

Economic Data provided by Business Intelligence

Unemployment

County picture

In November 2020, there were 17,585 individuals claiming Job Seekers Allowance (JSA) and Universal Credit in Leicestershire, an increase of 165 claimants over the previous month and an increase of 10,460 when compared to March 2020.

Since March 2020, the claimant rate in Leicestershire has increased from 1.6 percent to 4.0 percent of the working age population in November 2020. This represents a significant increase but remains below the East Midlands figure (5.5 percent) and the England figure (6.4 percent).

Age

As is the case nationally, Leicestershire's unemployment rates are higher in those aged 18 to 24 than in other broad age groups. For Leicestershire the rates are 5.6 percent for the 18-24 age group, compared to 4.5 percent for those aged 25-49 and 3.1 percent for those aged 50+.

Young people are three times more likely to work in the most affected two sectors – (Accommodation and Food; Arts, entertainment and recreation) according to the TUC. The aforementioned sectors have seen 3.5 times more businesses pause trading than the all business average. This has led to both increased furlough and job losses.

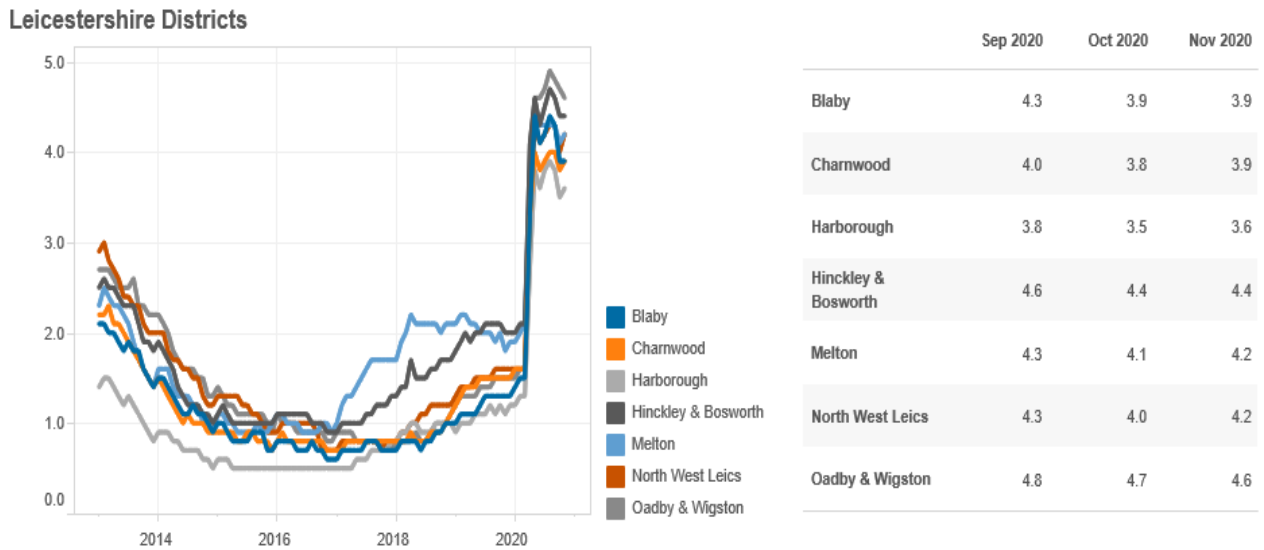
Districts

In November 2020, Charnwood had the largest number of individuals claiming JSA and Universal Credit with 4,645 claimants, followed by Hinckley and Bosworth with 3,020 claimants, and North West Leicestershire with 2,650. Melton experienced the smallest number of claimants (1,270), followed by Oadby and Wigston (1,585). Blaby had 2,420 claimants and Harborough 2,000 claimants.

In November, claimant rates across the Districts saw small changes with North West Leicestershire rising by 0.2% and Oadby and Wigston decreasing by 0.1%. All other Districts were within this range.

Oadby and Wigston had the highest claimant rate in November 2020 with 4.6 percent of the working age population claiming JSA and Universal Credit, followed by Hinckley and Bosworth with 4.4 percent, while Harborough experienced the lowest claimant rate with 3.6 percent.

