

COVID-19 Impact Assessment

Hull & East Yorkshire Local Enterprise Partnership

Update Report – May 2021



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Note about data sources and approach:

Hatch was appointed by HEY LEP to undertake an assessment of the impact of COVID on the HEY and Humber region and the report was issued in May 2021. This follow-up report provides an update of all available data as of 10th May 2021 and reflects the changes in policies and measures that have been announced since the summer.

Data used in the report include ONS, Gazette (Insolvency data), Google Mobility, NatWest PMI and various surveys conducted by LEP partners. Where local authority data is unavailable, national datasets and surveys have been applied to the regional level to provide estimates.

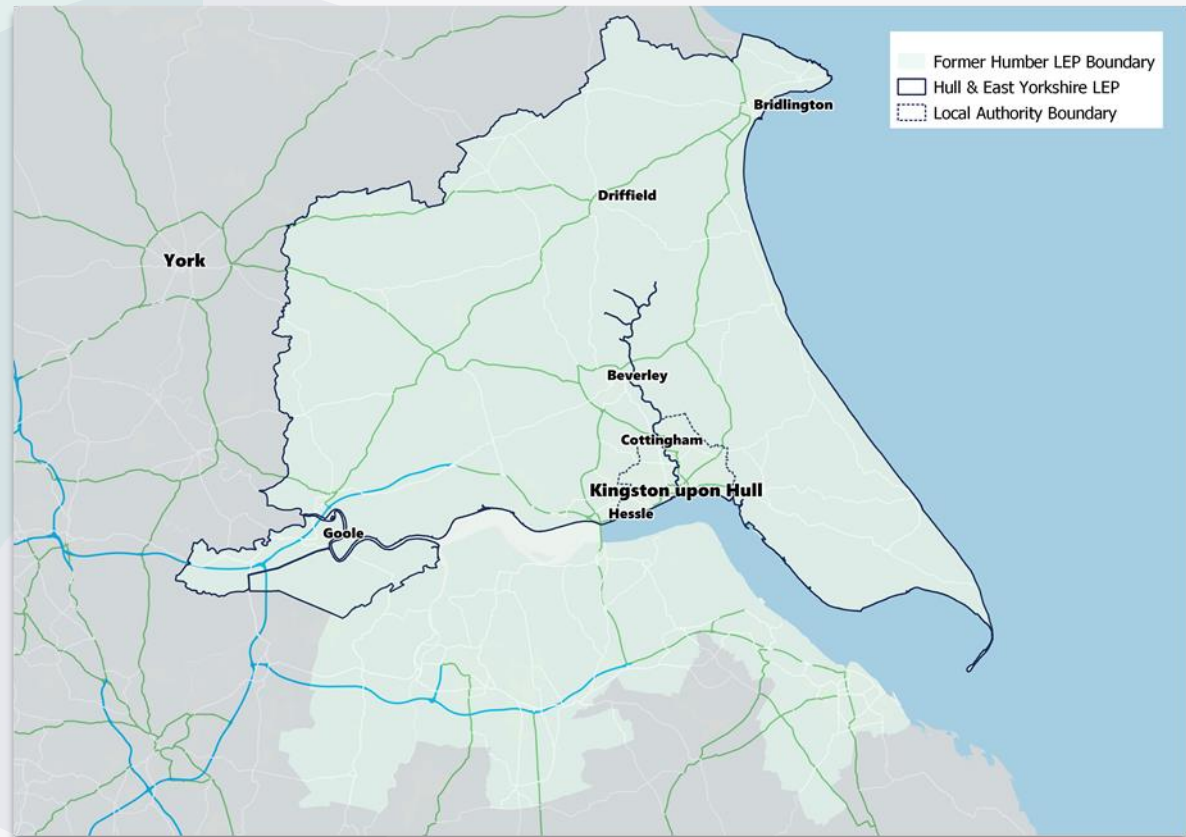
1 Geographical Context

The newly established Hull and East Yorkshire (HEY) LEP consists of two local authorities north of the Humber estuary – Kingston upon Hull and East Riding of Yorkshire. The former Humber LEP area also included North Lincolnshire and North East Lincolnshire. The pan Humber Local Resilience Forum has facilitated a coordinated approach to the COVID-19 impact and as such the impact on the Humber in addition to the HEY region is provided in this report.

To assess the economic impact of COVID on the Humber and HEY region, HEY LEP appointed Hatch to undertake an assessment of the current impacts on:

- Economic growth
- Business activity
- People impact
- Government support uptake

This report summarises the findings of the analysis undertaken in May 2021.



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Economic Impact

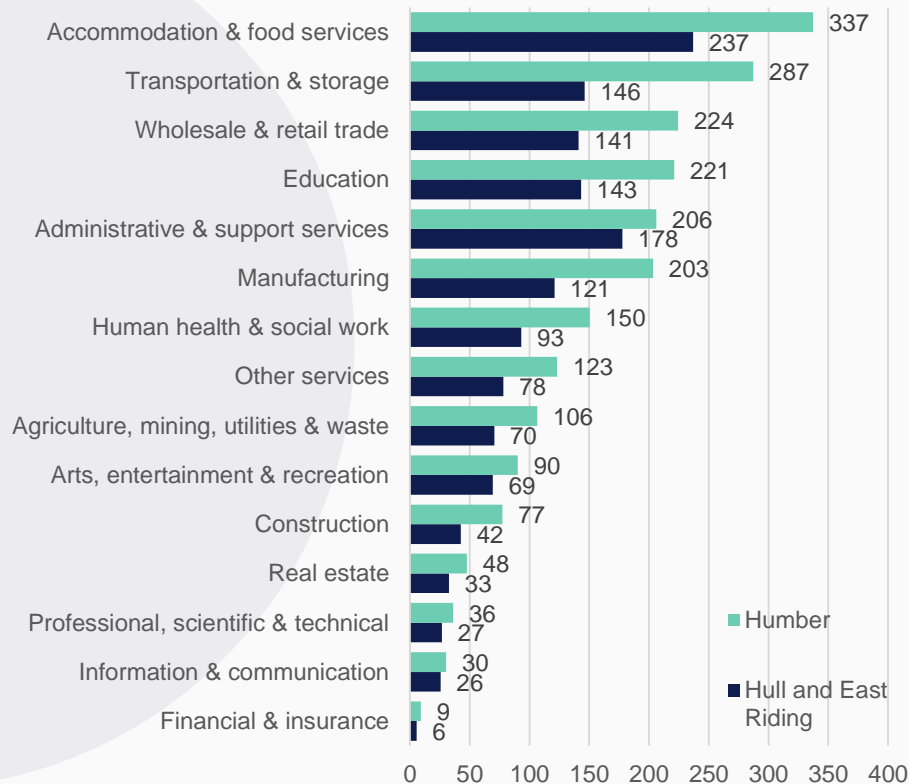
GVA Impact of COVID

For the purposes of providing a central estimate of the impacts of COVID-19 on the Humber and Hull & East Riding, we have used the latest (March 2021) Office of Budget Responsibility (OBR) sectoral impact estimates to produce a coronavirus reference scenario. The modelling provides an indication of the GVA impact of COVID by sector and provides a baseline from which to explore possible recovery scenarios.

It is estimated that the Humber region's GVA was £21.1bn in 2019. **Our modelling estimates that £2.1bn, or 10%, of that was lost during 2020**, which is in line with the estimated loss rate for the national economy (9.9%). Similarly, Hull and East Riding's GVA was about £13.6bn in 2019 and the area also experienced a 10% loss in output over the course of 2020.

Based on the modelling, the accommodation & food sector experienced the largest absolute loss in both areas. After accommodation & food, the Humber experienced the largest losses in the transportation & storage, wholesale & retail, and education sectors. The sectoral losses reflect a mix of both the magnitude of assumed sectoral impacts at the national level and the relative importance of the sector in the local economy. For example, accommodation & food only accounts for about 2% of the Humber's GVA but was assumed to experience a 71% loss in output over the year, resulting in a large absolute loss. The Hull and East Riding region generally experienced the largest losses in the same sectors as the Humber; however, the area's second most impacted sector was administrative & support services.

