

LLEP Business and Economic Intelligence Update

Issue 16 – 28 January 2021

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1. Economic Roundup

A summary of some of the key government announcements since the last update together with a round-up of recently published research reports and insights from a range of organisations.

Government Announcements

On 24 December 2020 Agreement was reached between the United Kingdom and Northern Ireland and the European Union on a **Trade and Cooperation Agreement**.

A third **national lockdown** was put into place on 4 January 2021, followed by an announcement by the Chancellor of an additional **£4.6 billion in new lockdown grants to support businesses and protect jobs**. The package of measures included:

- One-off top up grants for retail, hospitality and leisure businesses worth up to £9,000 per property to help businesses through to the Spring.
- £594 million discretionary fund also made available to support other impacted businesses.
- This comes in addition to £1.1 billion further discretionary grant funding for Local Authorities, Local Restriction Support Grants worth up to £3,000 a month and the extension of furlough scheme.

On 21 January the government published the long-awaited [Skills for Jobs White Paper](#) which places employers front and centre in post 16 education and training. Key reforms include:

- The development of Local Skills Improvement Plans led by business, and supported by a £65 million Strategic Development Fund to put the plans into action. Employers will also play a central role in designing technical courses.
- Boosting the quality and uptake of Higher Technical Qualifications to meet business need.
- Changing the law so that from 2025 people can access flexible student finance so they can train and retrain throughout their lives.
- Launching a nationwide recruitment campaign to get more talented individuals to teach in further education and investing in high quality professional development.

Research and Reports

The last month has seen a number of reports published by business representative organisations and others. The [FSB Q3 2020 Small Business Index](#) reported business confidence was at its lowest ebb since reporting began.

The [Agility in Manufacturing](#) survey by Make UK suggests that manufacturers are building resilience through investment in people, products, markets and technology. Two fifths of the respondents were looking to invest in green technologies and a further 44% of manufacturers were planning to invest in training as a means of boosting productivity.

Two recent reports both shine a spotlight on the city of Leicester, PwC's [Good Growth for Cities](#) and the [Cities Outlook 2021](#) from Centre for Cities both identify that Covid-19 has had a more significant impact than in some other areas, largely due to being the first city to be subject to stricter restrictions.

2. Claimant Count

In December 2020 the claimant rate in the Leicester and Leicestershire area was 5.1%. This translates to 34,940. In November the figure was 5.2% (34,500). At a national level the claimant rate was 6.4%.

The picture is different in the city and county with Leicester having a claimant rate of 7.3% and Leicestershire 4%. Of the 34,350 claimants about half (17,180) are based in Leicester.

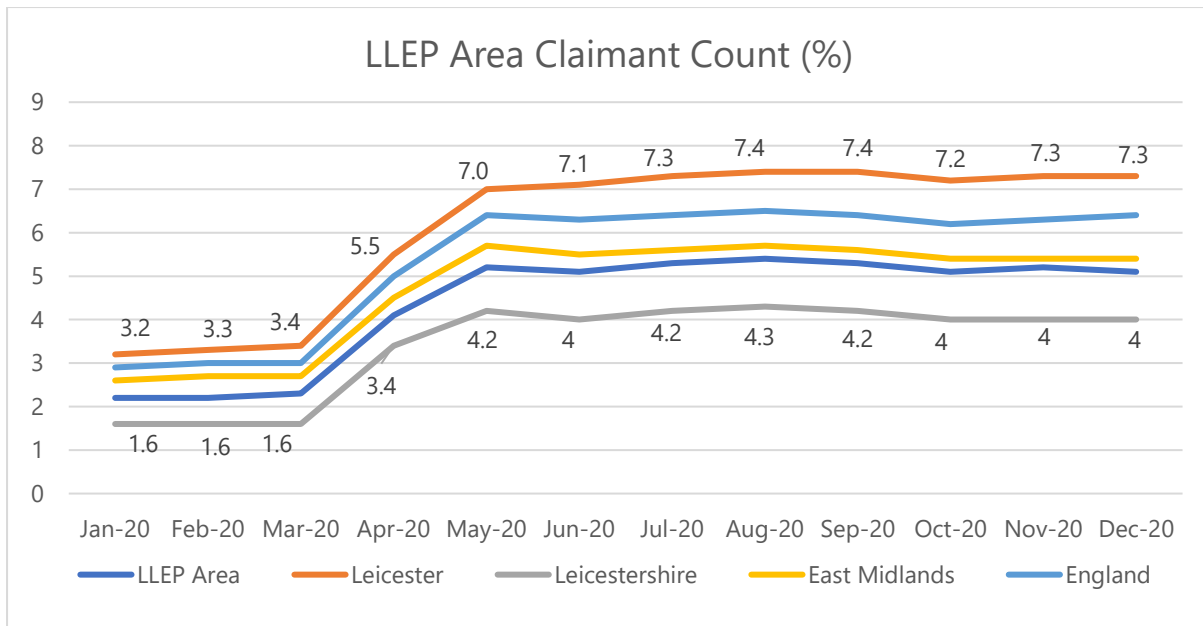


Figure 1 LLEP Area Claimant Count (%) January - December 2020
Source: ONS

In March 2020 the claimant rate was 2.3% (or 15,145). Between March and December 2020, the claimant rate has increased by 2.8 percentage points to 5.1%. This is an additional 19,205 claimants or a percentage increase of 127%.