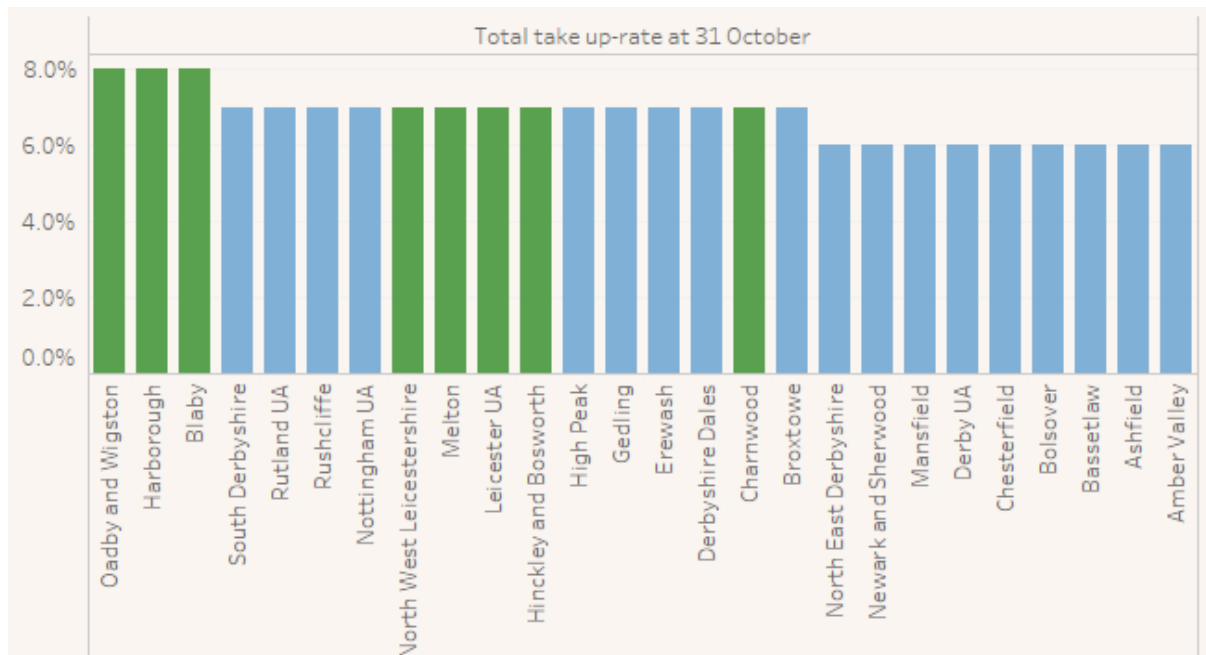
Figure 1 Unemployment Rates in Leicestershire districts.



Furloughed Staff

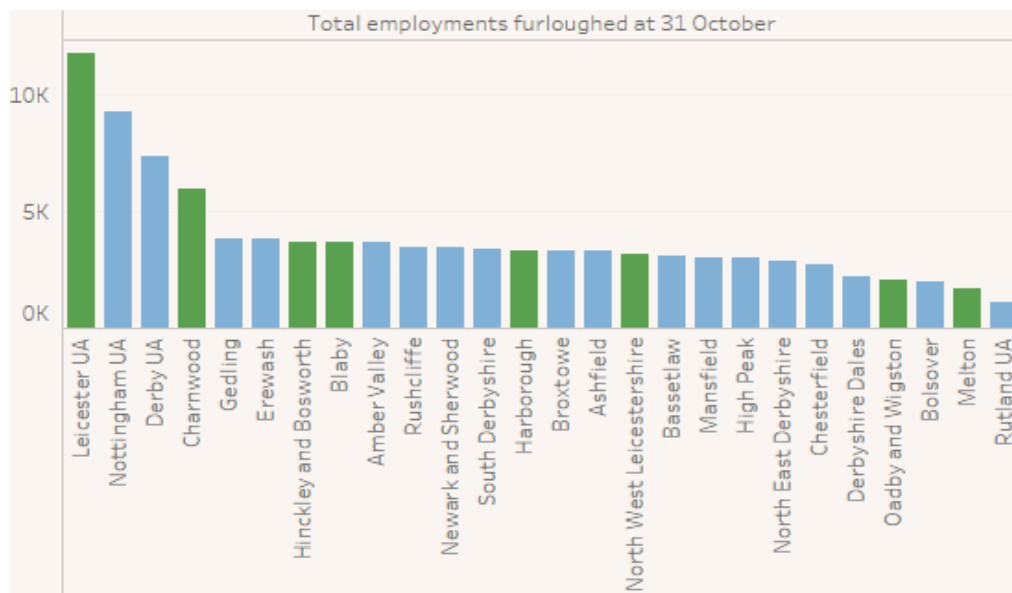
Data released in mid-December by HMRC provides details of all claims as at the end of October 2020. The England level was 7% of all eligible workers. Three Leicestershire districts were above this figure, although Leicestershire districts had higher levels than neighbouring counties.