GVA Loss by Sector (£m), 2020



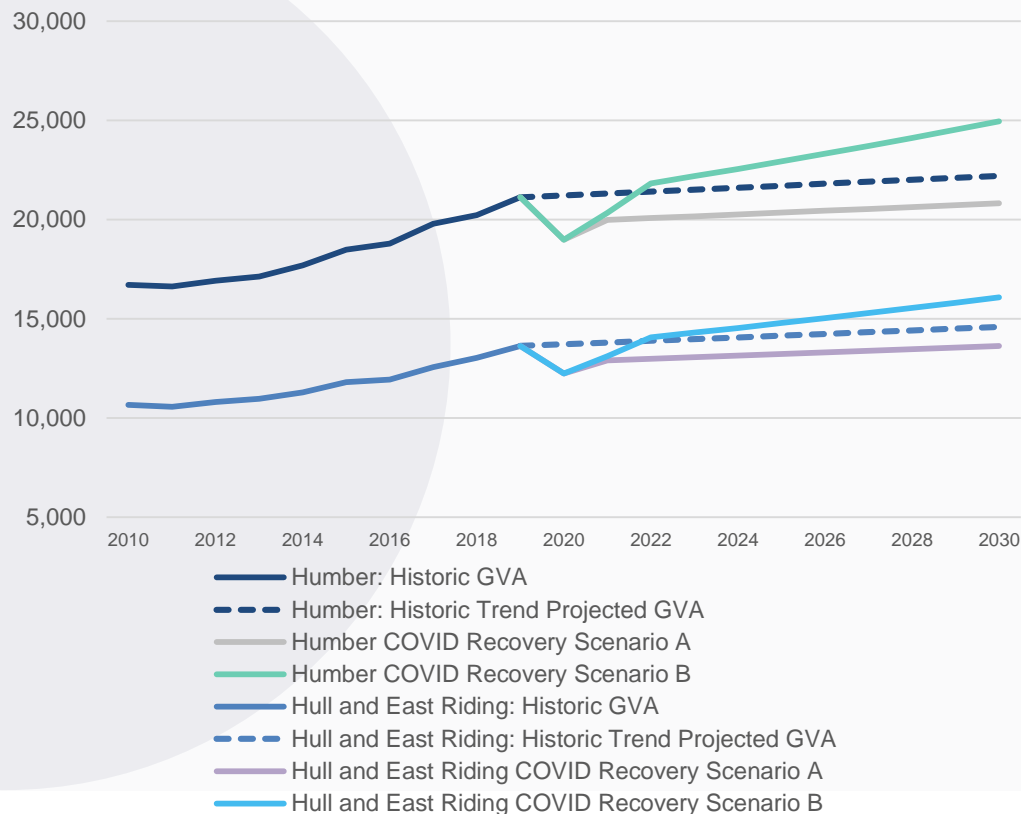
GVA Recovery Scenarios

To provide an estimate of the GVA growth rates required across the areas to recover, we have modelled the trajectory of the real historic growth rates (0.5% for Humber and 0.6% for Hull and East Riding over the 2010-2018 period) to show the trend in a pre-COVID-19 world.

The recovery chart shows two scenarios for recovery; both include estimated COVID impacts. Scenario A is based on the respective historic real growth rates per annum going forward whilst Scenario B is based on OBR's March growth forecast for the national economy. The OBR forecasts growth to be about 4% in 2021, 7% in 2022, then around 1.7% thereafter. As shown in the chart below, both Humber and Hull and East Riding therefore need to achieve a growth rate well above their historic rates to get back to their pre-COVID trajectory in the short to medium term.

These are not forecasts but give an indication of the growth rates required to both make up for the 2020 GVA loss and return to the pre-COVID growth trajectory. This means that sectors and businesses will need to be supported not just to recover, but to find new and innovative ways of producing output and increasing productivity beyond the rates before COVID-19 hit.

Total GVA Impact and Recovery Scenarios (£m)



Source: Hatch analysis of OBR Economic and fiscal outlook – March 2021

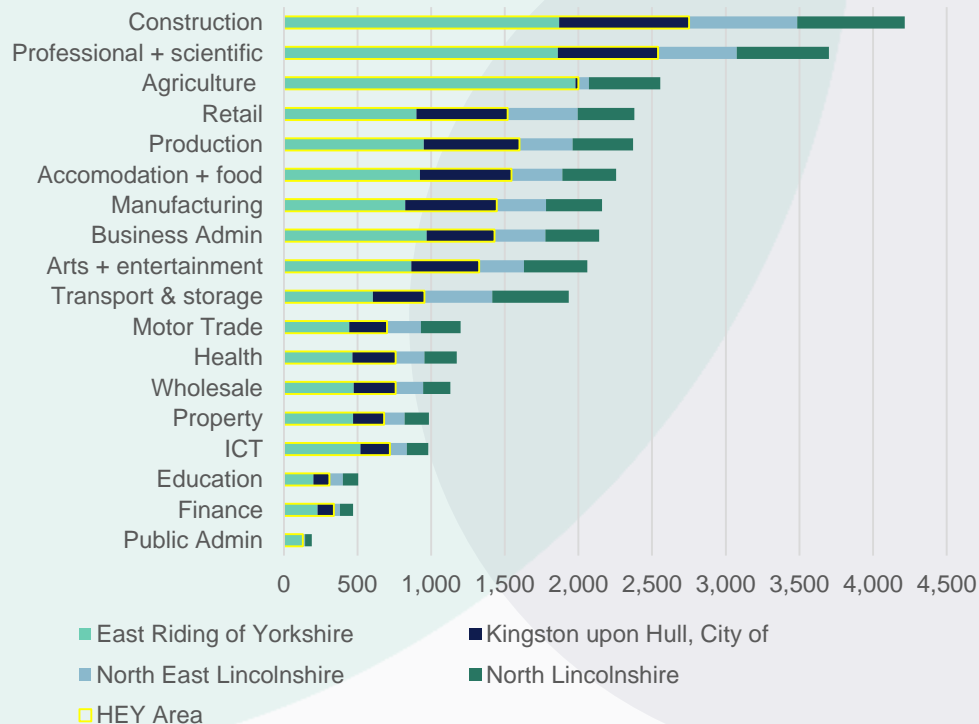
Note: Figures for 2019 onwards are in 2020 prices

Driving growth of the Hull and East Yorkshire economy for the benefit of our communities



Impact on Business

Sectoral distribution of firms in the Humber, 2020 (Total counts)



The Humber region has a unique sectoral mix

One of the great strengths of the Humber and HEY economy is that it has absolute and relative sector specialisms that have high-value growth potential. These include the cluster around the Energy Estuary which incorporates engineering, manufacturing, logistics, construction and professional services. During the COVID recovery, these sectors will be critical to recovery, especially as the Government prioritises green infrastructure and growth.

The region's strengths in logistics and port-related transport means there is a higher proportion of wholesale-related businesses based in the area. Those that are dependent on exports may see a dip due to Covid-19 and Brexit, however latest estimates suggest the Yorkshire and Humber region has shown a degree of resilience post-Brexit and throughout the pandemic regarding exports at this stage and optimism for future export growth is present.

Another strength is the above average size of businesses in the Humber – smaller businesses are associated with a higher risk of insolvency. Just over 74% of businesses in the Humber employ 0-4 staff, compared with almost 79% of firms across the UK. 13% employ 5-9 staff in the Humber, compared to just 11% across the rest of the UK.

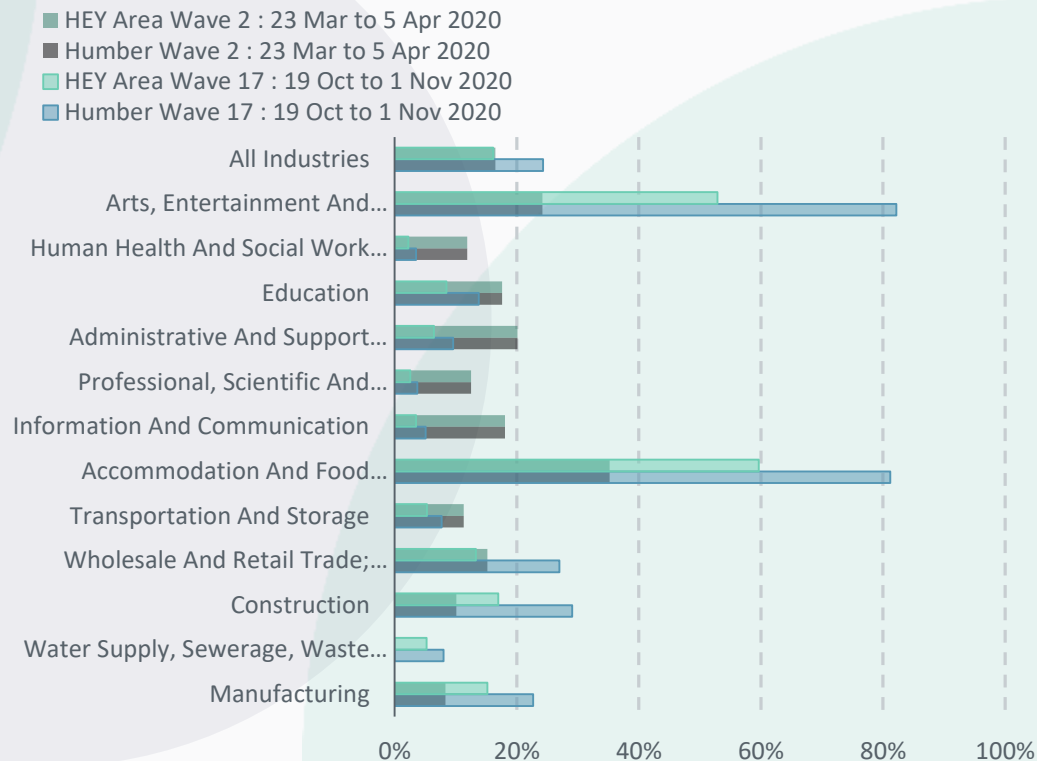
Temporary Closures

The Business Impact of Coronavirus Survey (BICS) has been undertaken in multiple waves since the beginning of the first national lockdown in March 2020. The survey is nationally representative and aims to outline the business impacts of Covid-19 on businesses of various characteristics, such as sector or size.

This graph shows two versions of the survey showing businesses who have stated that they have temporarily ceased trading. Wave 2 (late March and early April 2020) demonstrates the immediate impacts of the first national lockdown regarding temporary closures. Sectoral closure rates have then been applied to the business base in Humber and HEY regions. In both geographies, the most impacted sectors were arts & entertainment and accommodation and food. We can also see that in these sectors, the latter period prompted more closures than the first. During the first instance an estimated 24% of arts and entertainment businesses closed in both the HEY area and wider Humber. The later data estimates closures of 82% in the HEY area and over 50% in the wider Humber.