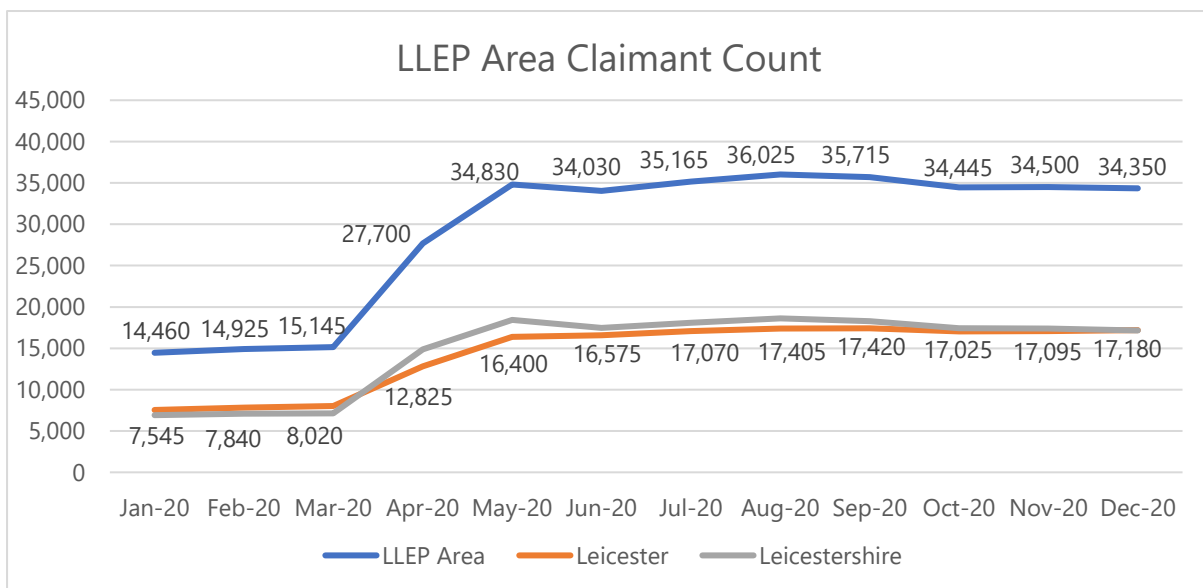


Figure 2 LLEP Area Claimant Count January - December 2020
Source: ONS

Although small, from August to December there was a fall in the number of claimants in the Leicester and Leicestershire area from 36,025 to 34,350. This is a fall of 1,675 claimants. Falls have been experienced in Leicester and Leicestershire, but it is not certain whether these will continue. Clearly figures do not consider the third national lockdown implemented in the new year or those taking advantage of the Governments furlough scheme.

The pandemic has impacted all age groups. December figures demonstrate that there is on average a larger share of 18-24 year olds (6%) who are claimants than 25-49 year olds (5.7%) and 50+ year olds (4.2%). The 18-24 year olds claimant rate fell from September to December from 6.5% to 6%. There was also a fall between August and December from 6.1% to 5.7% in the number of 25-49 year olds.

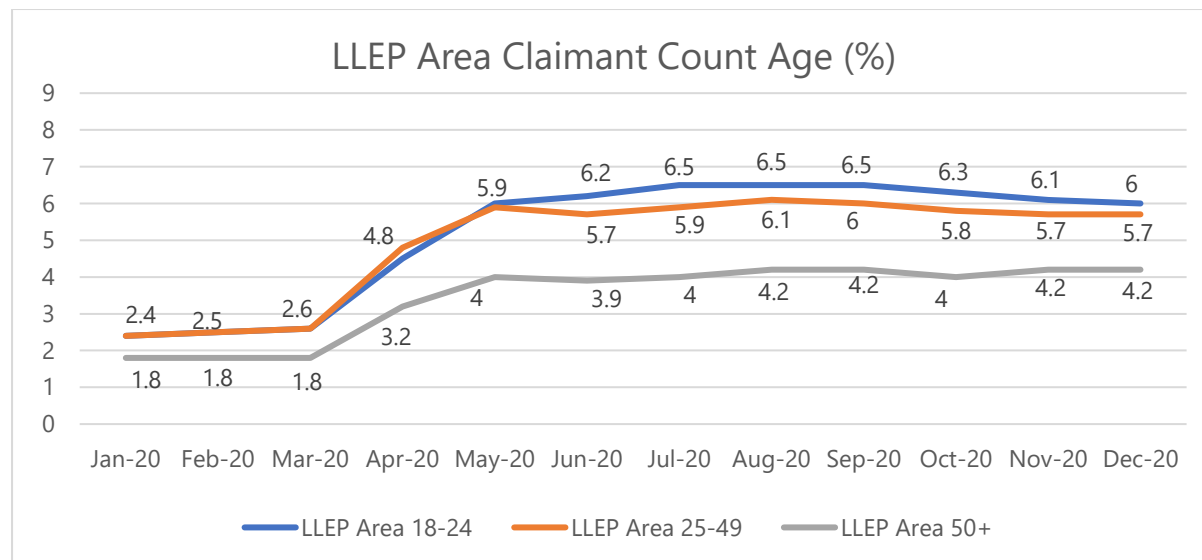


Figure 3 LLEP Area Claimant Count by Age (%) January - December 2020
Source: ONS

There were 19,870 male claimants (5.9%) and 14,480 (4.3%) were female. Both male and female claimant rates saw a slight fall in claimants in December. Fifty eight percent of claimants are male and 42% female.

