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| **Report to:** | Leeds City Region Enterprise Partnership Board (LEP Board) |
| **Date:** | 3 September 2020 |
| **Subject:** | **Economic Reporting** |
| **Director:** | Alan Reiss, Director of Policy, Strategy and Communications |
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## 1. Purpose of this report

1.1 To provide an update on the latest economic and business intelligence for the Board, and to update the Board on the latest activity and intelligence around understanding the impact of COVID-19 since the Board's July meeting.

## 2. Information

Recent local developments

2.1 Following increases in the rate of COVID-19 infections in some areas, local restrictions were imposed in areas in the north of England from 31st July, including Bradford, Calderdale and Kirklees. As yet, there is little evidence of the impact of local restrictions in the data. West Yorkshire wide transport trends continue to show a gradual increase with bus patronage and Leeds Station footfall up 5% in the week to August 9th.

2.2 Air quality data, which can be used as a proxy measure for traffic levels, increased slightly or remained stable across most sites through early August as local restrictions were implemented and advice on office working changed. A notable exception was an increase in concentrations on Claypit Lane in Leeds between August 1st and August 9th, potentially suggesting an increase in people returning to the office.

2.3 National and locally, out of work benefit claims increased by 3% in July after a brief plateau in June. All West Yorkshire councils except Wakefield have claimant rates above the national average. Bradford has seen the biggest increase in claimant rate since March.

2.4 The UK economy is officially in recession, with UK GDP falling by a record 20.4% in Q2 2020, with falls of around 20% in the service sector and manufacturing, and by 35% in construction. More positively, June monthly GDP figures showed stronger growth than many expected with output up 8.7%.

2.5 Locally, the proportion of businesses with high risk credit ratings is back close to March levels, according to data from Bureau van Dijk's FAME business database, potentially indicating improved conditions though this is far from a definitive indicator. Despite this, risk levels remain particularly elevated compared to March in accommodation & food and to a lesser extent professional services, information & comms and manufacturing. 40% of businesses spoken to by the LEP's Growth Managers in the past fortnight still report reduced operations, and two thirds have some staff on furlough.

2.6 Data on the take up of COVID-19 related grants and loans shows take up of support has been proportionally highest in Bradford constituencies, most notably Bradford East and West. This may indicate higher levels of need in these places, though other factors will influence take up.

2.7 Data on new business bank accounts shows a sharp recovery in activity in June. This is a proxy measure of start up activity and suggests that some people may be looking to set up businesses as wider employment prospects are limited – this trend was evident in 2008-12, though it can't be certain that this is what is driving this increase which could also reflect delayed activity from March/April.

2.8 The Research & Intelligence Team have launched an online business survey to gain more structured intelligence around how businesses have felt the impact of COVID-19, how they have responded, and their future plans for returning to work and adapting to changing circumstances. This will be used to support the LEP's recovery response work.

## 3. Clean Growth Implications

3.1 There are no clean growth implications directly arising from this report.

## 4. Financial Implications

4.1 There are no financial implications directly arising from this report.

## 5. Legal Implications

5.1 There are no legal implications directly arising from this report.

## 6. Staffing Implications

6.1 There are no staffing implications directly arising from this report.

## 7. External Consultees

7.1 No external consultations have been undertaken.

## 8. Recommendations

8.1 The Board are asked to note the latest intelligence around the economic impacts of COVID-19 and consider how this relates to their work and future work plans.

## 9. Background Documents

None.

## 10. Appendices

Appendix 1: Leeds City Region  COVID-19 monitor – 14 August 2020