Several sectors have fewer closures in the latter wave than the earlier wave of the survey. Professional services for example experienced a temporary closure rate of 13% in both geographies March/April 2020, but both saw this reduce to under 5% in October/November 2020, illustrative of how businesses have found ways of continuing to operate in challenging conditions.

Businesses Temporarily Closing, 2020 – Estimated Impact on HEY and Humber Regions



Use of Support Schemes

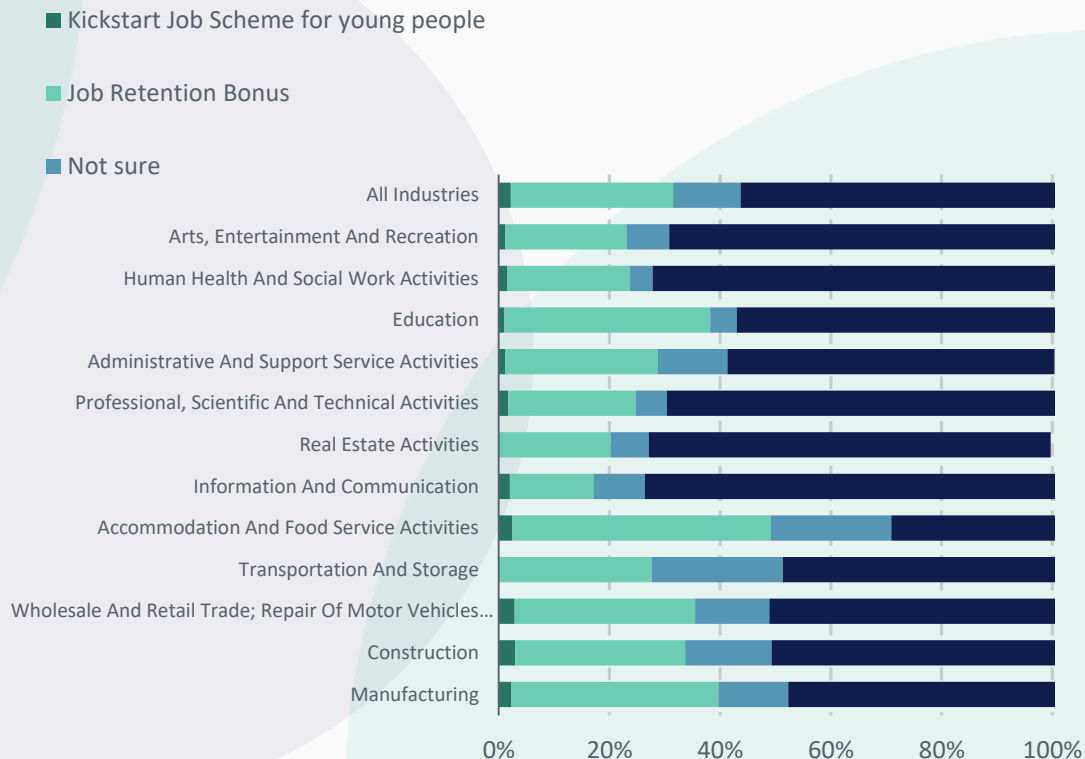
In the latest version of the BIC survey, businesses were asked what support schemes they are using or intend to use, these includes:

- Kickstart job scheme for young people - provides funding to employers to create jobs for 16 to 24 year olds on Universal Credit
- Job retention bonus - £1,000 one-off taxable payment to the employer for each eligible employee that is furloughed and kept continuously employed until 31 January 2021 (currently postponed due to the extension of the CJRS)

Overall, 31% of HEY businesses are estimated to be using/intending to use one of these support schemes. Some sectors are more likely than others to access support schemes, with half of accommodation and food businesses estimated to be using or intending to use the schemes.

Given changes in circumstances, and the third national lockdown in January 2021, it is likely that these figures will change to reflect continued access to schemes such as the CJRS.

Estimated use by Business of Government Support Schemes in the HEY area

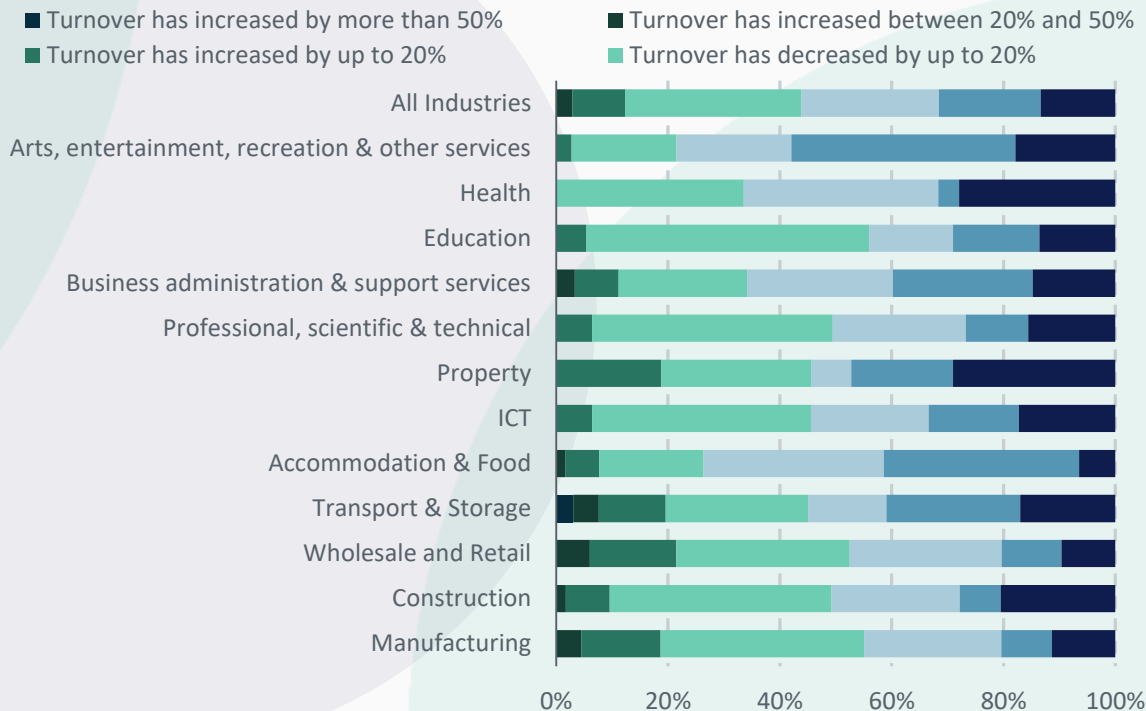


Turnover

In addition to closures, the Business Impact of Coronavirus Survey also expresses business impacts in the form of turnover changes. The bar chart shows national turnover changes at the sector level applied to the Hey area.

While most sectors have seen some negative impacts on turnover there are more resilient and more exposed sectors. Almost 80% of businesses in the accommodation and food sector in the HEY area have seen turnover decrease, with over 60% reporting a fall in turnover at a rate greater than 20%. In real terms, this accounts for nearly 1,000 food and accommodation businesses in the HEY area. In total, when applying national turnover change data to the HEY area, we estimate that 50% of all HEY businesses, equating to 10k businesses, have experienced turnover falls in the period of October/November 2020 compared to the same time in 2019 whilst an estimated 8% of firms have seen turnover increase. Increases in turnover have been greatest in motor trades & retail (15%), transport & storage (12%) and manufacturing (11%).

Estimated Change in Business Turnover Compared to Turnover Expectations for Given Time of Year Normally for Businesses in the HEY Area



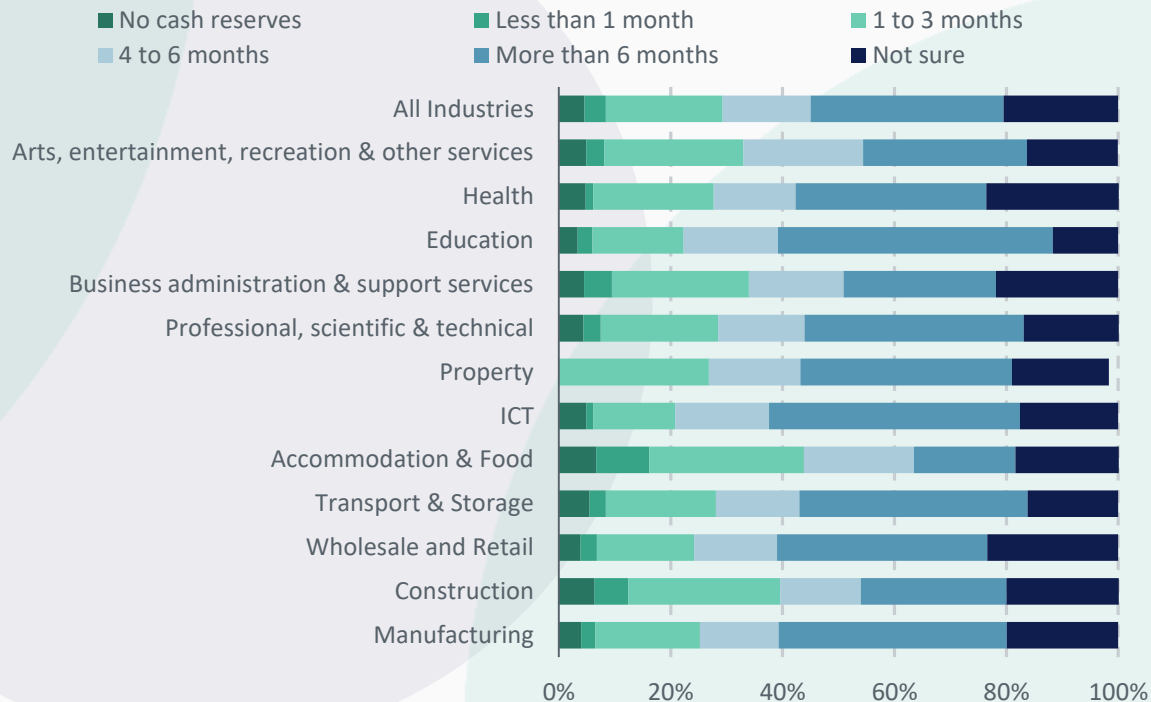
Cash Reserves

Using national BICS data and applying it to a Humber/HEY level we can estimate that over half (54%) of businesses have 6 months or less worth of cash reserves, while over 5,600 firms in the HEY area have less than 3 months of cash reserves, placing them in a high-risk position.

