

LLEP Business and Economic Intelligence Update

Issue 6

1 June 2020

Small Business Grant Payments

As of 26 May, £176,900,000 has been paid out to 15,000 business properties identified as eligible for these funds by local authorities in Leicester and Leicestershire. This translates to **84%** of business properties receiving payments and **80%** of the total funds available being disbursed. BEIS have produced a summary of payments made to date to by Local Authority which can be accessed at the following link: <https://www.gov.uk/government/news/grant-funding-provided-to-businesses-by-local-authorities-in-england>

LLEP Annual Economic Profiles

The LLEP publishes an Annual Economic Profile for the area in spring of each year. The reports for this year have been completed and are available at LLEP, County, City and District Levels. Due to the reference periods associated with the profiles, they should be interpreted as pre-covid baseline data only and do not reflect the impact which is starting to be seen in the economy. The profiles can be accessed at the following link: <https://www.llep.org.uk/our-economy/districts/>

Business Gateway Intelligence Summary

Going forwards, the cumulative analysis of intelligence submitted via the LLEP Business Gateway will be published on a monthly basis. As businesses and retail premises start to open up, cumulative data will cease to be reliable, and a summary of concerns raised within the past month will be more reflective of emerging business issues and priorities. The summary for May will be published in the next issue of the update.

Claimant Count

Monthly claimant count figures were published by ONS on 19 May 2020. Figures apply to the preceding month of April.

The ONS figure for **claimant unemployed** in the LLEP Area is **27,730** in April, **sharply up by 15,145** on last month, and the **claimant rate** is 4.2%, which is below the national average of 5.8%.

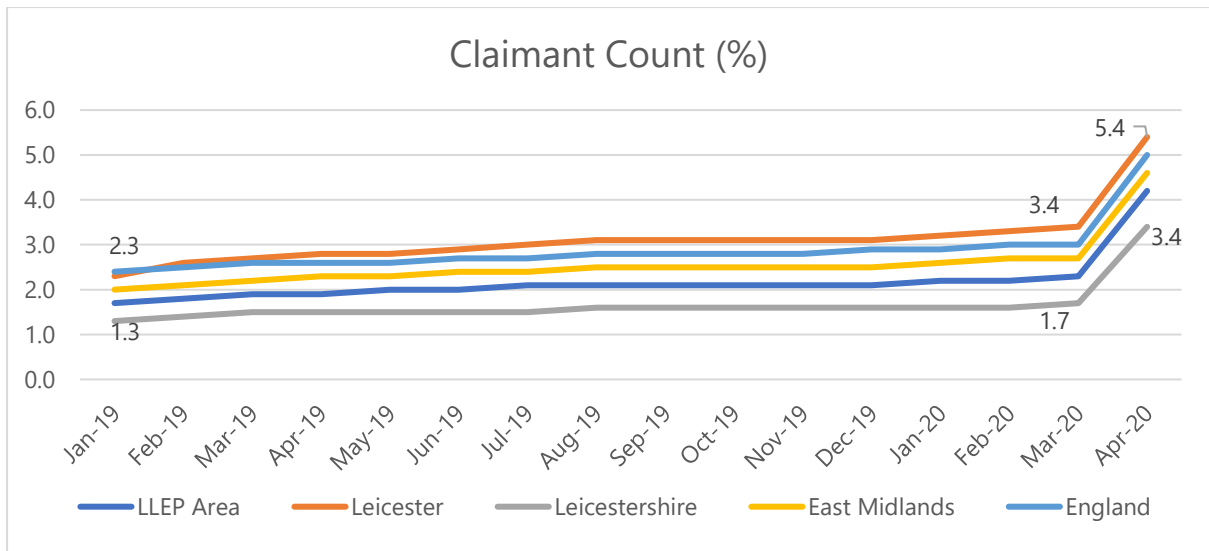


Figure 1 Claimant Count
Source: ONS

The data shows that the impact of COVID-19 has been felt across all ages, sex and geography. There are however some differences: the claimant rate in the County has risen by 108% over the month compared with 60% in the City. Those aged 25 to 49 are more likely to have become claimants, as are males.