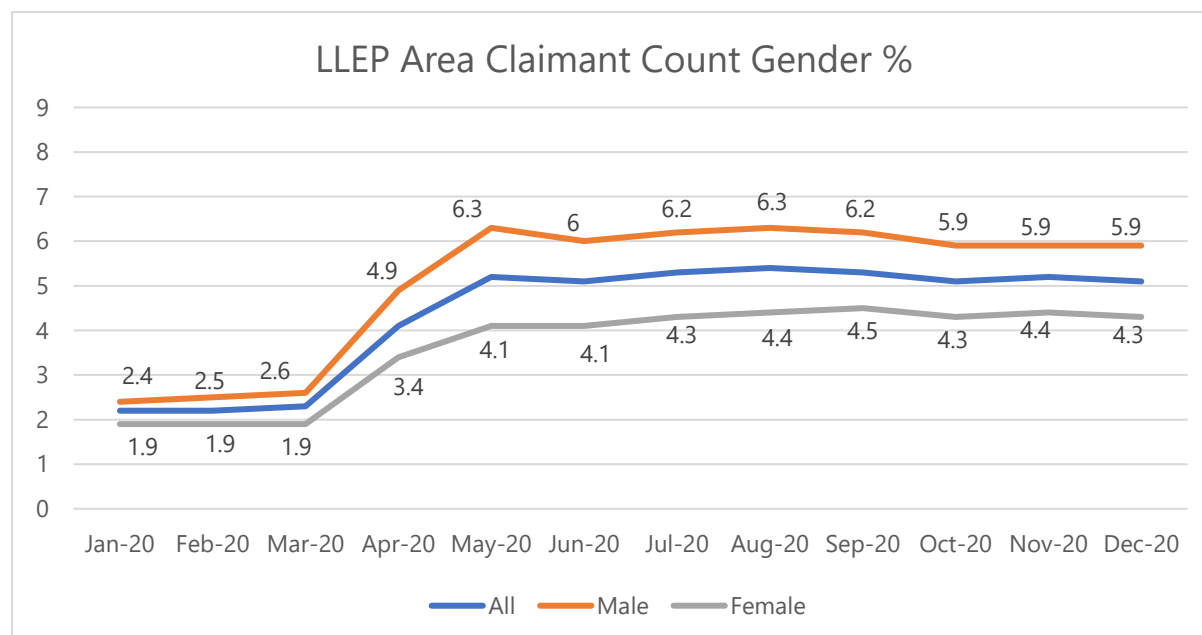


Figure 4 LLEP Area Claimant Count by Gender (%) January - December 2020
Source: ONS

Between December 2019 and 20 the number of claimants has increased by 20,200, from 14,150 to 34,350.

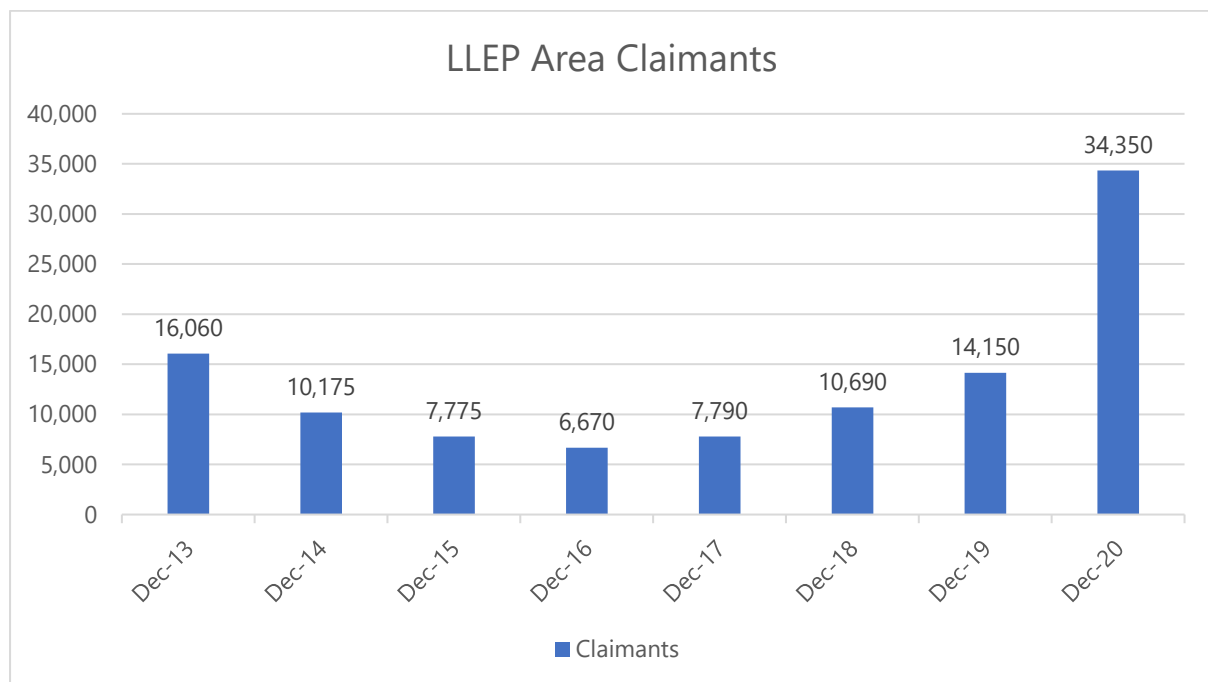


Figure 5 LLEP Area Claimant Count December 2013 -2020
Source: ONS

All district areas over the period November to December 2020 have seen minor falls in the numbers of claimants.

