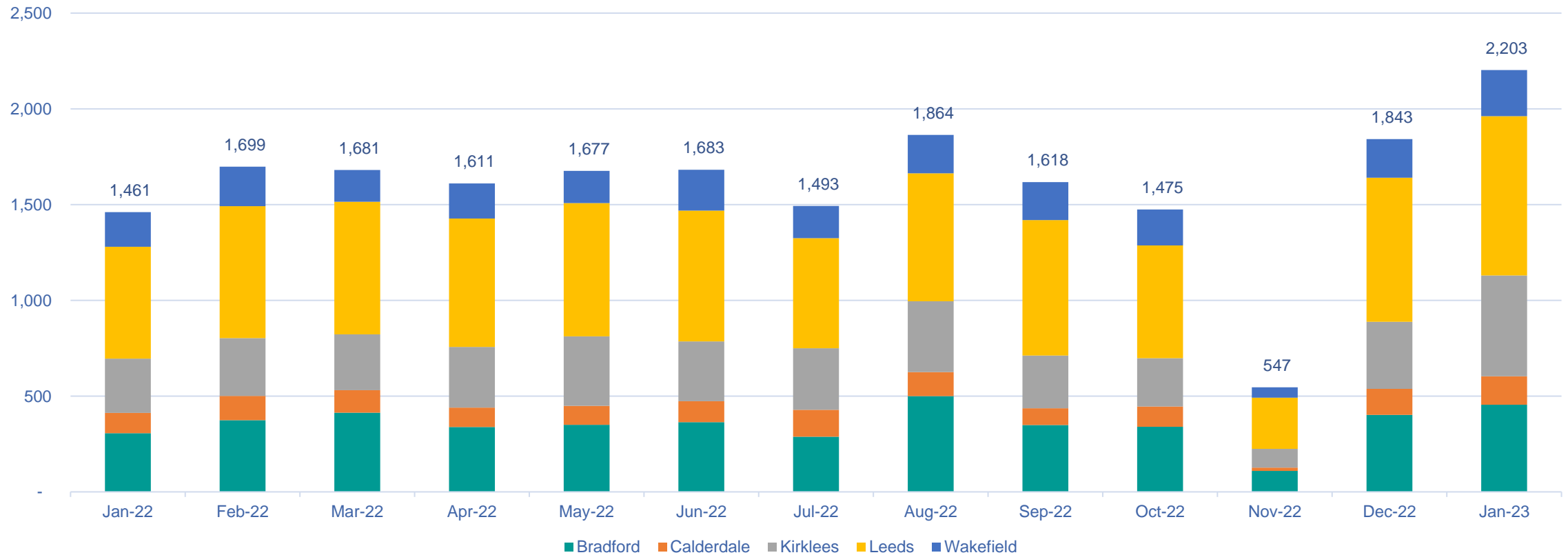
This phenomenon can largely be explained by seasonality – December and January are typically the months with the lowest levels of business registrations each year. The wholesale and retail trade, and the transport and storage sectors saw the greatest share of new business registrations relative to their market share in West Yorkshire. Both of these sectors have above-average levels of self-employment.



Source: Bureau van Dijk

Business liquidations rebound from a sharp November fall, but the three-month average remains below early 2022 levels.

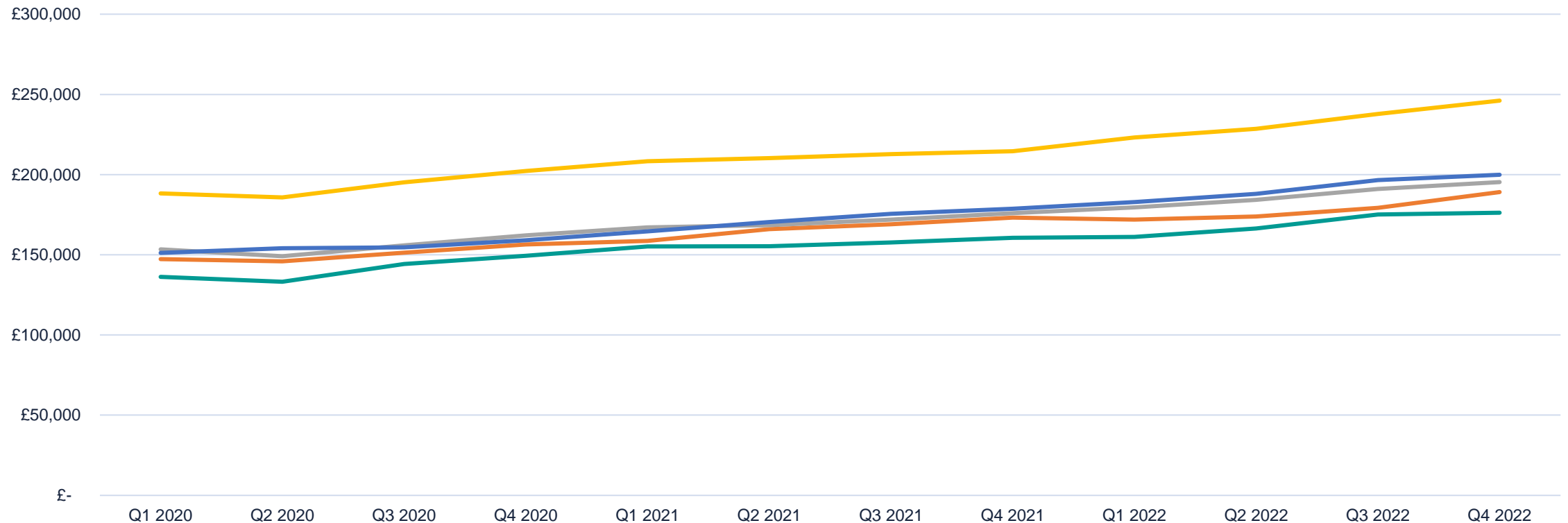
An unexplained fall in liquidations happened in November, affecting liquidation numbers across the country by a similar magnitude. The manufacturing and construction sectors, as well as the arts and entertainment sectors are over-represented in the liquidation figures relative to the proportion of businesses within the region. This matches intelligence around high inflation on input prices and the impacts of inflation in reducing discretionary spending by households, leading to businesses in these sectors having less money to spend on non-essential items.