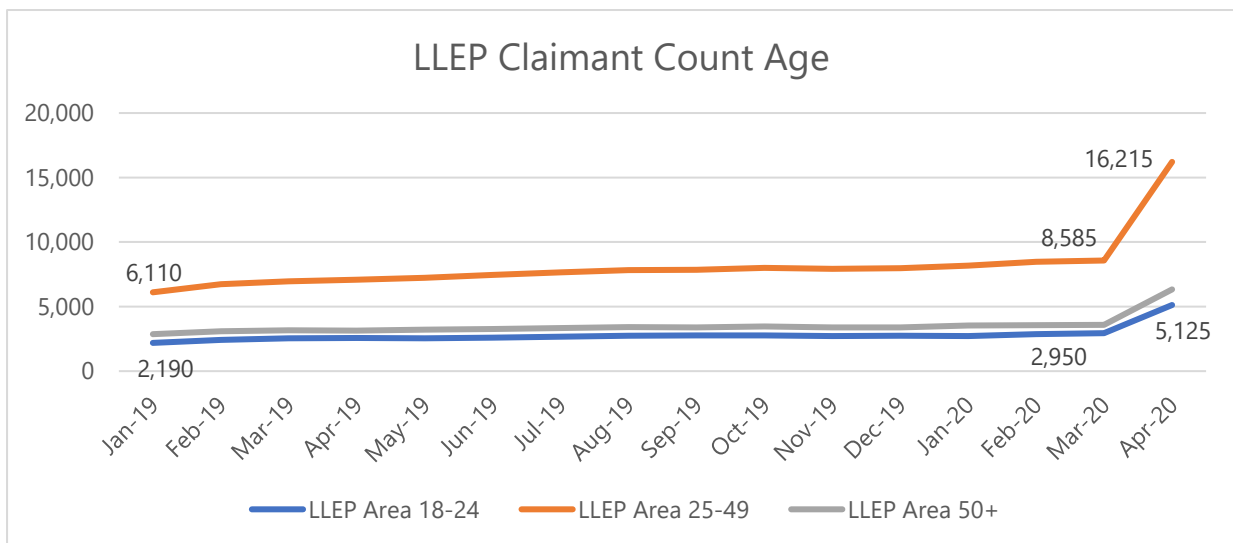


Figure 2 - Claimant Count by Age
Source: ONS

In the City figures are not as high as those experienced at the height of the financial crisis (October 2009, 6.2%). In the County however, the claimant count has not been as high since the mid-1990s.

What is uncertain now is whether this initial sharp increase will be followed by a similar second or third increase or whether the initial jolt to the economy will be followed by a number of smaller rises. There may also be continued adjustments as furlough periods come to an end.

Universal Credit

Using data supplied by DWP, we can see that Universal Credit caseloads in the LLEP area have grown by 45.2% over the period from 12 March to 9 April 2020, higher than the national average percentage growth in Universal Credit of 39.7%. The percentage growth figure represents a rise of 19,400 cases over the period, from 42,897 on 12 March to 62,297 on 9 April. Whilst this data can be disaggregated down to District level, caution should be exercised in interpretation, as Universal Credit cannot be used as a proxy for unemployment, given that it can be claimed by those who are working, including self-employed.