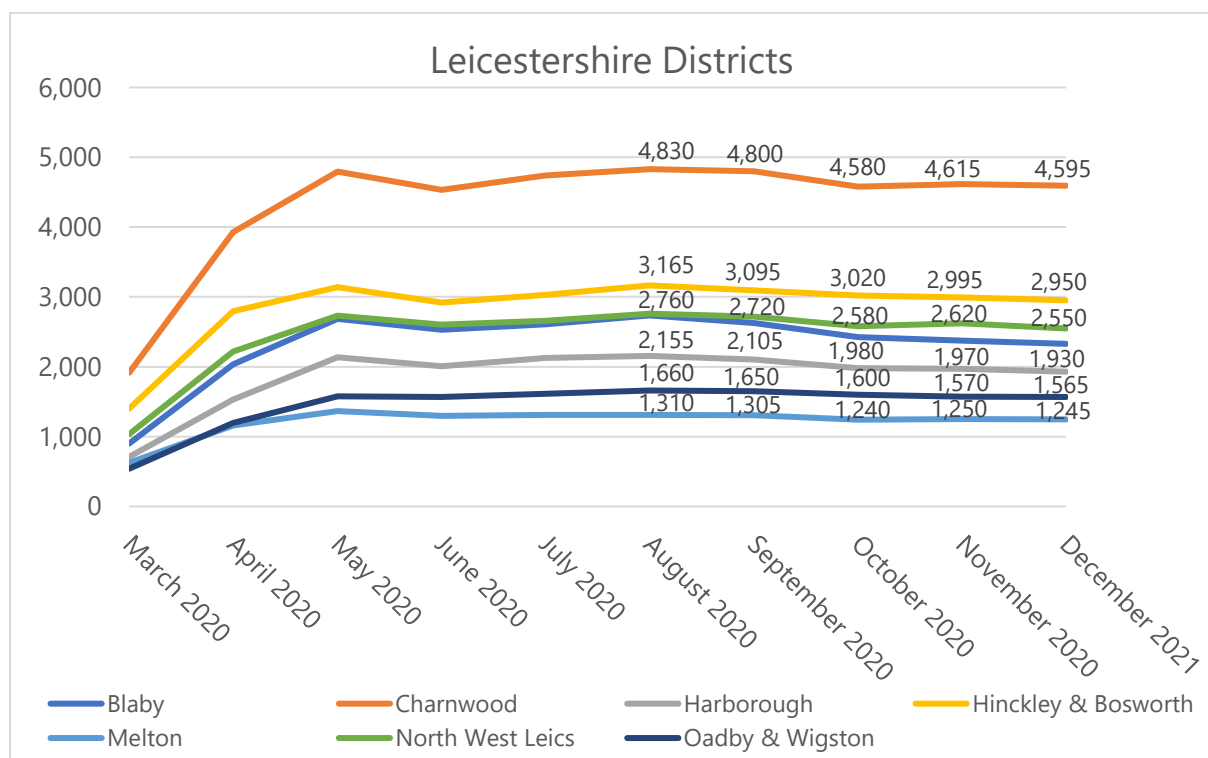


Figure 6 LLEP Area District Claimant Count January - December 2020
Source: ONS

For more detailed data on Job Seekers Allowance and Universal Credit claimant count data by district, visit the [Unemployment Dashboard](#) on the LSR Portal.

3. Furloughed Employees

The information below is provided by Her Majesty's Revenue and Customs (HMRC) and are statistics that relate to the Governments Job Retention Scheme.

Table 1 provides an understanding of the take up of the scheme by showing the percentage of eligible employments furloughed for the months July to October. Data is available for areas contained within the Leicester and Leicestershire area and can be compared with an England average.

Figures for October demonstrate that local take-up is in line with the England average. Data also demonstrates that since July the number of furloughed employees has fallen significantly.

Area	July	August	September	October
Blaby	17%	13%	9%	8%
Charnwood	17%	12%	9%	7%
England	17%	12%	9%	7%
Harborough	17%	13%	10%	8%
Hinckley & Bosworth	16%	12%	9%	7%
Leicester	17%	12%	9%	7%
Melton	16%	12%	9%	7%
NW Leicestershire	16%	11%	8%	7%
Oadby & Wigston	18%	13%	10%	8%

Table 1. Uptake of Job Retention Scheme, % of Employments in the LLEP Area
Source: HMRC

Figure 7 and Table 2 demonstrates the total employments furloughed as of the 31/10/2020

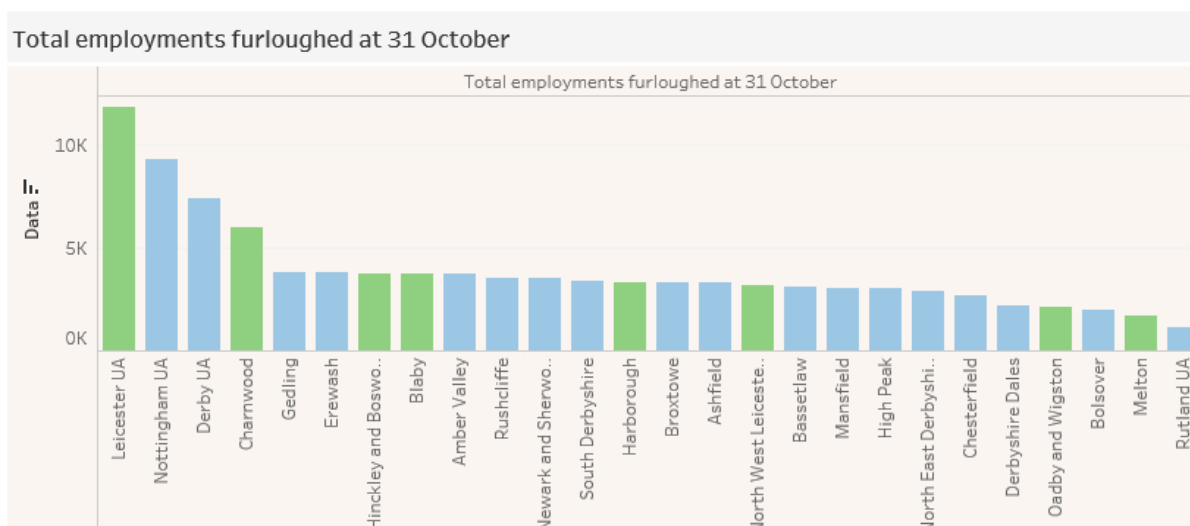


Figure 7 Total Employments Furloughed
Source: HMRC

Blaby	Charnwood	Harborough	Hinckley & Bosworth	Leicester	Melton	NW Leicestershire	Oadby & Wigston
3,700	6,000	3,300	3,700	11,800	1,700	3,200	2,100

Table 2. Total Employments Furloughed at 31 October 2020
Source: HMRC

For more detail including East Midlands comparators see the [Furloughed Staff Dashboard](#) on the LSR Portal.

4. Self-Employment Income Support Scheme (SEISS)

HMRC have published data on the numbers claiming the Self Employment Income Support Scheme up to 31 October 2020.

Table 3 provides an understanding of the total number of claims made to 31/10/2020, the take up rate, the total value of claims and the total eligible population.

	Leicester	Blaby	Charnwood	Harborough	Hinckley & Bosworth	Melton	NW Leics.	Oadby & Wigston
Total no. of claims made to 31/10/20	8,500	3,600	5,100	3,200	3,600	1,600	3,000	1,700
Total potentially eligible population	11,700	5,000	7,400	5,000	5,400	2,700	4,500	2,300
Total take-up rate	0.7300	0.7200	0.6800	0.6600	0.6700	0.6000	0.6600	0.7300
Total value of claims made to 31/10/20 (£)	18,300,000	10,000,000	13,300,000	8,600,000	9,700,000	4,400,000	7,800,000	4,200,000

Table 3. SEISS Uptake in LLEP Area
Source: HMRC

For more detail in relation to the Self Employment Income Support Scheme (SEISS) see the [Furloughed Staff Dashboard](#) on the LSR Portal.

5. Job Postings

EMSI job posting data is drawn from a range of sources and provides timely data on how the trend in the number of live job adverts is changing in the Leicester and Leicestershire area by occupation and geography.

However, the number of job adverts being posted is not a direct measure of labour force demand. Job adverts may not be removed from online job vacancy boards immediately once a position is filled, so the data may not fully reflect companies who have halted active recruitment.