Figure 2 Percentage of Staff Furloughed in Leicestershire and neighbouring county districts



Considering numbers, Leicester City has more employments furloughed than neighbouring cities. Charnwood is the highest district in the area.

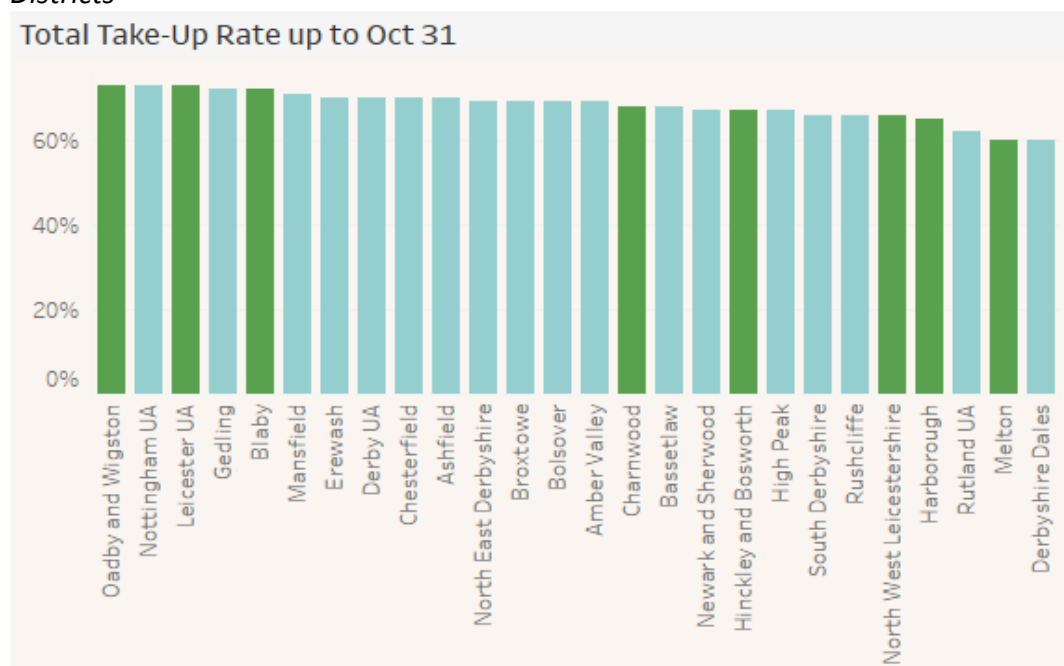
Figure 3 Number of Staff Furloughed in Leicestershire and neighbouring county Districts



Self employment claims

Leicestershire districts are amongst those with the highest take-up rates of self-employment claims. However, some districts are amongst the lowest. The UK rate is 69%. County average 67% and City 73%.

Figure 4 Take up rate of self-employment claims in Leicestershire and neighbouring county Districts



Impact on Retail and Hospitality Sectors

There is a time lag in receiving economic data at the local level, so we have to rely on proxy indicators to assess impact on the economy. One such indicator is footfall in town centres which helps to assess impact on the retail, hospitality and personal services sectors.

Provisional data from wi-fi networks in eight market town centres in Leicestershire shows that weekly footfall fell dramatically at the end of March 2020 before recovering slowly until early September, while remaining well below levels at the start of 2020. Weekly footfall then started to decline before dropping dramatically with the second national lockdown in early November. All eight town centres followed a similar pattern. This has a significant impact on businesses in the hospitality, personal services and retail sectors.