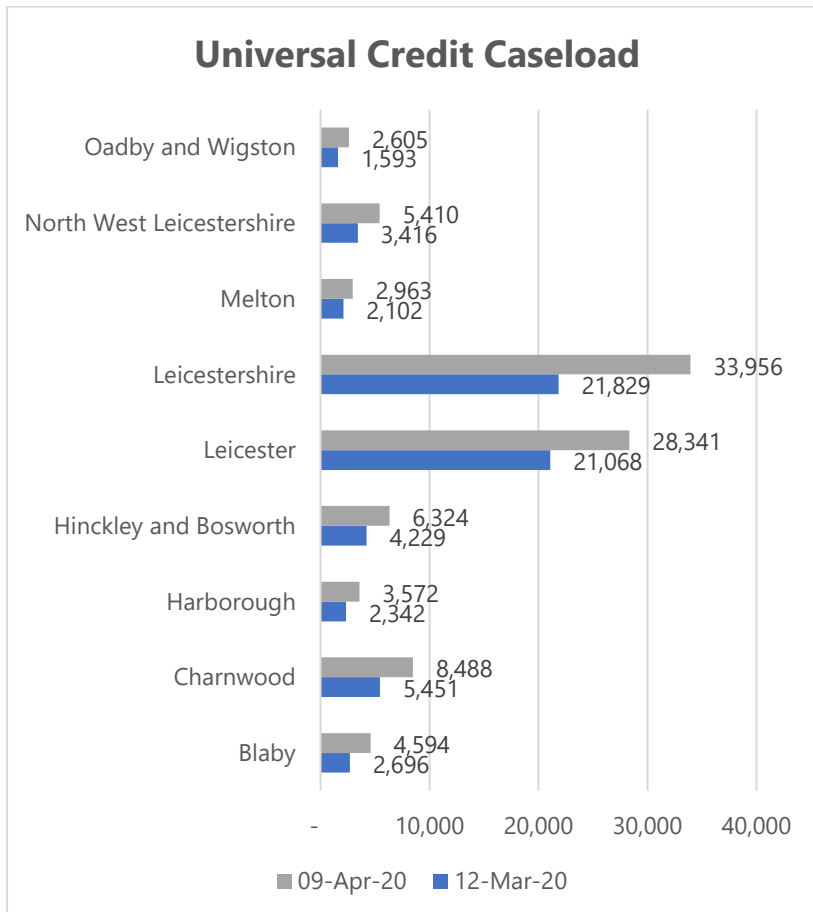


Figure 3 Universal Credit Caseloads by District

Source: DWP

Percentage Growth in Universal Credit Caseload 12/03/20- 9/04/20

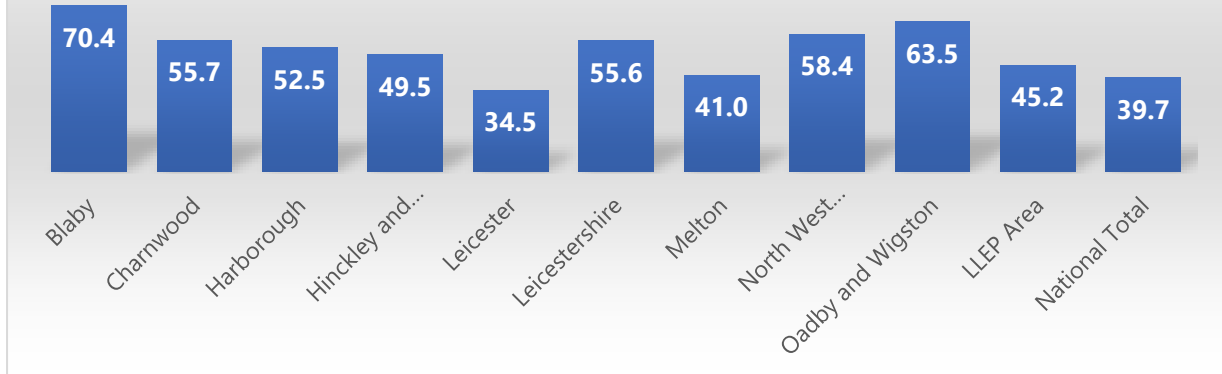


Figure 4 - Percentage growth in Universal Credit claimants by District
Source: DWP

Economic Intelligence Update

As the COVID-19 crisis develops, research and insights are emerging from a range of organisations and links and summaries of relevant publications are listed below. It should be noted that we do not yet have a complete picture of the impact of COVID-19 and this is unlikely to emerge for some time, and that much of what is emerging is predictive and should be interpreted with caution until such time as robust quantifiable data becomes available.