The data is compiled from multiple job vacancy boards and adverts may still be considered “live” if the posting is still live on any board, even when it has already been removed from an alternative source.

The scope of online job adverts does not fully capture the region’s economic activity because of differing advertising methods, for example, casual work may be advertised by word-of-mouth.

Table 4 demonstrate unique job postings by occupation for December 2020. These are compared with December 2019, March 2020 and November 2020. Standard Occupation Codes are at a two-digit level.

Job postings figures for December exceed those for March by 2,815 (28,924 compared to 26,109).

From December 2019 to December 2020 the number of job postings grew by 5,421 from 23,503 to 28,924.

Over the last month the number of job postings fell from 30,062 to 28,924. This is a fall of 1,138 postings or 3.8%.

In terms of numbers over the last year there have been falls in job postings in only 2 of the 25 occupation areas. Occupation areas that have seen falls are secretarial and related occupations and textiles, printing and other skilled trades. Textiles, printing and other skilled trades fell by 45.2%.

Those occupation areas that have seen the largest growth in job postings over the last year are corporate managers and directors (479), science, engineering and technology associate professionals (413), health professionals (493), business and public service associate professionals (587), skilled metal, electrical and electronic trades (401), caring personal service occupations (487) and elementary administrative and service occupations (559).

2 Digit SOC	Occupation	Dec 2019 Unique Postings	Mar 2020 Unique Postings	Nov 2020 Unique Postings	Dec 2020 Unique Postings	Annual Growth	Annual Growth %	Monthly Growth Nov to Dec	Monthly Growth % Nov to Dec	Cumulative Growth from Mar	Cumulative Growth % from Mar
11	Corporate Managers and Directors	1,104	1,321	1,575	1,583	479	43.4	8	0.5	262	19.8
12	Other Managers and Proprietors	373	471	562	503	130	34.9	(59)	-10.5	32	6.8
21	Science, Research, Engineering and Technology Professionals	1,868	2,191	2,230	2,281	413	22.1	51	2.3	90	4.1
22	Health Professionals	1,443	1,637	1,933	1,936	493	34.2	3	0.2	299	18.3
23	Teaching and Educational Professionals	889	1,169	1,134	1,201	312	35.1	67	5.9	32	2.7
24	Business, Media and Public Service Professionals	1,353	1,538	1,750	1,727	374	27.6	(23)	-1.3	189	12.3
31	Science, Engineering and Technology Associate Professionals	1,049	1,147	1,354	1,304	255	24.3	(50)	-3.7	157	13.7
32	Health and Social Care Associate Professionals	328	358	443	447	119	36.3	4	0.9	89	24.9
33	Protective Service Occupations	21	27	31	43	22	104.8	12	38.7	16	59.3
34	Culture, Media and Sports Occupations	282	377	315	322	40	14.2	7	2.2	(55)	-14.6
35	Business and Public Service Associate Professionals	3,129	3,808	3,880	3,716	587	18.8	(164)	-4.2	(92)	-2.4
41	Administrative Occupations	2,224	2,440	2,559	2,520	296	13.3	(39)	-1.5	80	3.3
42	Secretarial and Related Occupations	293	357	291	284	(9)	-3.1	(7)	-2.4	(73)	-20.4
51	Skilled Agricultural and Related Trades	16	32	50	36	20	125.0	(14)	-28.0	4	12.5
52	Skilled Metal, Electrical and Electronic Trades	1,390	1,531	1,889	1,791	401	28.8	(98)	-5.2	260	17.0
53	Skilled Construction and Building Trades	336	445	637	572	236	70.2	(65)	-10.2	127	28.5
54	Textiles, Printing and Other Skilled Trades	480	537	296	263	(217)	-45.2	(33)	-11.1	(274)	-51.0
61	Caring Personal Service Occupations	1,831	1,842	2,387	2,318	487	26.6	(69)	-2.9	476	25.8
62	Leisure, Travel and Related Personal Service Occupations	156	166	182	174	18	11.5	(8)	-4.4	8	4.8
71	Sales Occupations	470	530	550	517	47	10.0	(33)	-6.0	(13)	-2.5
72	Customer Service Occupations	455	490	445	477	22	4.8	32	7.2	(13)	-2.7
81	Process, Plant and Machine Operatives	313	384	508	489	176	56.2	(19)	-3.7	105	27.3
82	Transport and Mobile Machine Drivers and Operatives	1,646	1,382	1,993	1,694	48	2.9	(299)	-15.0	312	22.6
91	Elementary Trades and Related Occupations	276	244	434	389	113	40.9	(45)	-10.4	145	59.4
92	Elementary Administration and Service Occupations	1,778	1,685	2,634	2,337	559	31.4	(297)	-11.3	652	38.7
Total		23,503	26,109	30,062	28,924	5,421	23.1	(1,138)	-3.8	2,815	10.8

Table 4 LLEP area Job Postings by Standard Occupation Codes

Source: EMSI

Table 5 demonstrates that job posting numbers in most Leicestershire districts in December exceed those posted in December 2019. In some case's this is significant. However, the number of job postings in Leicester and Melton are lower.

Local Authority	Dec-19	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Blaby	754	783	645	590	749	977	1,236	1,419	1,653	1,693	1,709
Charnwood	3,408	3,659	2,991	2,742	3,192	3,329	3,697	4,235	4,946	5,158	5,026
Harborough	1,623	1,789	1,450	1,182	1,174	1,470	1,695	2,073	2,342	2,149	1,896
Hinckley & Bosworth	1,483	1,433	1,269	1,185	1,457	1,703	2,031	2,297	2,685	2,783	2,573
Leicester	12,617	14,431	11,060	9,283	9,111	9,642	9,973	11,125	12,377	12,498	12,337
Leicestershire	10,886	11,678	9,656	8,537	9,845	11,194	13,084	15,067	17,150	17,564	16,587
Melton	943	1,089	809	700	725	784	858	1,009	1,119	1,099	927
North West Leicestershire	2,282	2,465	2,105	1,774	2,191	2,544	3,051	3,516	3,819	4,039	3,855
Oadby & Wigston	393	460	387	364	357	387	516	518	586	643	601
Total	23,503	26,109	20,716	17,820	18,956	20,836	23,057	26,192	29,527	30,062	28,924

Table 5 Unique Job Postings by Local & District Authority
Source: EMSI

Figure 8 provides a graphical representation of job postings for the Leicester and Leicestershire area.