More significantly, across the HEY area several sectors showed lower rates of cash reserves than others. The accommodation and food sector, for example, where 250 businesses in the HEY area have less than 1 month of cash reserves.

Given the national lockdown following this data period, it is likely many of these businesses have been compromised or are at best in a very difficult situation.

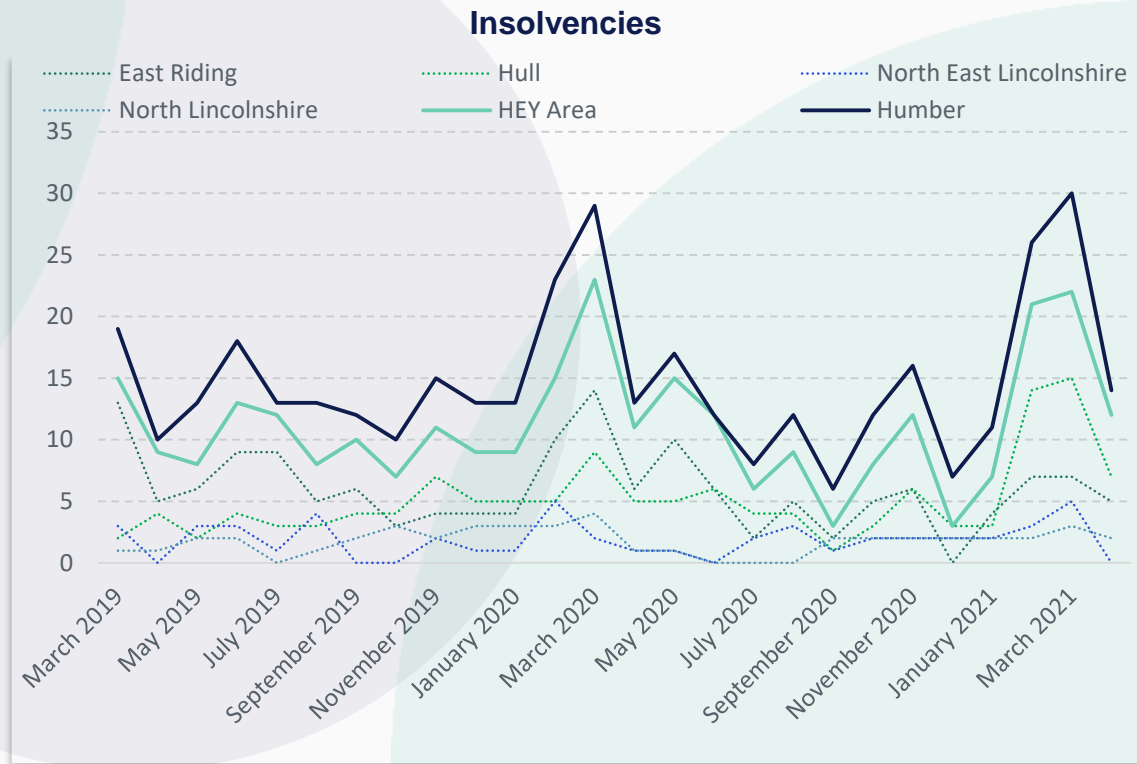
Estimated Levels of Business Cash Reserves, October – November 2020 – HEY Area



Insolvencies

The challenging business environment of the last 12 months has caused several spikes in business insolvencies. At the onset of the first national lockdown in March 2020, there was a peak in insolvencies in Humber (29 insolvencies) and in the HEY area (23 insolvencies). This level of insolvencies was not sustained, likely as a result of unprecedented government business support programmes, such as furloughing employment, small business grants, business rates holidays etc.

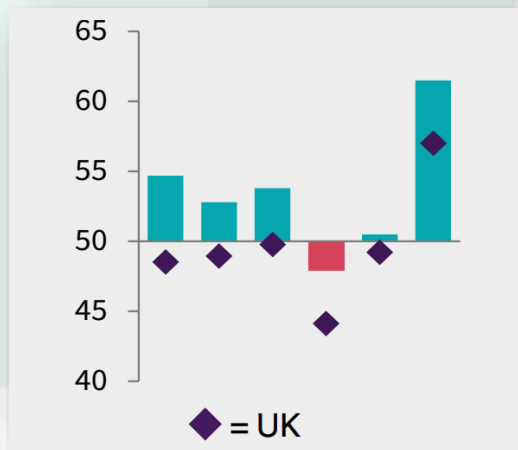
Nevertheless, other periods also saw insolvency levels rise, notably in November with the second lockdown where insolvencies peaked at 16 in Humber and 12 in the HEY area. After the peak, another rise occurred in early 2021, with the implementation of the third national lockdown. The peak in Humber-wide insolvencies in March 2021 was greater than that in March 2020.



PMI Index

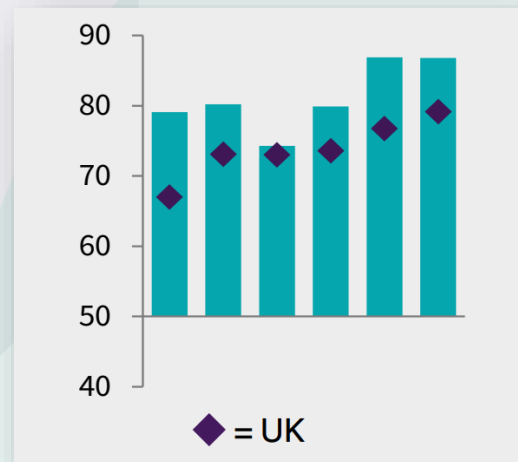
PMI is the Purchasing Managers Index, a widely used real-time metric that is considered to be a leading indicator of GDP. It is a wide survey of UK businesses and measures the volume of new orders placed. Responses below 50 indicate a decrease in new orders and responses above 50 indicate expansion. New orders placed with in Yorkshire & Humber experienced a fall in early 2021, likely due to the national lockdown. But signs of a recovery in February and March are present. Growth rates have tended to be above the UK rates across the whole period of October 2020 to March 2021.

New Business Index, Oct 2020 – Mar 2021



There is growing faith in the 12-month outlook of the region with business activity reaching its strongest point for two and a half years in October. Sentiment in the Yorkshire and Humber region was the strongest across all 12 regions with further growth expected with increasing demand as the conditions of Covid-19 begin to diminish.

Yorkshire & Humber Future Activity Index, Oct 2020 – Mar 2021



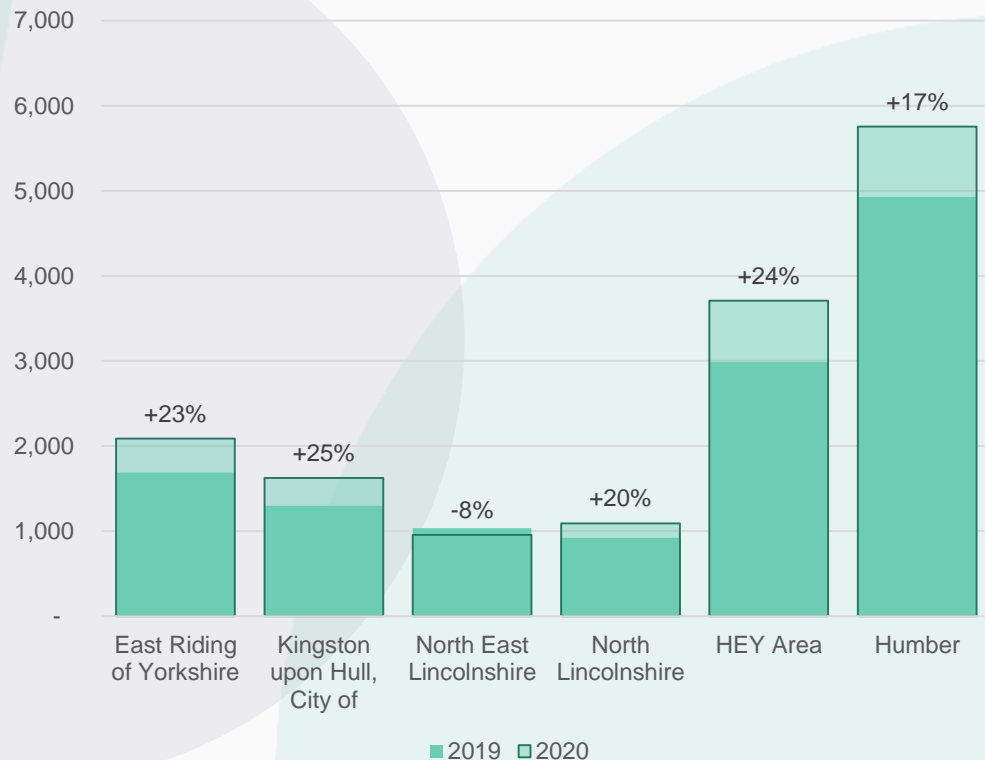
Business Incorporations

Despite the precariousness of the economy over the past year, there were over **3.7k** business incorporations between Jan-Dec 2020 in the HEY area and over **5.7k** in the former Humber LEP area. This is an additional **700** and **800** business incorporations in 2020 versus 2019 for the HEY and Humber areas respectively. In percentage terms, growth in incorporations has been strongest in the HEY area with an **additional 24%** business incorporations compared with a healthy **+17%** in the Humber.