Economic Forecasting

A high degree of uncertainty remains regarding the longer-term impact of COVID-19 on key indicators such as GDP.

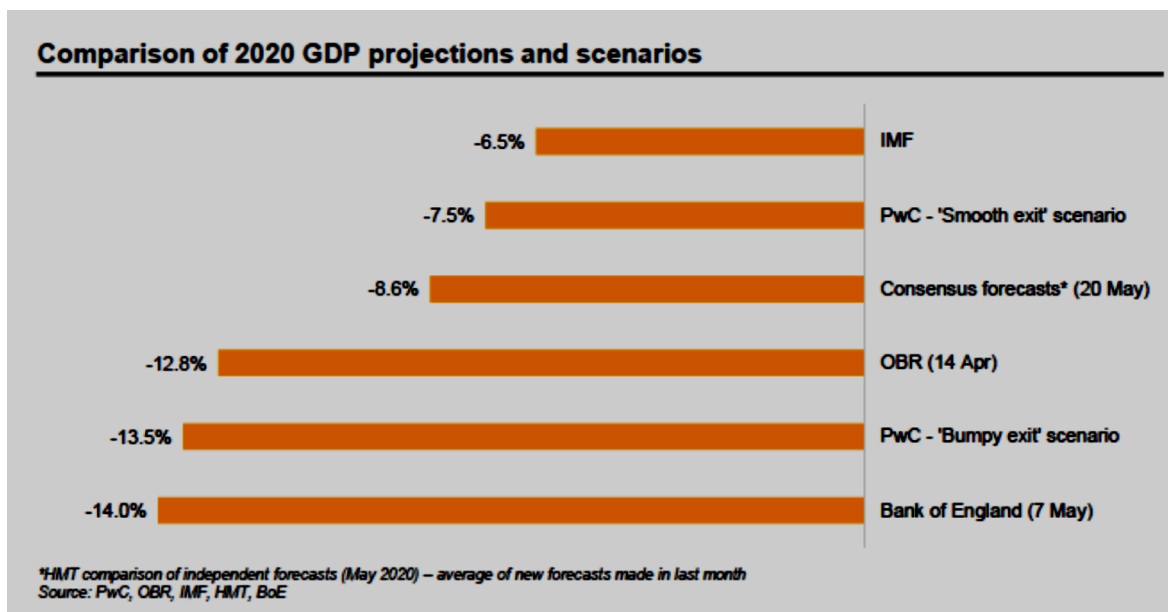


Figure 5 - Comparison of 2020 GDP projections and scenarios
Source: PwC, COVID-19 UK Economic Update, 28 May 2020.

PwC, in their weekly UK Economic Update, have changed their scenario descriptions from 'short and long lock-down periods' to 'smooth or bumpy exit scenarios' reflecting the possibility of a second spike in cases of the virus together with reimposed periods of lockdown. Even so, the chart at Figure 5 shows the high degree of variance in forecasting by institutions. More detail can be found at: <https://www.pwc.co.uk/services/economics-policy/insights/uk-economic-update-covid-19.html>

Infrastructure

A briefing paper from the Institute for Fiscal Studies, **Changes down the line – Flattening the curve of public transport use** considers pre-lockdown commuting patterns, who may be most affected by continued social distancing on public transport, and potential for how policy might ease public transport congestion in a world of continued social distancing.

The paper identifies that -younger workers are most reliant on public transport to get to work, with almost a fifth of those aged 16–24 using it compared with just 9% of workers aged 55 and over. The accommodation/food sector is also heavily reliant alongside administration and wholesale/retail as sectors with both having relatively high public transport use and low ability to work from home. Workers in these sectors may struggle to return to their previous jobs until social distancing measures are eased.

<https://www.ifs.org.uk/uploads/Final-BN287-Changes-down-the-line-Flattening-the-curve-of-public-transport-use.pdf>

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