Source: Bureau van Dijk

Between Q1 2020 and Q4 2022, average property prices increased by 30% across West Yorkshire, with over 20% increases in each district

Property prices in Wakefield increased at the quickest rate (32%), followed by Leeds (31%), Bradford (29%), Calderdale (28%) and Kirklees (27%). This equates to an average increase of 30% across the West Yorkshire region. Prices in Leeds are the highest (£246k on average), whilst Bradford is the cheapest (£176k on average). According to Rightmove, the average asking price for a UK property increased by just £14 between January and February 2023, pointing to a potential slowdown due to increased interest rates and the cost of living.

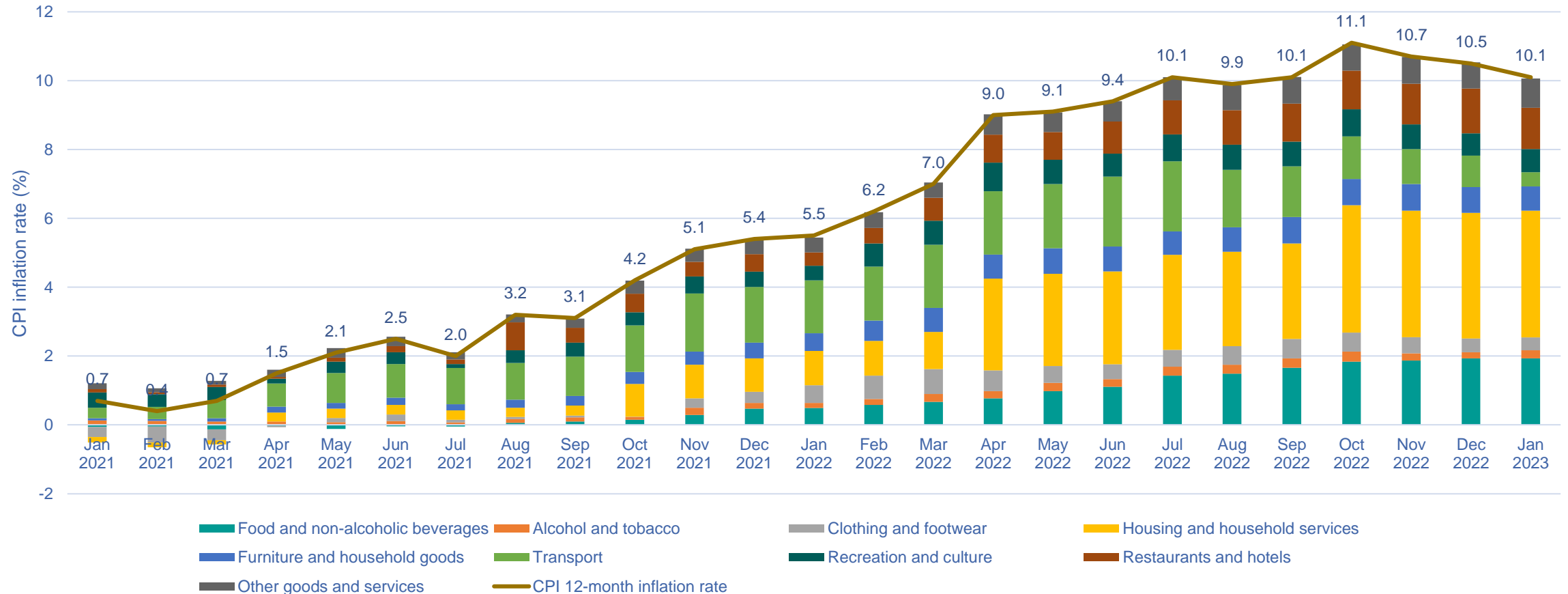


Source: Land Registry

Bradford Calderdale Kirklees Leeds Wakefield

Inflation rose by 10.1% in the year to January, down from 10.5% in the year to December