Figure 5 Number of visitors in 8 Leicestershire Town Centres (based on town centre wi-fi data)



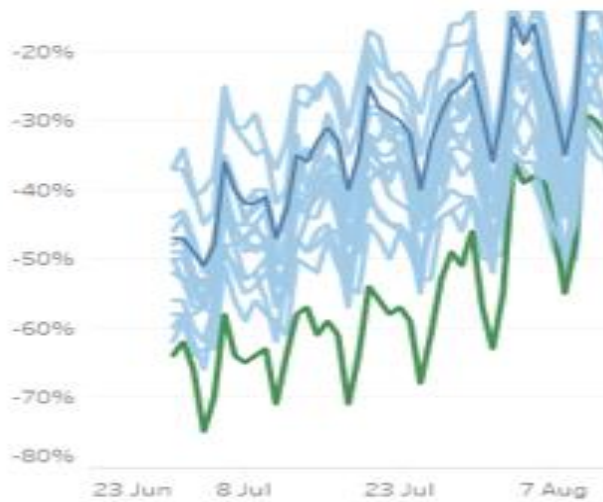
Google publishes aggregated, anonymized data from Google Maps to show how busy certain types of places are, for example, retail & recreation, grocery & pharmacy, transit stations, workplaces, parks and residential. During the lockdown period, this data shows increased activity in 'parks' and 'residential' areas. In the other areas, activity was much reduced initially, but showed a gradual trend of recovery. This is likely to now decrease again as the area has entered tier 4.

Impact on Tourism Sector

Visit Britain estimates that tourism across the country has fallen by at least 55.9% during 2020. The Leicester City and Leicestershire area has suffered particularly badly due to the extension of lockdown in the City and Oadby & Wigston over the summer months when other areas were beginning to re-open. Large local attractions have reported falls in revenue of between 66% and 80%.

The graph below uses google mobility data (retail and recreation) to show that Leicester city (green line) was furthest from 'baseline activity' than any major city in England during the summer. Leicester City was frequently 63% - 75% below baseline and frequently 30% behind 'average' cities. Although the figures relate to Leicester City, businesses have commented that this has had implications for Leicestershire 'by association' with visitors to the county area postponing or cancelling their trips. Many visitors to Leicestershire attractions are day visitors from Leicester and the extended city lockdown has had a significant impact on county attractions.

Figure 6 Google Mobility Data (Retail and Recreation) Difference from Baseline

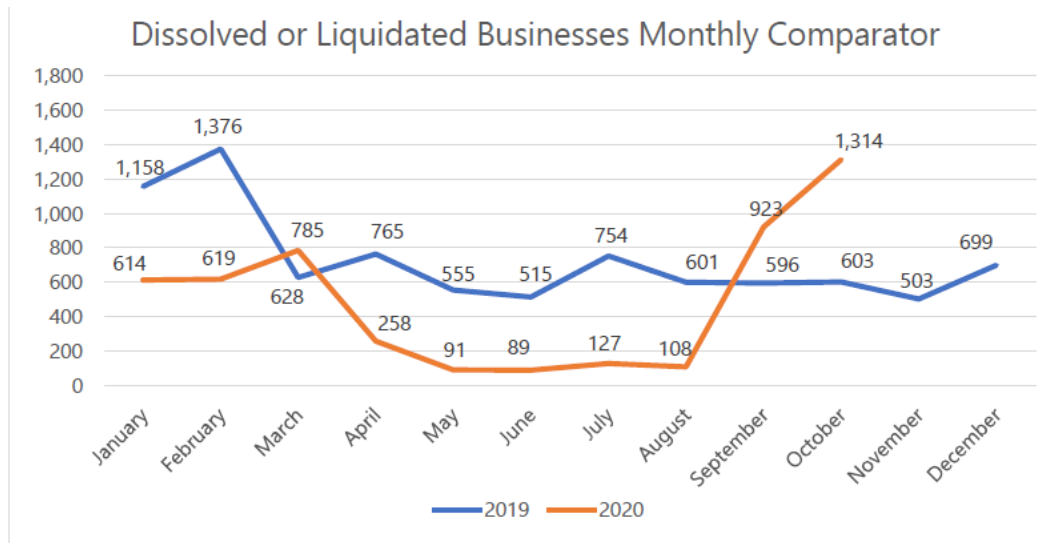


It is difficult to quantify the impact on the local economy, but a conservative estimate of a 60% reduction would equate to a £1.1 Billion loss to the Leicester and Leicestershire local economy.