Growth in businesses incorporations was broadly equal in the HEY area local authorities. However, when we consider the wider boundaries of the former Humber LEP area, the trend of businesses incorporations is less clear with an 8% reduction of incorporations in North East Lincolnshire.

Greater business incorporations do not necessarily denote a resilient and buoyant economy. It is possible that many of these new businesses are the product of displaced PAYE labour. As companies are forced to make redundancies – due to the economic slowdown prompted by Covid-19 – former employees may have reduced opportunity to access the traditional labour market and are instead establishing small/self employed businesses out of necessity. The longevity or profitability of these firms may therefore not be guaranteed.

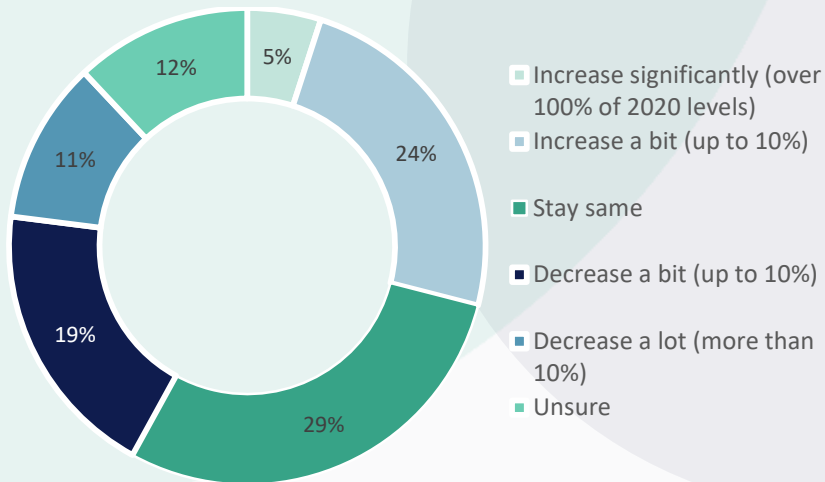
Business Incorporations, 2019 and 2020



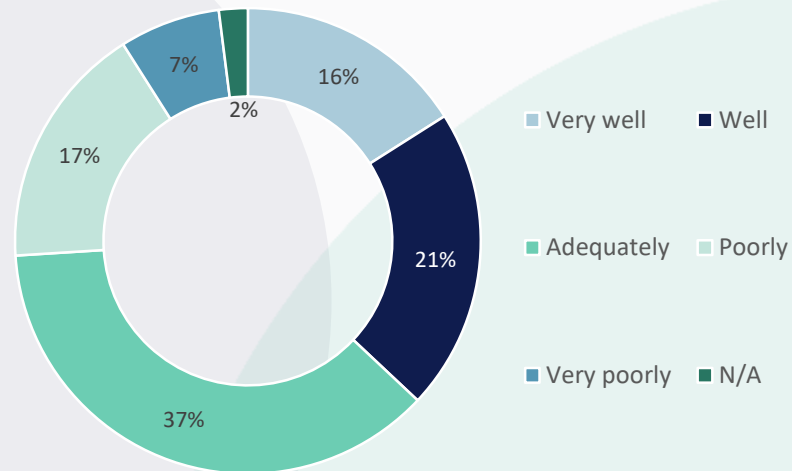
Business Exports

Following the UK's departure from the EU and formal trade agreement outlining the new UK-EU relationship on trade, businesses are facing new trading opportunities and challenges.

Over the next year, how do you think your trade with the EU will change compared to 2020?



How well are you managing with the new UK-EU trading relationship?



In Humber, according to a survey of Humber businesses 37% stated that they are managing either well or very well within the context of the new EU-UK trade relationship, with another 37% stating they were getting on with it adequately.

Furthermore, when asked about future trade predictions, almost 30% of businesses stated they expected exports to the EU to rise either by a little bit or by a lot.

Local Business Intelligence : Investments

Pensana

The rare earths specialist is building a £100 million complex chemical engineering plant at Saltend to kickstart the magnet metal supply chain in the UK with strong links to offshore wind and hydrogen sectors

PENSANA Plc
LSE : PRE

Despite troubling economic circumstances over the past year, with many challenges still on the horizon, signs of confidence in the Humber economy are present. Several large investments have been announced and reiterate a level of optimism in the Humber economy despite prevailing difficulties.

Amazon Logistics Centre

The £30m investment will create 400 new jobs on the outskirts of Hull. The area will specialise in “last mile parcel handling” aspects of logistics.

amazon

Hydrogen Cluster

Energy companies Equinor and SSE Thermal are planning to establish a joint hydrogen cluster in the form of two power plants near Scunthorpe. The programme is estimated to be worth £2.6 million and is in line with the UK Government decarbonisation agenda





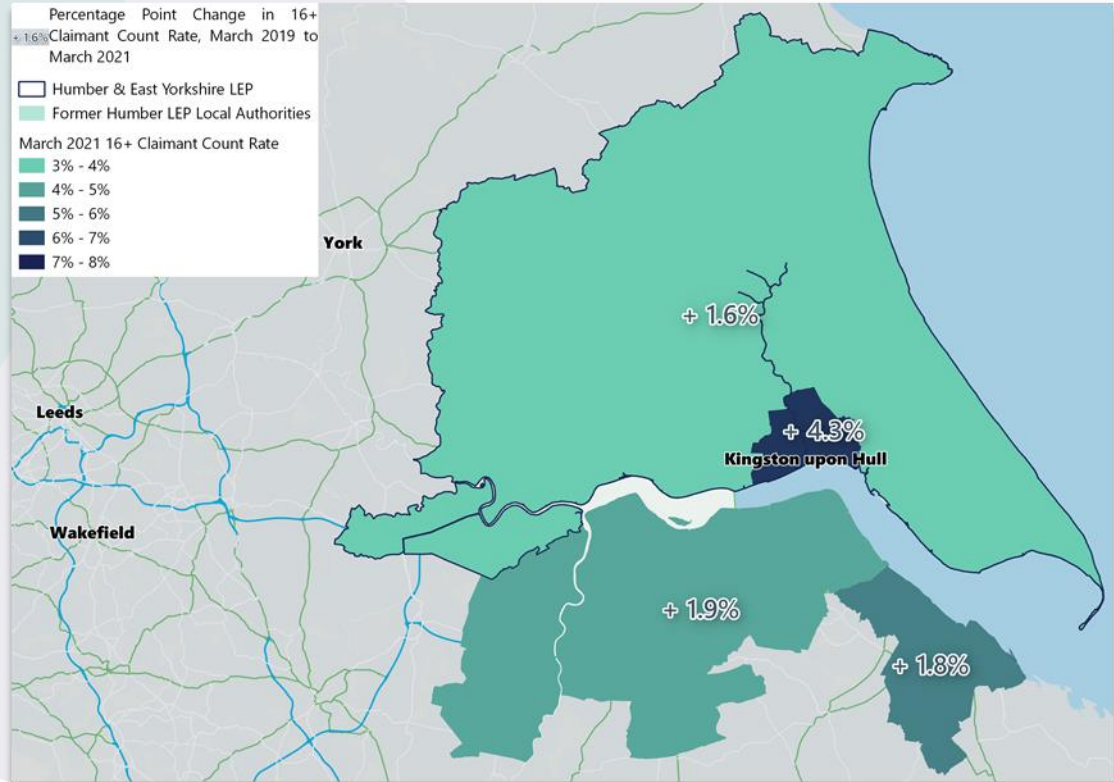
Impact on People

Claimant count

The claimant count measures the number of individuals seeking income support, this can include job seekers allowance and/or universal credit. There has been an increase in the claimant count across the HEY area with a rise of 4.3% and 1.6% in the two local authorities between March 2020 and March 2021.

As of March 2021, the claimant count rate was significant in the City of Hull where over 7% of the city's working age population were claiming income support in some form. This is likely a result of the sectoral make-up of the city in terms of sectors impacted by Covid-19 and the resulting lockdown. According to national measures the most impacted sectors (in terms of turnover) are sectors where the City of Hull has a slightly higher representation of businesses, for example in accommodation and food and wholesale and retail trade.