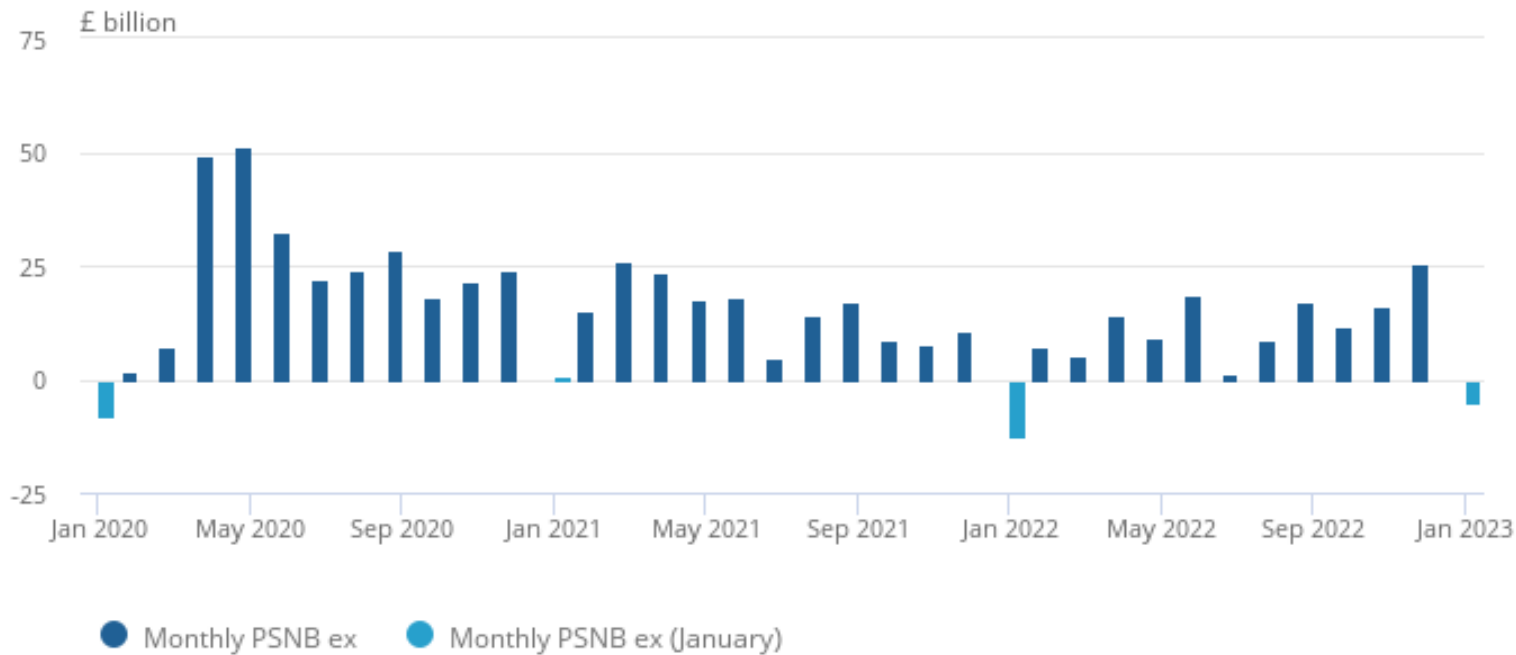
Housing and household costs, and food price inflation remain the key drivers of inflation in the UK. People towards the lower end of the income distribution spend a greater proportion of their income on these goods, so face an above-economy average level of inflation.



Source: Consumer price inflation, UK: January 2023

The public finances were in surplus in January 2023, thanks to increases in Income Tax and Corporation Tax receipts

Public sector net borrowing excluding public sector banks, £ billion, UK, January 2020 to January 2023



The public finances were in a surplus in January 2023. This is fairly standard due to self-assessment tax returns, however, a surplus was not anticipated this year.

Tax receipts in January 2023 were 13.2% higher than January 2022.

Self-Assessed Income Tax was 33.3% greater than January 2022, Corporation Tax was 27.9% higher and PAYE Income Tax was 10.6% greater.

Source: ONS

Gas futures prices have continued to slide, decreasing pressure on the public finances



“Subsidies – Other” spending has increased by 350% between January 2022 and 2023 – this is primarily driven by the various energy support schemes that have been utilised.