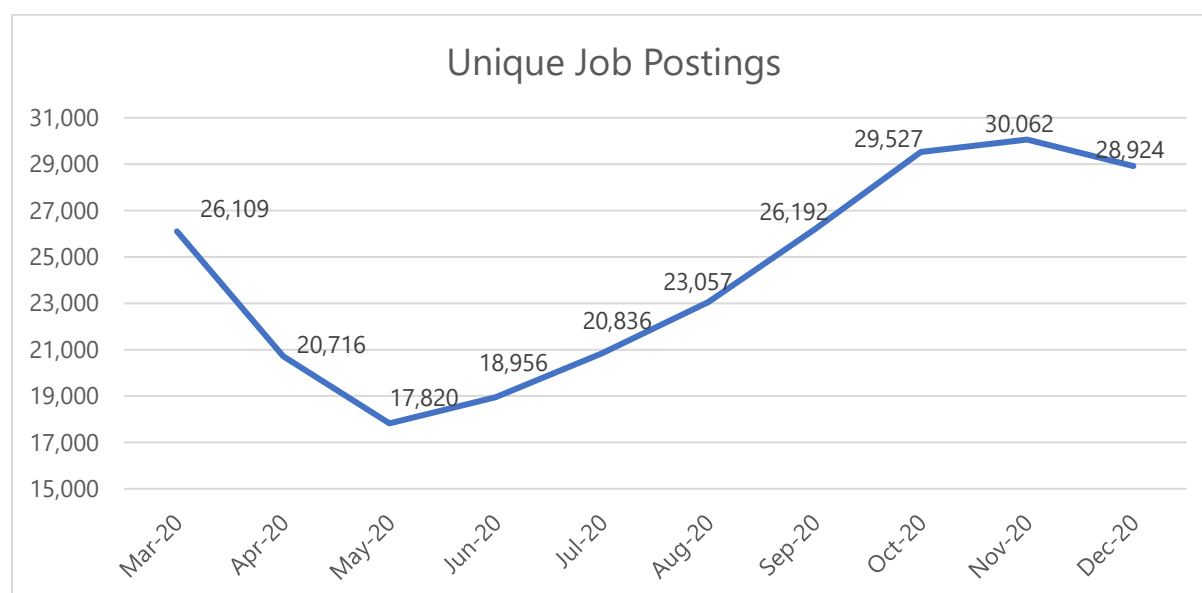


Figure 8 LLEP Area Unique Job Postings
Source: EMSI

More detailed breakdowns of job postings by district are available from brendan.brockway@llep.org.uk.

6. Business Closures and Incorporations

Since the first of March 5,062 businesses have ceased trading in the Leicester and Leicestershire area. For the same period in 2019 the number was higher (6,139). This is a difference of 1,234 business closures.

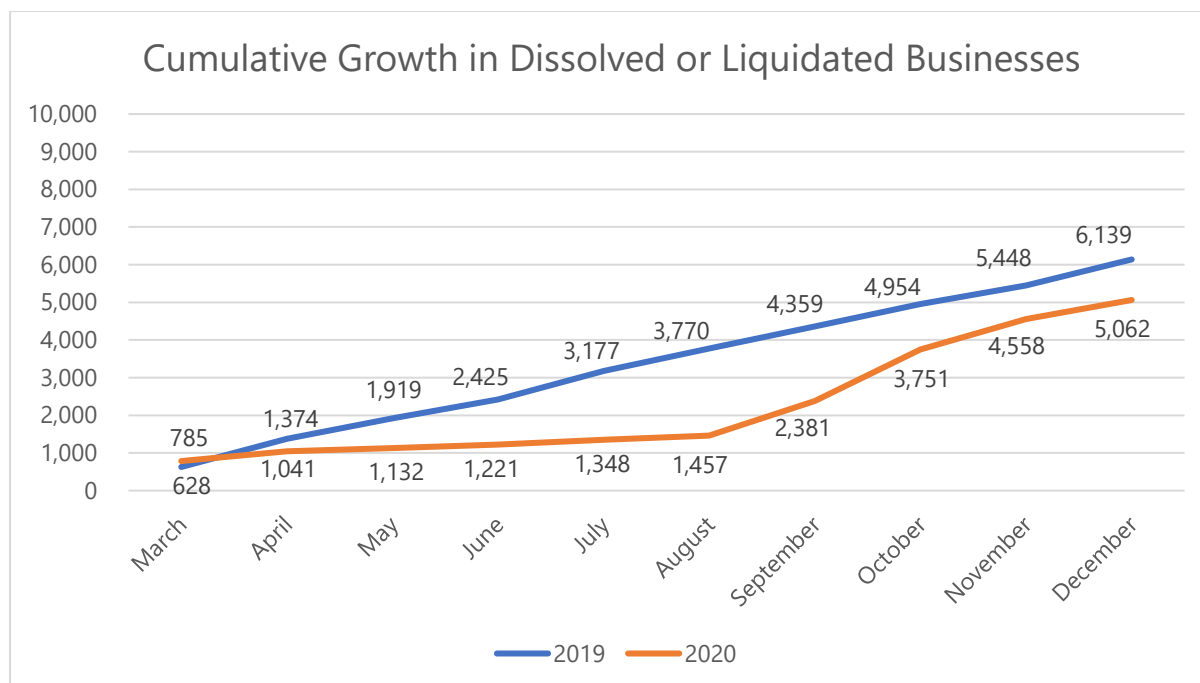


Figure 9 LLEP Area Dissolved or Liquidated Businesses 2019 and 2020 comparator
Source: BVD Fame

In March 2020 there were 785 closures. In August the number had fallen to just 109. The fall in business closures can be attributed to those measures brought in by Government during lockdown.

Figures for September and October demonstrated steep rises in the number of businesses failing. The rise in business failures reflected the proposed closure of measures that were brought in by the Government at the end of October. However, these same measures were extended at the start of November (to March 2021). Business failures went from a high of 1,370 in October to 807 in November to the latest figure of 504. In December 2019 691 businesses ceased trading, this is a difference of 187 businesses between 2019 and 2020.