Claimant Count, March 2021 and Change Since March 2020



Source: UK Claimant Count, ONS, 2020 – 2021

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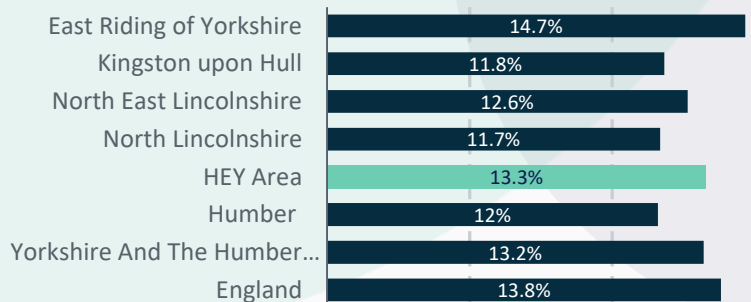
Furloughed Employment

In addition to traditional out of work income support, the UK Government initiated the Coronavirus Job Retention scheme at the start of the first national lockdown where businesses were given the opportunity to furlough workers instead of making redundancies. Latest furlough data from March 2021 shows that, overall, the rate of furloughed workers as a proportion of employment in the HEY area was slightly lower than the national rate. However, East Riding appears to be furloughing at a slightly higher rate.

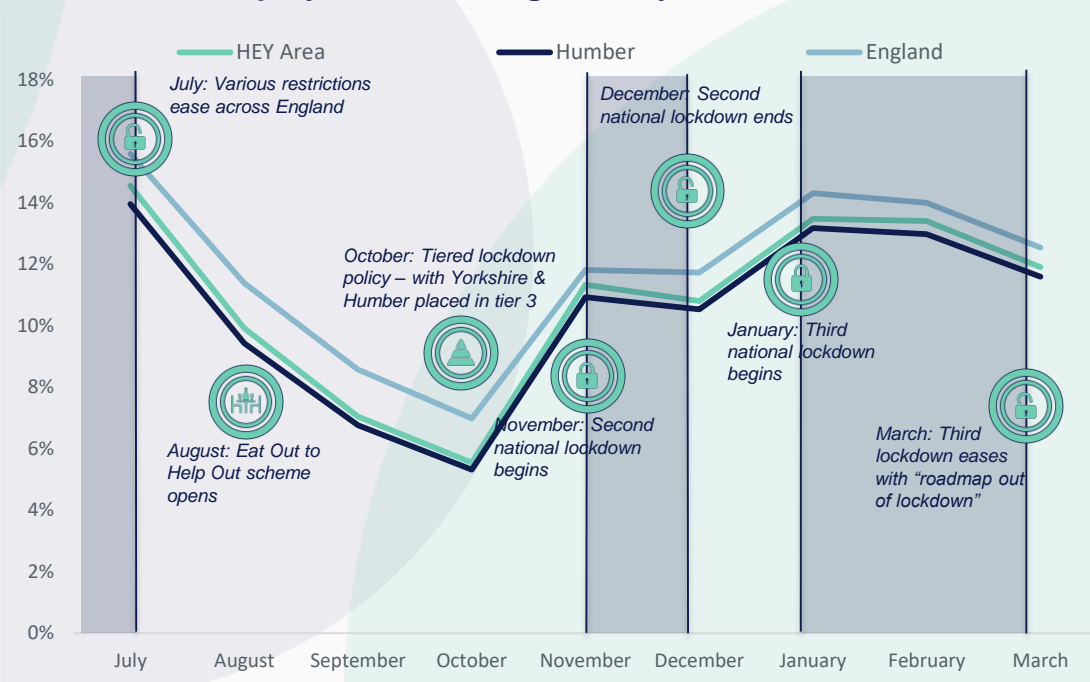
Over the past 9-month period where data has been released, the furlough rate in the HEY area followed the national trend.

% of Employments Furloughed as of 14th April 2021*

0% 5% 10% 15%



% of Employments Furloughed July 2020 – March 2021

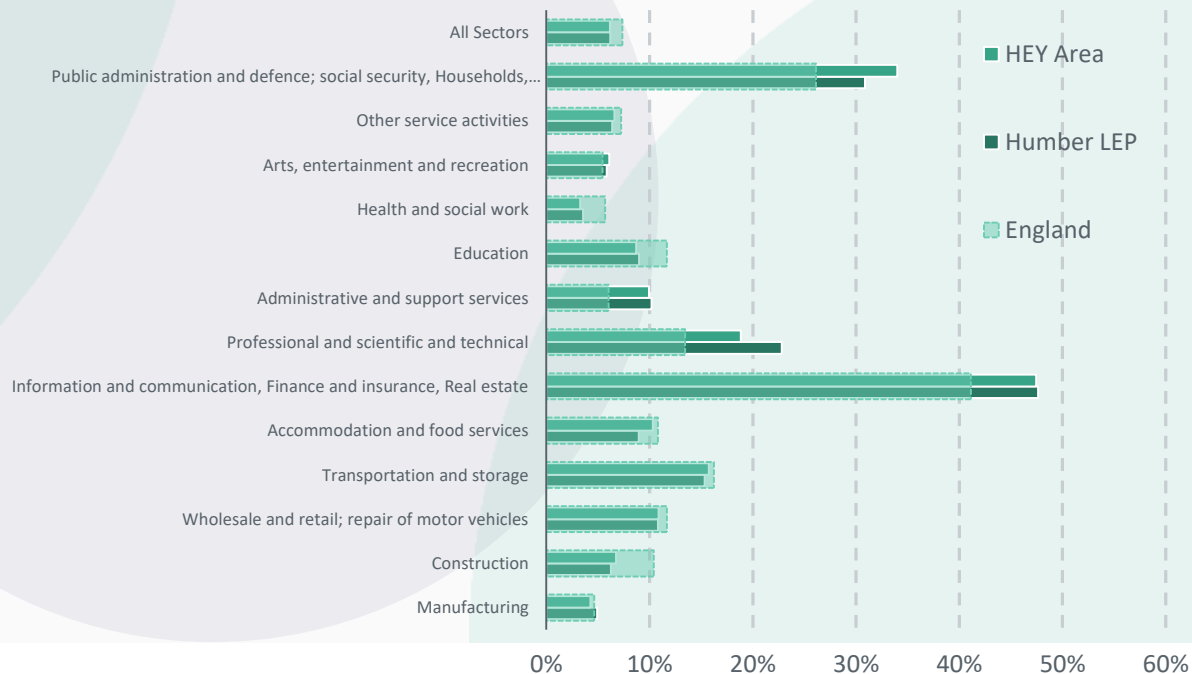


Furloughed Employment cont.

The HEY and Humber area furlough rates by sector are broadly aligned to the national sectoral rates. Although there are higher incidences of furlough in several sectors within the area relative to the national position, such as public admin, admin and support services, professional and scientific and scientific and technical activities and ICT.

The latest data shows a contrast with previous furlough data, with only one sector furloughing at a rate above 30% (ICT). Other sectors such as accommodation & food and arts & entertainment are no longer furloughing at high rates as lockdown eases and these businesses increase operational activity.

Broad Sector Furlough Rates as % of Broad Sector Employment, as of 14th April 2021

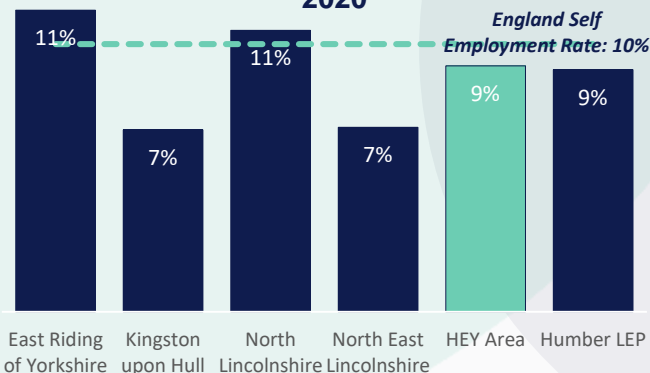


Self-employment Income Support

Alongside the employment furlough scheme, the UK government initiated the self employment income support scheme (SEIS) for self employment individuals. The graph below shows that the HEY region has a slightly lower proportion of self-employment compared to the national rate, but within the region the East Riding has a higher rate.

Looking at the take up rate of the SEIS, Hull has the highest rate of take-up from the programme, but data shows that the average claim in Hull for SEIS support was much lower (£2.55k) than the England average (£2.8k). The inverse is true for East Riding where take-up has been low (60%) but the average claim value has been closer to the national average at £2.7k

16-64 Self Employment Rates, Jan 2020 - Dec 2020



% Take-up and Average SEIS Claim



Generational Impact of Covid-19

Generational Impacts of Covid in England (% of age group)



Young people are being disproportionately impacted by COVID at the national level

The large proportion of 18-24-year-olds on furlough and who have lost their main job is particularly worrying because many are at the beginning of their careers. In addition, many young people require part-time jobs in order to finance HE and FE degrees.

One of the most concerning factors has been the reduction in apprenticeship positions with some apprentices losing their position just months before the completion of training.

Research undertaken by the Resolution Foundation has shown that young people who have recently left education and have recently entered, or are about to enter, the labour market are more susceptible to long-term employment and pay scarring.