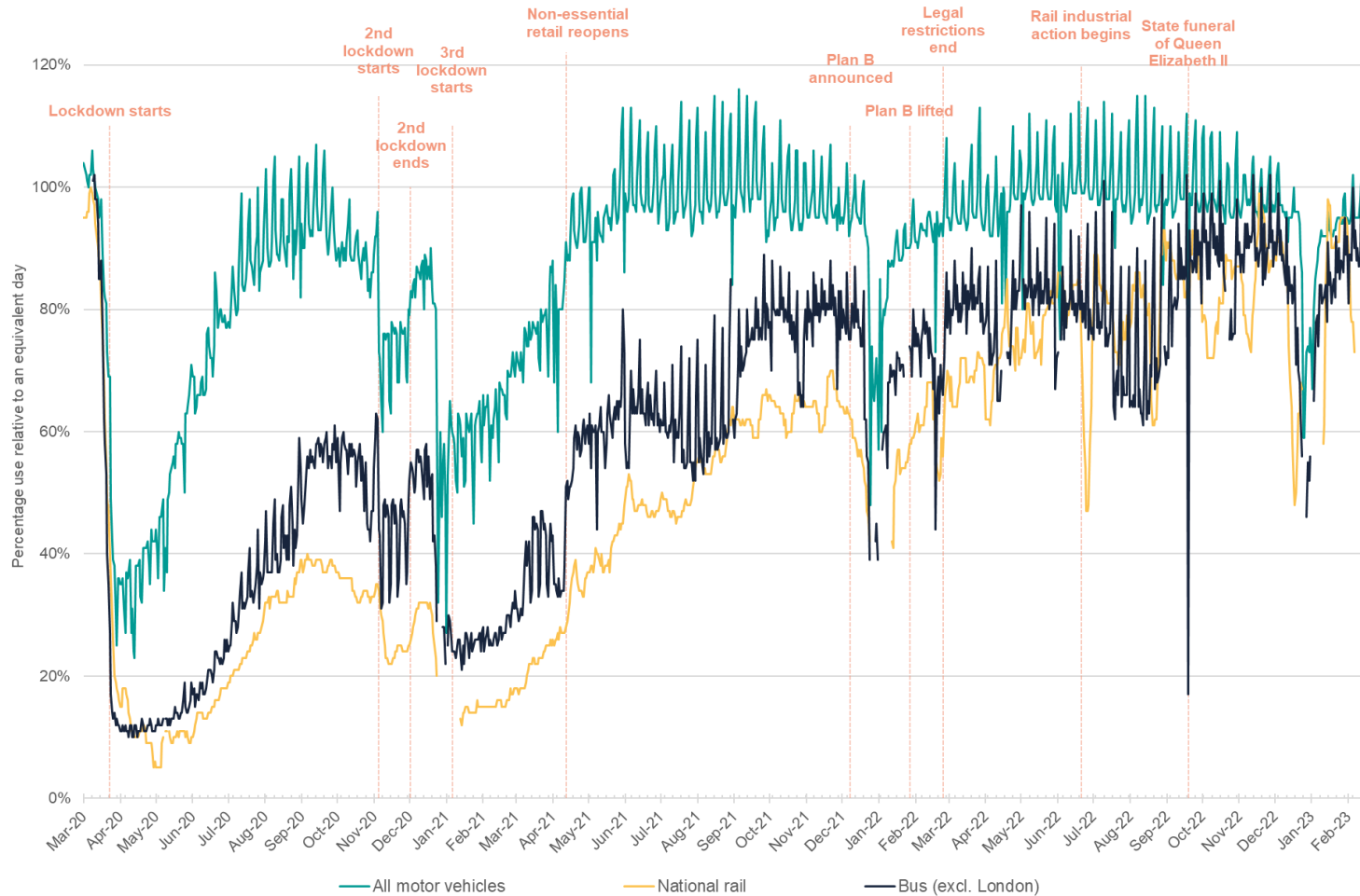
Since mid-December, gas futures prices have fallen significantly from 337p/therm to 120p/therm (as of 21 February). This will feed into reduced government expenditure, and lower borrowing.