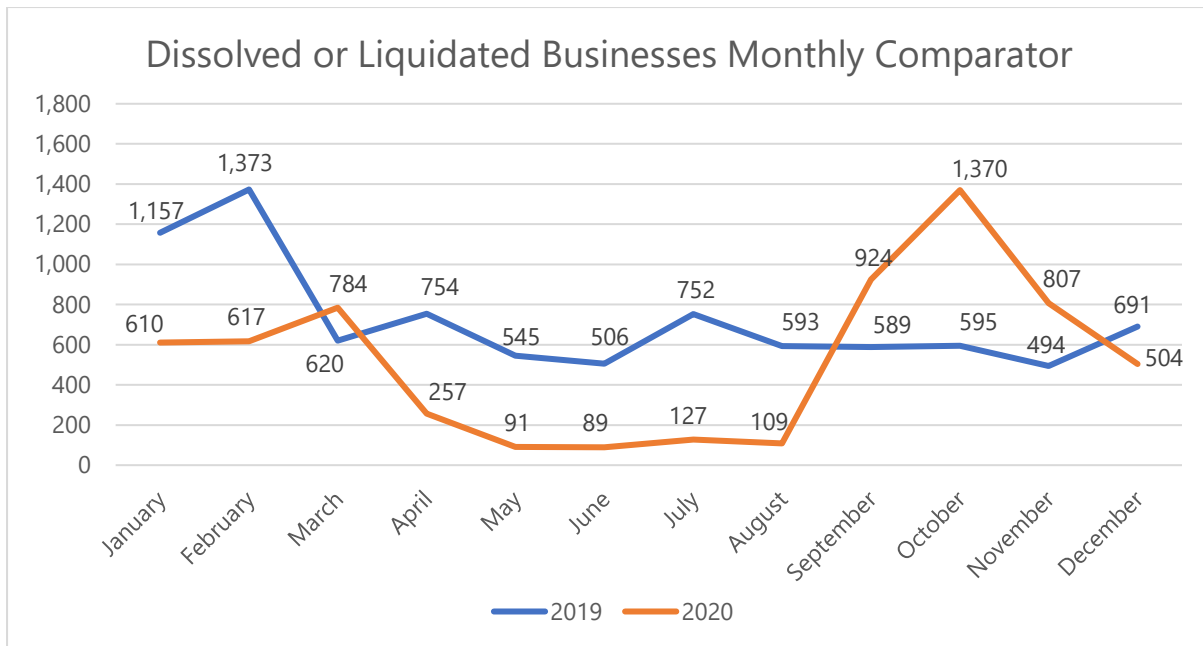


Figure 10 LLEP Areas Dissolved and Liquidated Businesses 2019 and 2020 Monthly Comparator
Source: BVD Fame

Since the beginning of March 10,569 businesses have been incorporated within Leicester and Leicestershire area. Over the same period in 2019 9,191 businesses were incorporated.

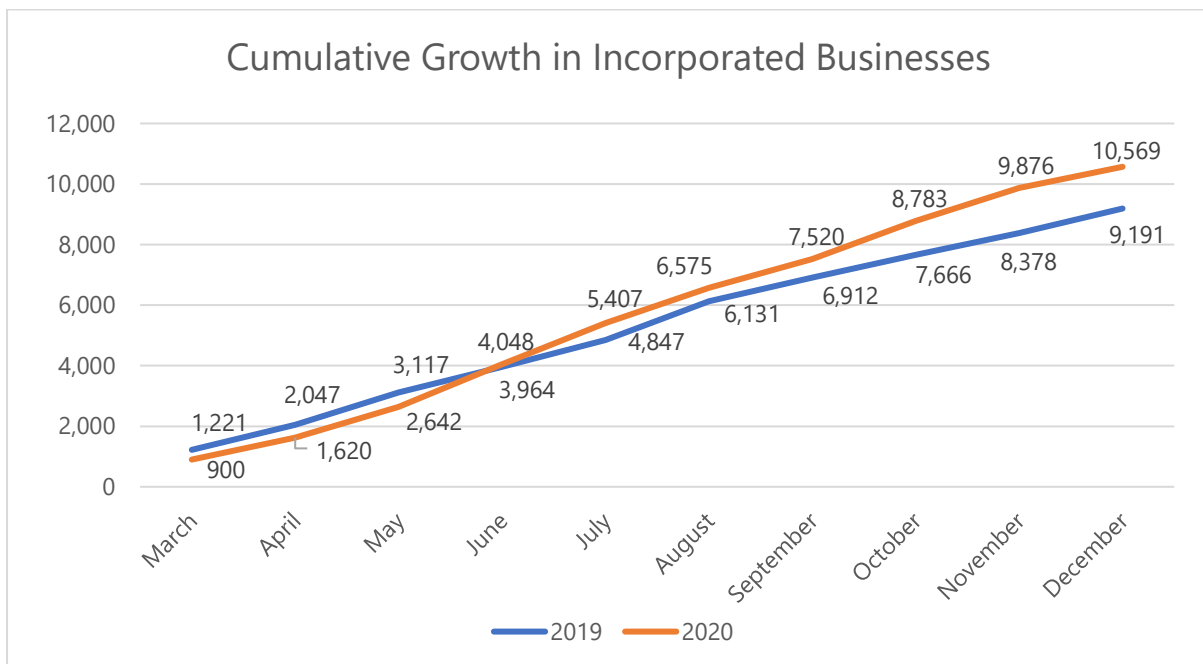


Figure 11 LLEP Area Cumulative Growth in Incorporated Businesses 2019 and 2020 comparator
Source: BVD Fame

In October of this year 1,263 businesses were incorporated, in November 1,093 were incorporated. Other than August, figures for the number of incorporations since June have been significantly higher than those figures for 2019. However, December figures have shown a significant fall to 693 incorporations. In December 2019 there were 813.