Job Postings

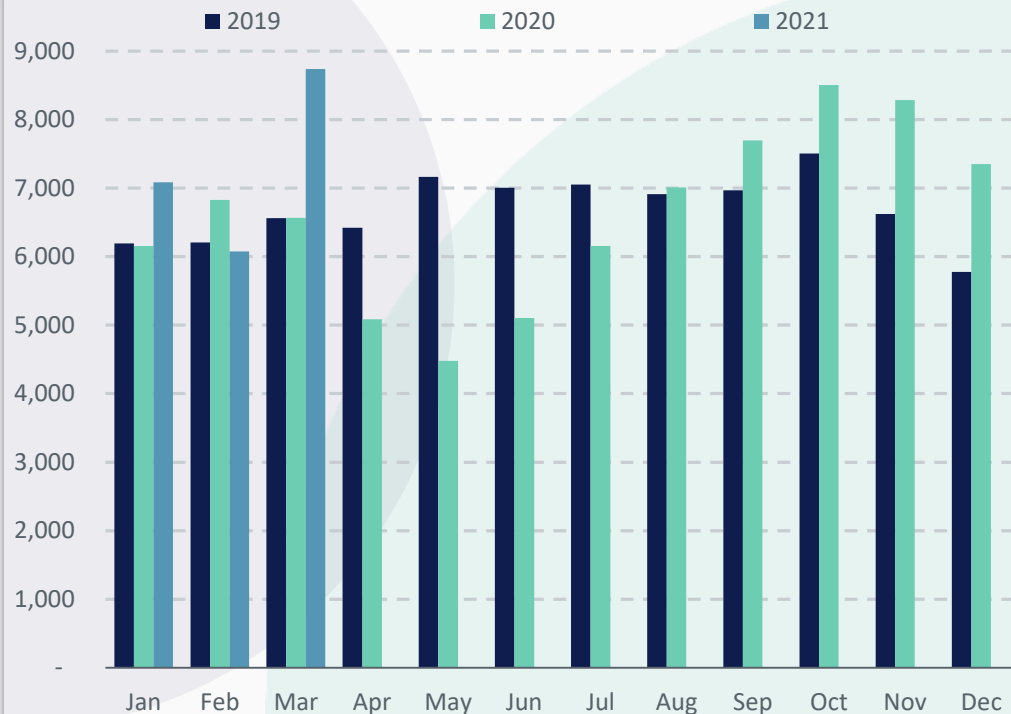
The Humber area had one of the lowest levels of job postings pre-Covid (it was in the top 3 LEP areas for the lowest job posting rates in England), meaning that entering the pandemic the region was performing poorly in terms of the number of jobs advertised. The number of available job opportunities reduced significantly following the outbreak of Covid-19 with a 32% drop in job postings in May.

Since May 2020, job postings grew each month up to October and began to fall in early 2021 with the third national lockdown in place. However, latest data from March 2021 suggest some dramatic improvement with job postings at a five year high.

Job Postings in Humber, 2016 - 2021



Unique Job Postings in the Humber, 2019 - 2021



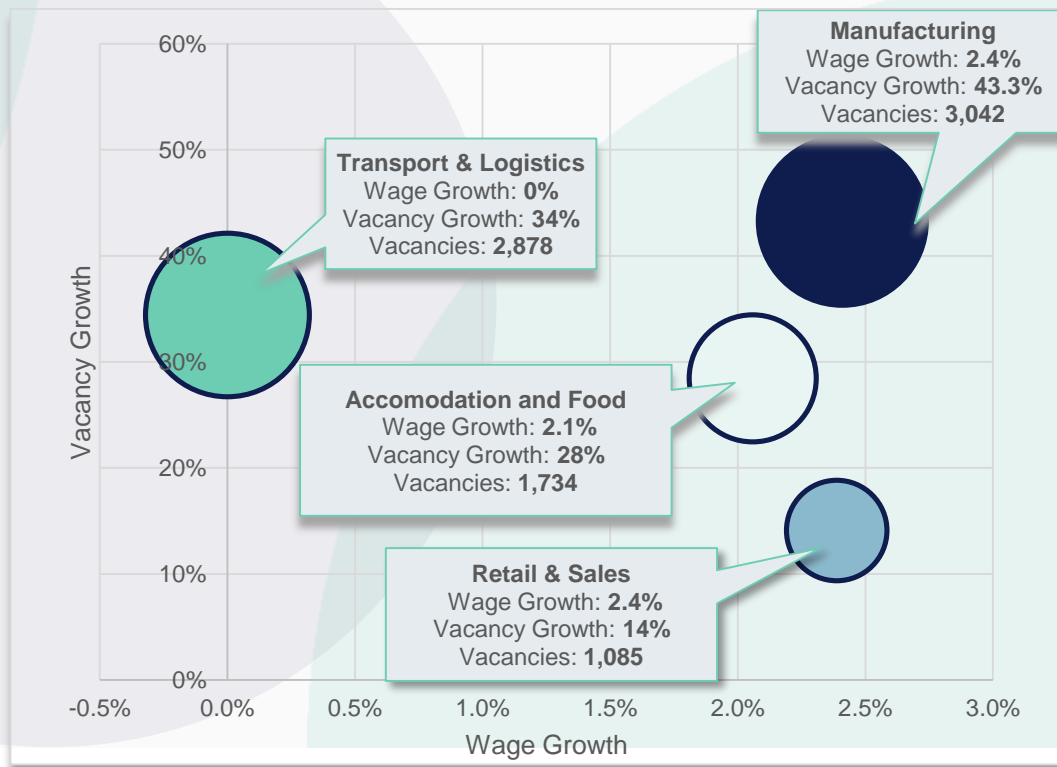
Job Postings by Exposed Sector

Some of the sectors deemed to be at the highest risk of Covid-19 impacts nationally include:

- Accommodation & food
- Manufacturing
- Transport & storage
- Sales & retail

All four of these sectors underwent an increase in job vacancies in 2020 compared to 2019, with manufacturing seeing the strongest rate of growth. This chart shows wage growth on the X axis and vacancy growth on the Y axis, with the size of the circle representing postings announced between Oct 2020 and Mar 2021. Therefore, sectors closer the top right corner represent sectors that are seeing wages rise alongside job opportunities.

Humber Job Postings in the “Most Impacted” Sectors,
Oct 2020 – Mar 2021



Humber Job Postings – Top 20 Vacancies by Role Oct 20 – Mar 2021

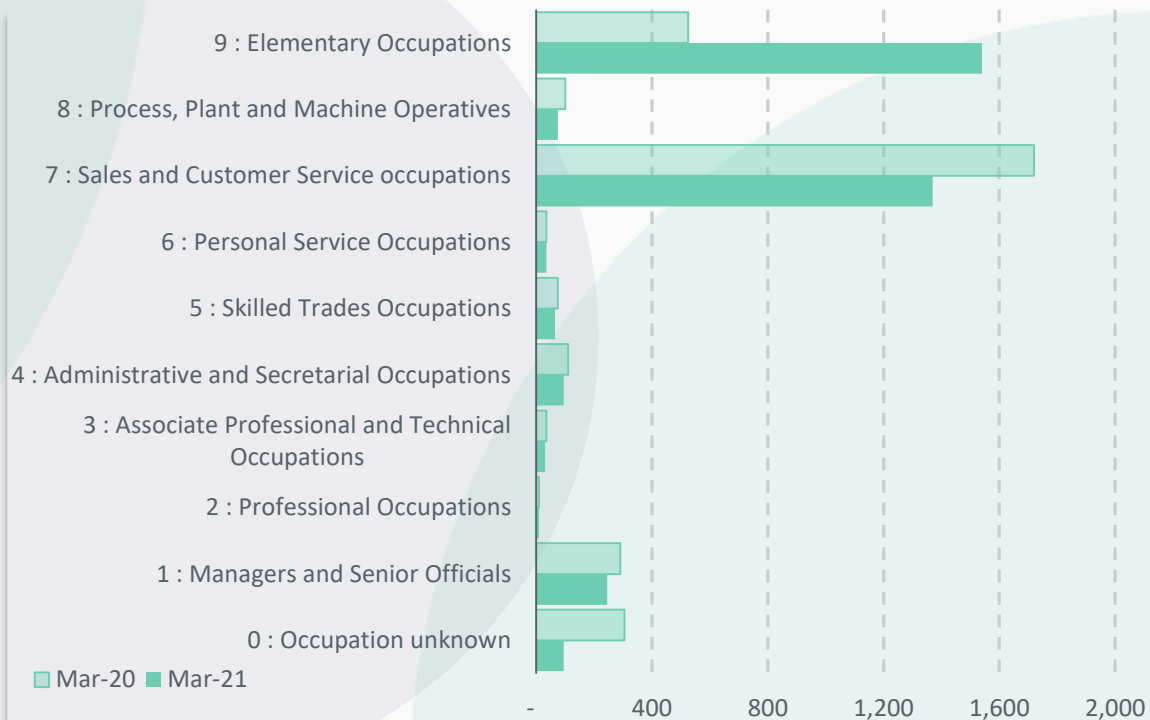
SOC Occupation	Vacancies
Nurses	21,588
Care workers and home carers	12,899
Van drivers	10,883
Primary and nursery education teaching professionals	13,765
Elementary storage occupations	7,845
Other administrative occupations n.e.c.	6,239
Metal working production and maintenance fitters	6,864
Sales accounts and business development managers	5,052
Book-keepers, payroll managers and wages clerks	7,474
Nursing auxiliaries and assistants	4,502
Cleaners and domestics	3,772
Medical practitioners	3,387
Production managers and directors in manufacturing	4,352
Electricians and electrical fitters	4,615
Programmers and software development professionals	4,293
Teaching assistants	4,750
Science, engineering and production technicians n.e.c.	4,117
Sales and retail assistants	2,847
Human resources and industrial relations officers	3,487
Finance and investment analysts and advisers	3,273

Job Seekers by Occupation Sought

Looking at the specific occupations sought by job seekers, there has been a change when we compare the latest data to the March 2020 position. For example there has been a significant increase of nearly 200% (an additional 1,015 claimants) among individuals seeking elementary occupations. This suggests that the low skilled have been disproportionately affected by the pandemic. No other occupation saw more claimants in March 2021 compared to March 2020. However, due to the sheer size of the increase in elementary occupation job seekers, the overall JSA claimant count has risen by 11% (355 additional claimants) across the HEY area.