Source: BBC

Transport Insights



National weekend bus recovery matches motor vehicle levels



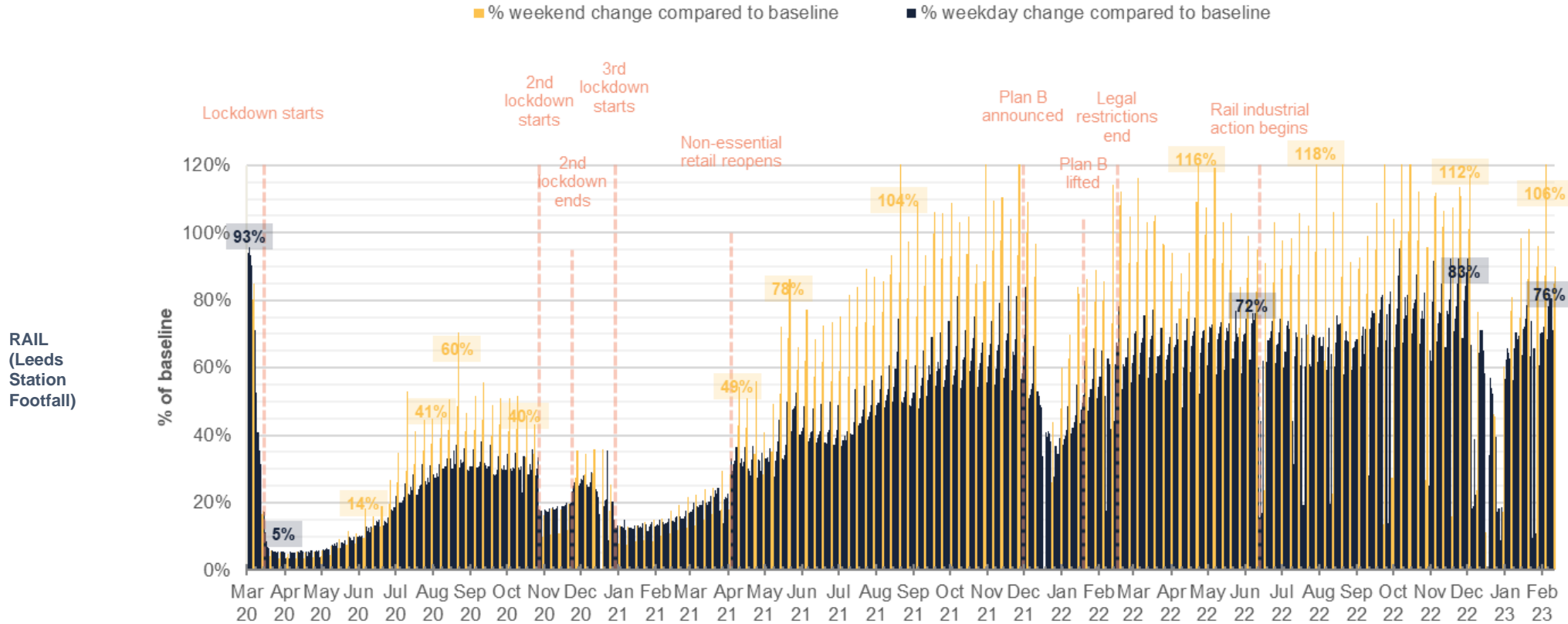
Over the past month at a national level, bus use outside London rose to levels close to motor vehicle use at weekends, falling back to a similar pattern seen at the end of 2022 on weekdays.

Rail usage exceeded that of bus in January before falling back again following February rail strikes—however this data source is subject to revision over the most recent weeks.

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

Leeds rail weekday footfall rose to 76% of pre-pandemic levels following February strikes

Following Christmas and subsequent strike actions in January and February, average weekday footfall at Leeds rail station increased to 76% of baseline levels. Weekend rail footfall was subdued in January, relative to late 2022.

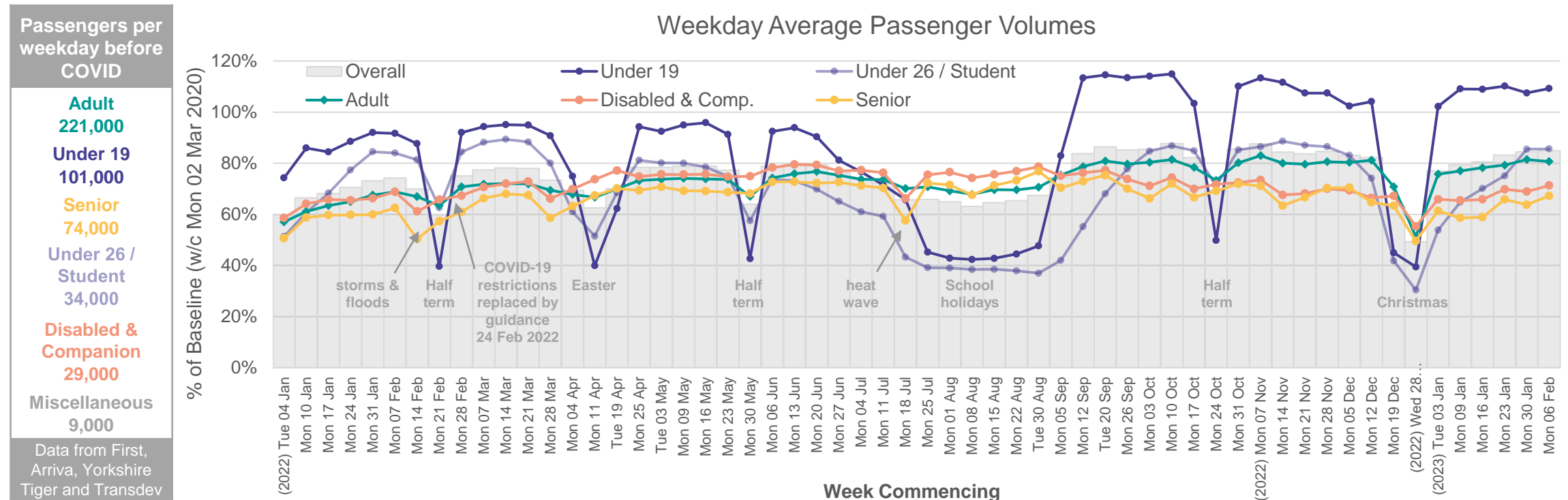


Baseline period is Monday 2nd - Friday 6th March 2020 (weekdays) and 29th Feb -1st March and 6th-7th March (weekends)