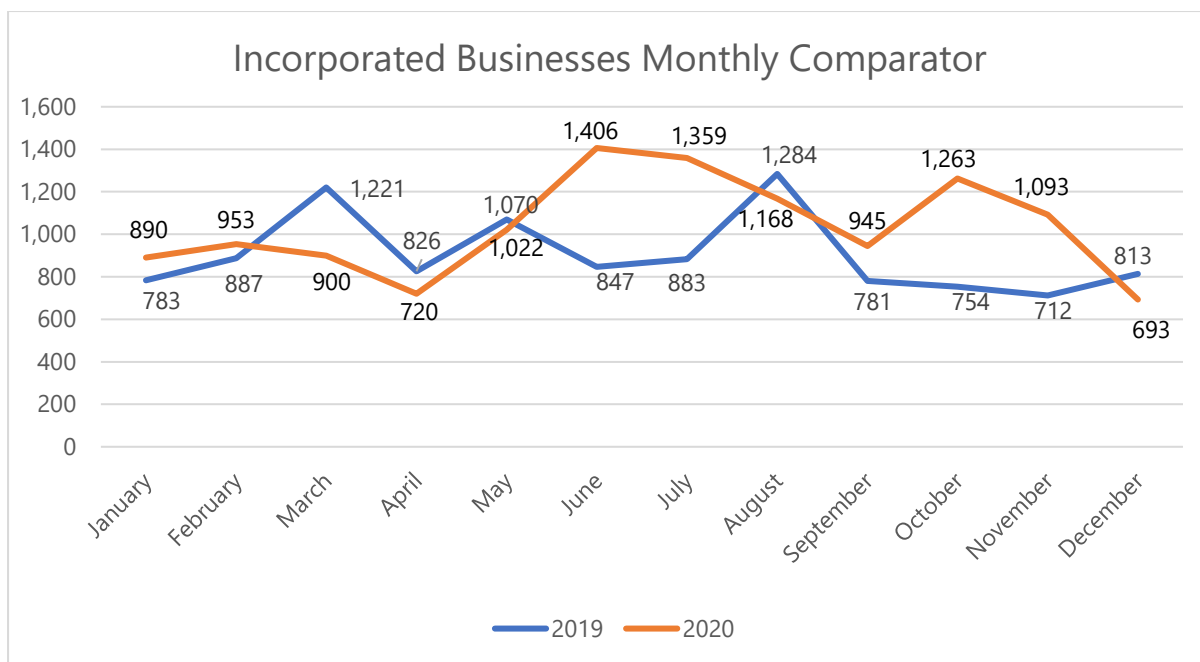


Figure 12 LLEP Area Incorporated Businesses 2019 and 2020 Monthly Comparator
Source: BVD Fame

Table 6 demonstrates those sectors where there have been the highest shares of business failures (29 in total). For these same sectors the table also demonstrates the number of incorporations. Data contained in Table 6 is for December 2020. The table accounts for 86.1% of dissolved businesses and 82.4% of incorporated businesses.

Table 6 helps provide an understanding of the impact of the pandemic on business and how different sectors are reacting to it. In many cases those sectors with the highest number of business failures have had a larger number of incorporations. On the surface this looks positive but as demonstrated the measures that have been brought by the Government have impacted the number of business failures. It is uncertain whether some businesses would have failed regardless of there being a pandemic and that measures are delaying the inevitable.

As we have seen in September and October there were rises in the number of business failures, this is also likely as we approach April 2021 and the furlough scheme ends.

Activity (prim. UK SIC 2007)	Dissolved	%	Incorporated	%
Computer programming, consultancy and related activities	52	10.3	30	4.3
Activities of head offices; management consultancy activities	44	8.7	18	2.6
Retail trade, except of motor vehicles and motorcycles	37	7.3	78	11.3
Office administrative, office support and other business support activities	32	6.3	10	1.4
Food and beverage service activities	30	6.0	32	4.6
Other personal service activities	25	5.0	30	4.3
Land transport and transport via pipelines	22	4.4	34	4.9
Real estate activities	21	4.2	59	8.5
Wholesale trade, except of motor vehicles and motorcycles	16	3.2	51	7.4
Specialised construction activities	15	3.0	34	4.9
Other professional, scientific and technical activities	14	2.8	11	1.6
Education	13	2.6	15	2.2
Construction of buildings	12	2.4	29	4.2
Wholesale and retail trade and repair of motor vehicles and motorcycles	12	2.4	16	2.3
Manufacture of wearing apparel	11	2.2	6	0.9
Architectural and engineering activities; technical testing and analysis	9	1.8	6	0.9
Human health activities	9	1.8	22	3.2
Services to buildings and landscape activities	8	1.6	15	2.2
Manufacture of textiles	6	1.2	2	0.3
Activities auxiliary to financial services and insurance activities	6	1.2	2	0.3
Advertising and market research	6	1.2	4	0.6
Financial service activities, except insurance and pension funding	5	1.0	23	3.3
Sports activities and amusement and recreation activities	5	1.0	4	0.6
Crop and animal production, hunting and related service activities	4	0.8	6	0.9
Manufacture of fabricated metal products, except machinery and equipment	4	0.8	2	0.3
Repair and installation of machinery and equipment	4	0.8	4	0.6
Legal and accounting activities	4	0.8	1	0.1
Social work activities without accommodation	4	0.8	2	0.3
Residents property management	4	0.8	25	3.6
Total	434	86.1	571	82.4
All	504	100.0	693	100.0

Table 6 LLEP Area Dissolved or Liquidated and Incorporated Businesses by Sector December 2020

Source: BVD Fame

Note: Latest figures were gained on the 4/01/2021 and they may be subject to some adjustment. Low figures may also reflect delays in notification and processing of data returns to Companies House.

7. Useful Links

LSR Online

Leicestershire County Council is working in partnership with the LLEP to provide a single online portal for local economic data across Leicester, Leicestershire and Rutland. The [LSR Portal](#) holds data across a wide range of economic indicators (in addition to other measures including health and wellbeing), the majority of which are available at district level.

Midlands Engine Economic Observatory

The [Midlands Engine Economic Observatory](#) is an analytical function of the Midlands Engine, providing comprehensive and contemporary data, analysis and intelligence on the whole Midlands economy including a fortnightly publication, *monitor*, reporting on the impact of Covid-19 on the region's economy.

Office for National Statistics (ONS)

The ONS produces comprehensive data and analysis on coronavirus [\(COVID-19\) in the UK](#) and its effect on the economy and society.

NOMIS

[Nomis](#) is a service provided by the Office for National Statistics, ONS, to give free access to the most detailed and up-to-date UK labour market statistics from official sources.

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