Business Closures

Business closures have shown a sharp increase in recent months. The year-to-year comparison is heavily impacted by government funding made available during the pandemic to support businesses. This meant that far fewer businesses closed during the first national lockdown. However, as various support schemes began to reduce, business closures rose sharply. These figures will be interesting to monitor in the coming months to compare the overall numbers over the whole year.

Figure 7 Dissolved or Liquidated Businesses



Business Concerns

The Leicestershire Business Survey and community insight survey both convey a potential lack of confidence about the future from both businesses and consumers.

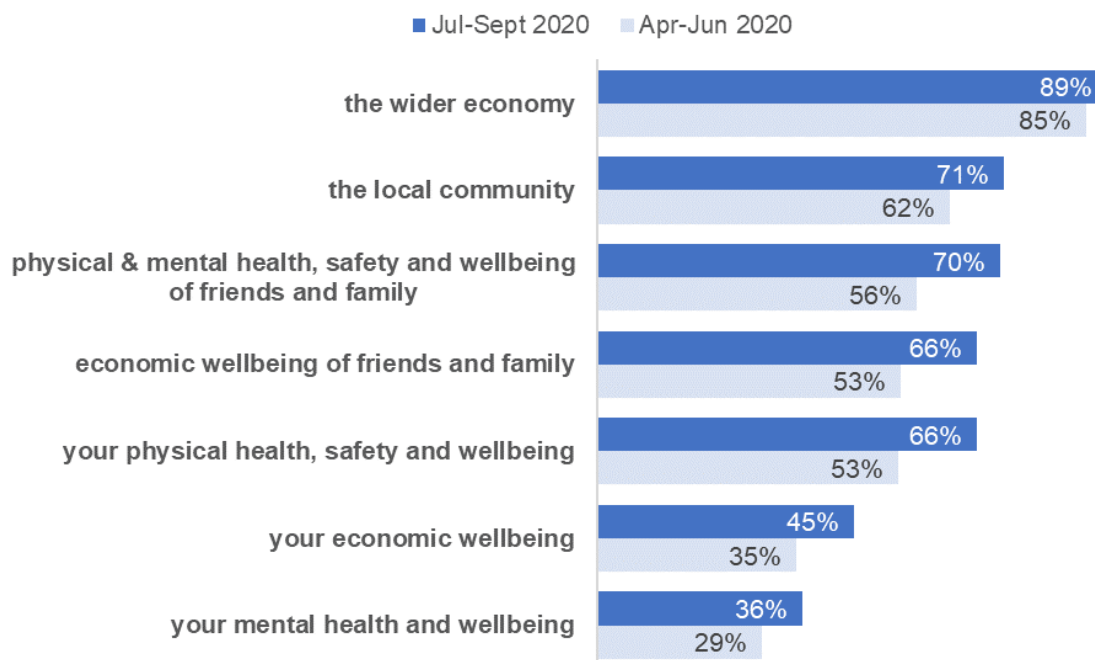
The Leicester and Leicestershire Business Survey conducted in the May to August time window with 250 local businesses showed their key concerns as:

- 83% further Covid-19 outbreaks
- 49% red tape
- 46% political uncertainty
- 44% impact of social distancing on their business
- 40% about cashflow
- 39% supply chains
- 35% UK leaving EU

Community Insight Survey

The County Council's Community Survey asks people how **worried, if at all, they feel about the impact of Covid-19** on the areas shown in Figure 8. The responses provided during quarter 2 suggest that people have become significantly more worried since quarter 1. This is important for the recovery as consumer confidence and spending will play a significant role in rebuilding the economy.

Figure 8 Community Insight survey



Small Business Grants Fund

Local authorities have received and distributed funding to support small and medium businesses in England during coronavirus. Across England, 94.5% those identified as eligible have received funding. The average across Leicestershire (districts and the City) is slightly higher at 95.2%. As individual areas, three are below the national average – Blaby, Charnwood and Melton.

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