Source: Leeds Rail Station Footfall - Network Rail

Adult bus patronage at 81% of baseline levels, rising steadily since the start of 2023, up from 69% in the equivalent week of 2022

The chart below shows bus use relative to pre-pandemic conditions. Comparing the last few weeks with the similar period 12 months previous shows that the recent bus Adult cohort recovery is stronger relative to Under 26 / Student cohort. Bus use by Adults in week commencing 6 Feb 2023 was 81% of baseline (vs 69% in the equivalent week last year) while use by Under 26 / Student cohort was 86% (84% last year). A return to commuting, the existence of fare caps, and ongoing rail strikes, and self-isolating for the Omicron variant could all be influencing factors.



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.

English National Concessionary Travel Scheme (ENCTS) bus patronage in 2022/23 follows pre-pandemic seasonality, but with reduced magnitude

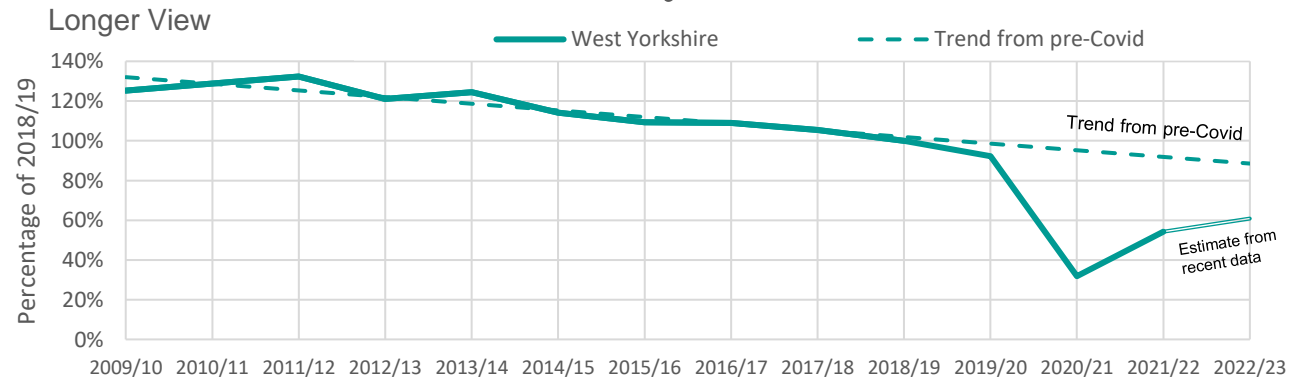
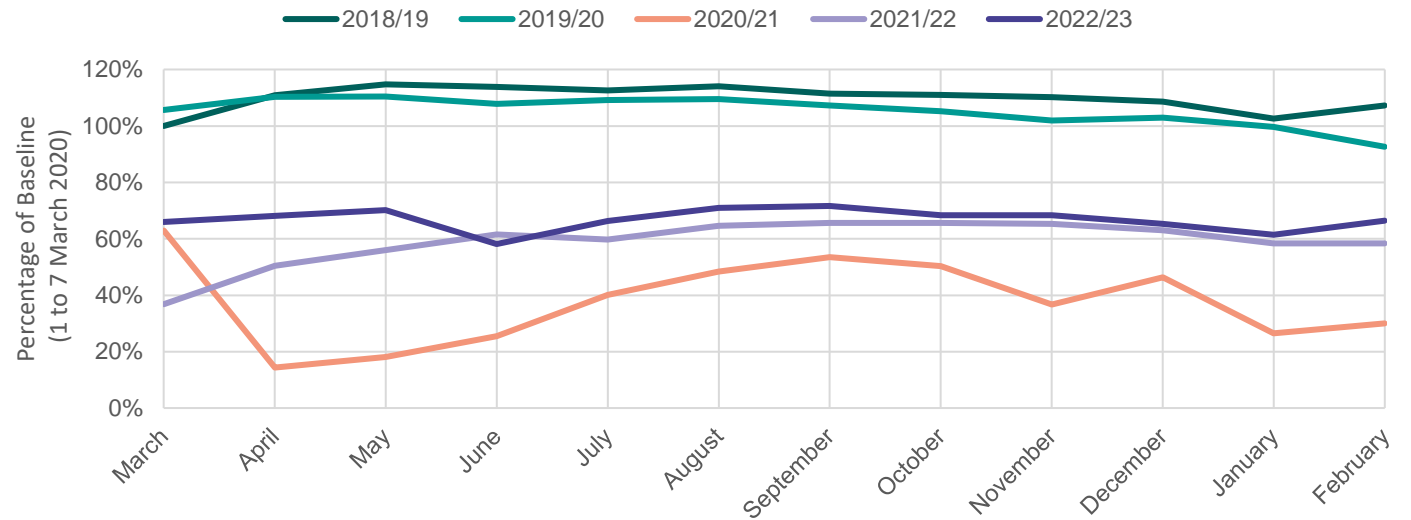
The top chart shows zero fare bus journeys made using senior and disabled passes (ENCTS) from March 2018 to mid-February 2023. For this passenger cohort, the chart illustrates that bus use in March 2022 to February 2023 followed a similar pattern to 2018/19, with the exception of the dip in June 2022 (due to Arriva strikes).

The chart shows ENCTS bus patronage was higher between March 2022 to February 2023, compared to the previous year, although there is a clear gap between pre-pandemic levels.

It's worth noting that ENCTS passengers (Zero fare use) are not directly impacted by fare caps so this may be an indication of underlying recovery.

The bottom chart shows the longer term ENCTS patronage trend for context, with the dashed line projecting this forward. The pre-pandemic trend of steadily declining ENCTS patronage may have been in part a result of the raising of the state pension age (and therefore eligibility bar) between 2010 and 2022, the state pension age is currently stable at age 66 so one possible cause of the longer-term reduction will not apply until the state pension starts to rise to 67.

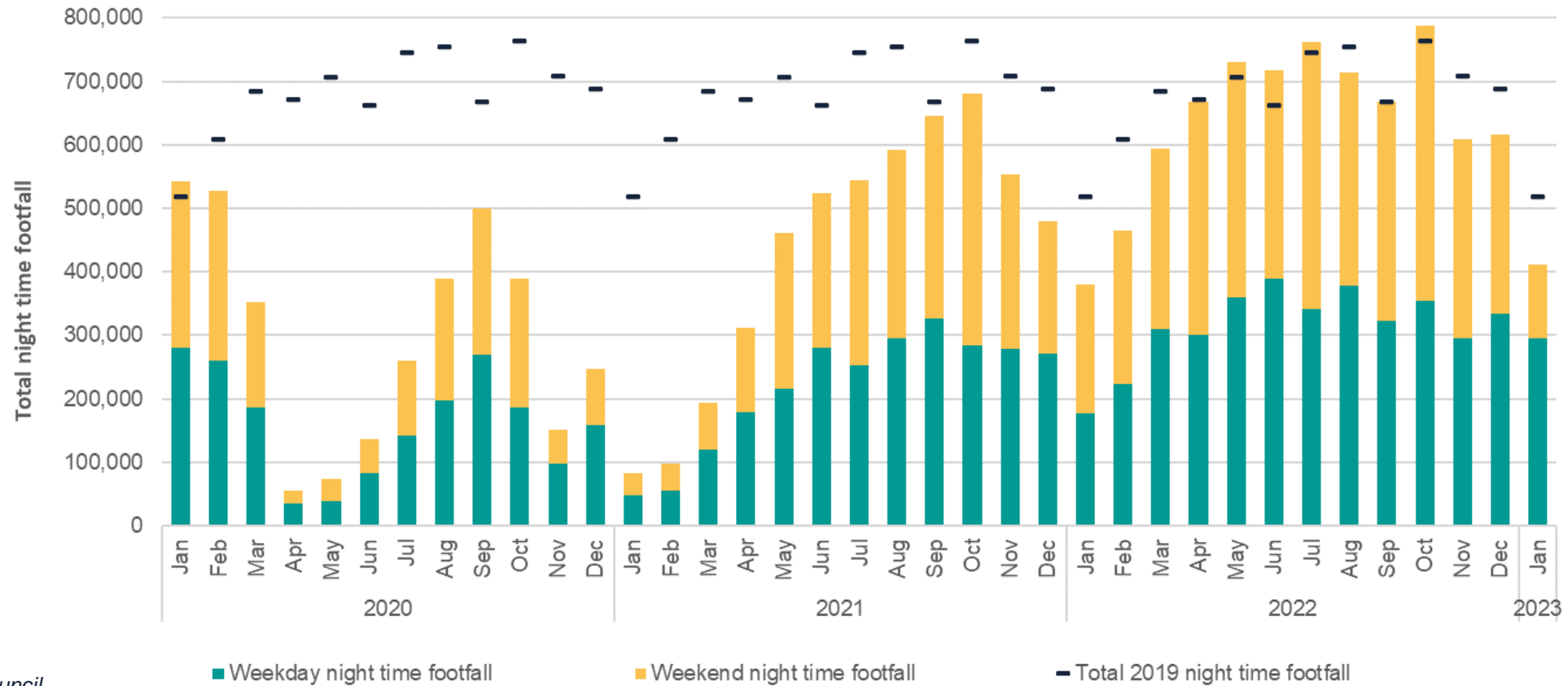
Senior and Disabled Zero Fare Bus Journeys - Typical Seven Days
(excludes Special Days such as Bank Holidays and Christmas Eve, but includes Strike Days)



Source: Source: Bus operators scans of English National Concessionary Travel Scheme Smartcards boarding in West Yorkshire. Top chart is via the Nero system, bottom chart is as published by DfT based on WYCA data to 2021/2 then forecast from the Nero system. Data is for all buses fitted with smartcard readers. Relevant time-series data for fare-paying passengers is not available from this source.

Leeds city centre night time footfall in January 2023 drops below 2019 levels

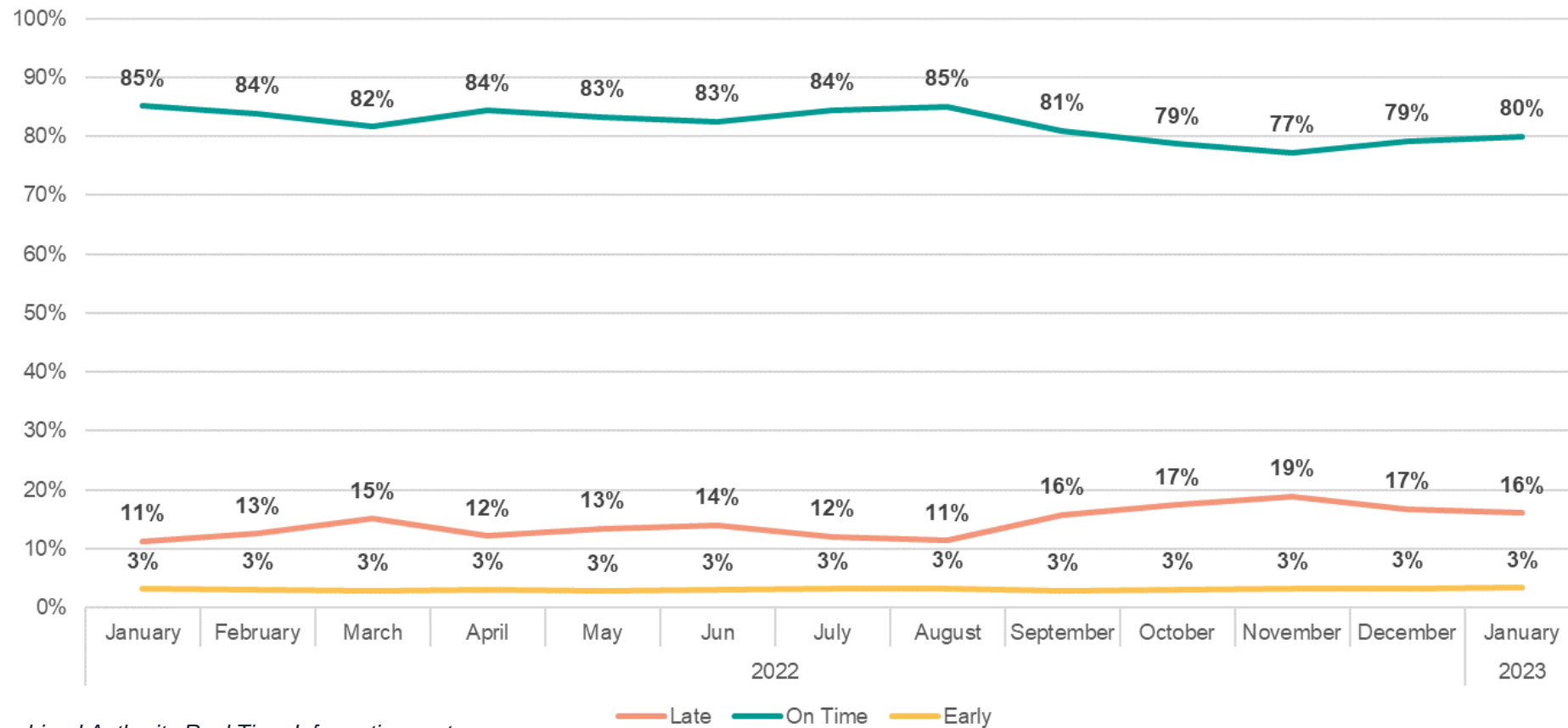
Leeds city centre night time footfall fell lower than 2019 levels in January 2023. Weekend night time footfall reduced significantly between December 2022 and January 2023. Weekday night time footfall dropped down slightly between December and January.



Source: Leeds City Council

West Yorkshire on time bus performance improves since November, but is 5% points lower than the equivalent month in 2022

According to Real Time Information (RTI) data, the proportion of tracked bus journeys in West Yorkshire running on time improved slightly in January to 80% (up from 77% in November 2022), but this is 5% points lower than January 2022.



Source: West Yorkshire Combined Authority Real Time Information system