It is worth noting that the elementary occupation is also the most sought job, as shown on the previous page.

Job Seekers Allowance Claimants by Sought Occupation, HEY Area

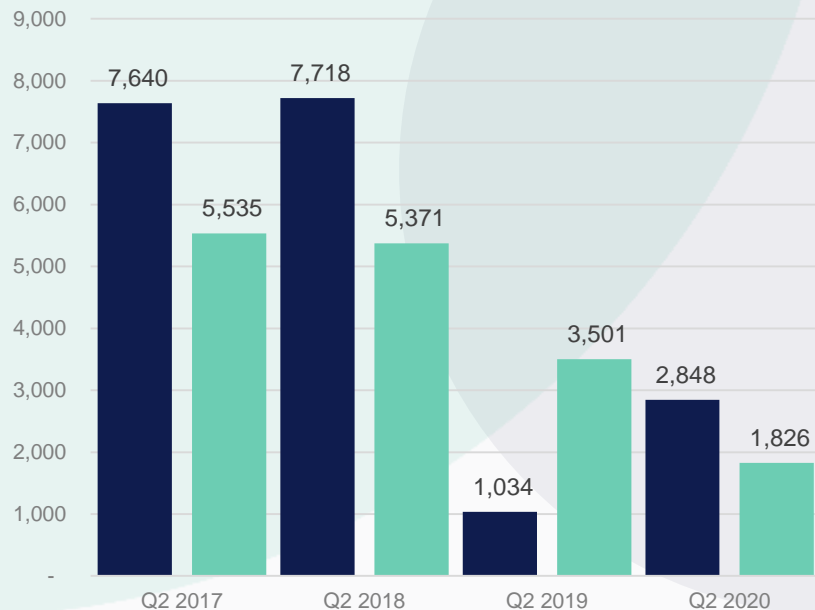


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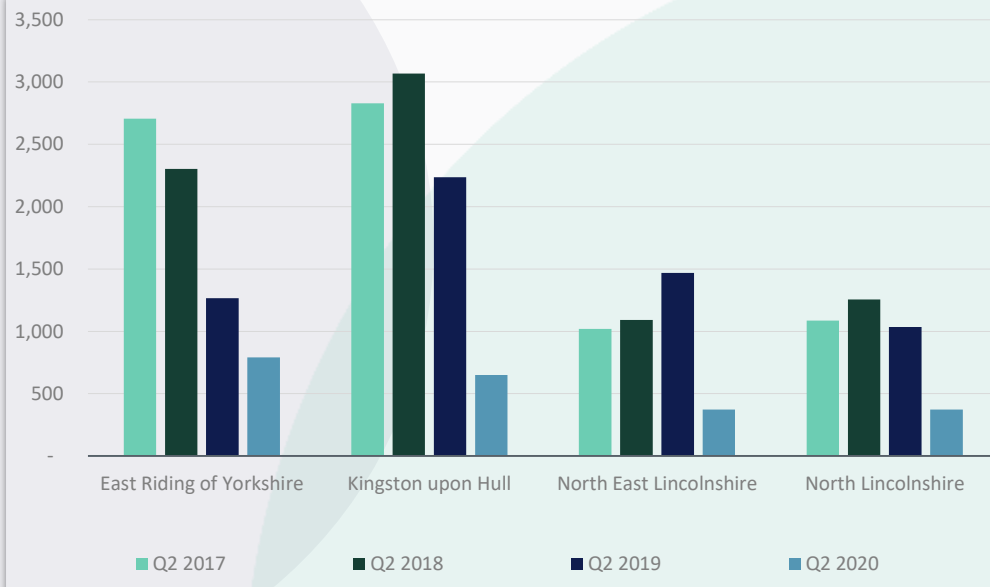
Apprenticeship starts

Apprenticeship starts in Humber and HEY Area, Q2 2017 – Q2 2020

■ Humber ■ HEY LEP



Apprenticeship starts in Q2 2017 – Q2 2020 across the Humber's local authorities



The HEY region has seen a particularly low number of apprenticeship starts according to the latest data (Q2 2020) with 1,826 starts compared to 5,535 in the same period in 2017. This represents a decrease of over 200% in HEY compared to 168% decrease in Humber over the same period.

Apprenticeship Levels & Subject Starts

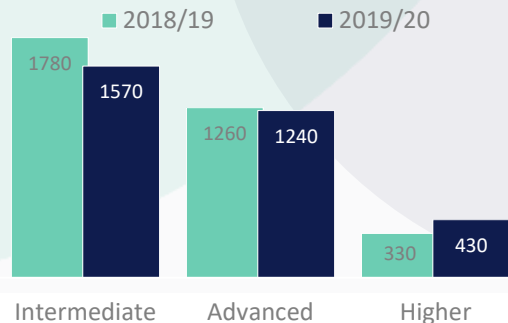
Of the 3,240 apprenticeship starts in the Humber in 2019/20, most (over 90% of apprenticeship starts) were in five subject areas:

- Retail and commercial enterprise – 990 apprenticeships
- Business admin and law – 760 apprenticeships
- Engineering and manufacturing – 630 apprenticeships
- Health, public services and care – 490 apprenticeships
- Construction – 260 apprenticeships

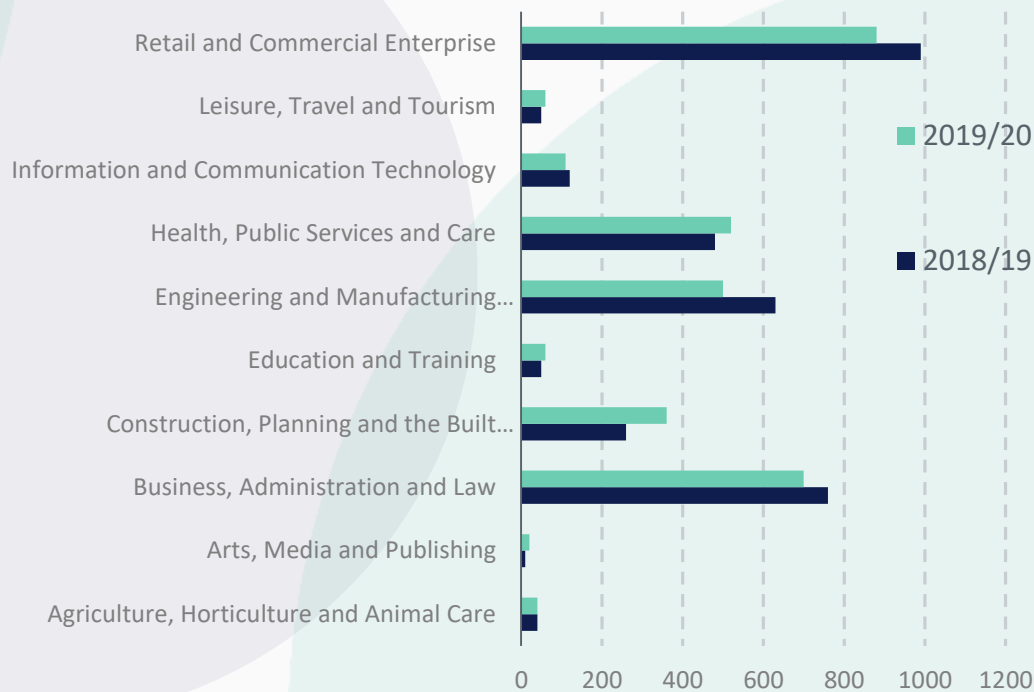
Several of these have a clear read across to the sectors identified as most exposed to Covid-19 impacts.

The majority of apprentices tended to be in the intermediate and advanced level as opposed to higher levels, although there has been gains in the higher apprenticeship starts compared to a decreasing number of starts at intermediate and advanced levels.

Humber Apprenticeship Levels, 2018/19 – 2019/20



Humber Apprenticeship Subject Starts, 2018/19 – 2019/20

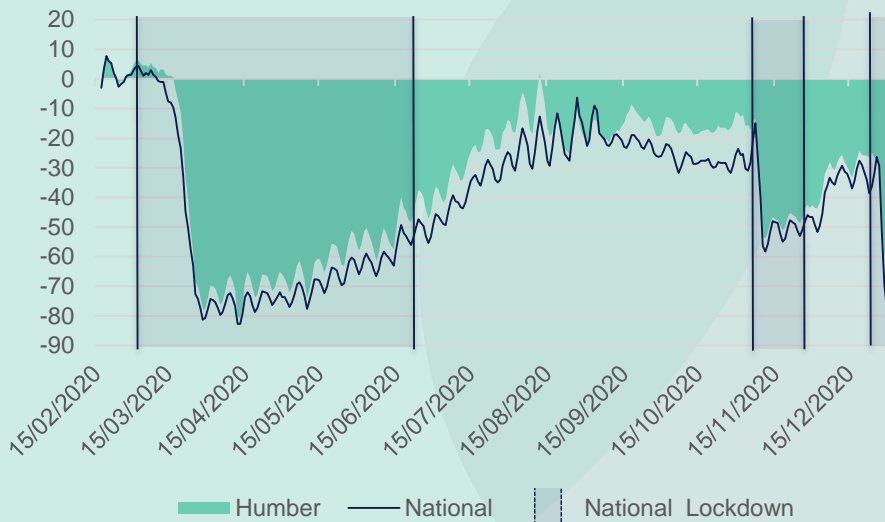




Impact on Place

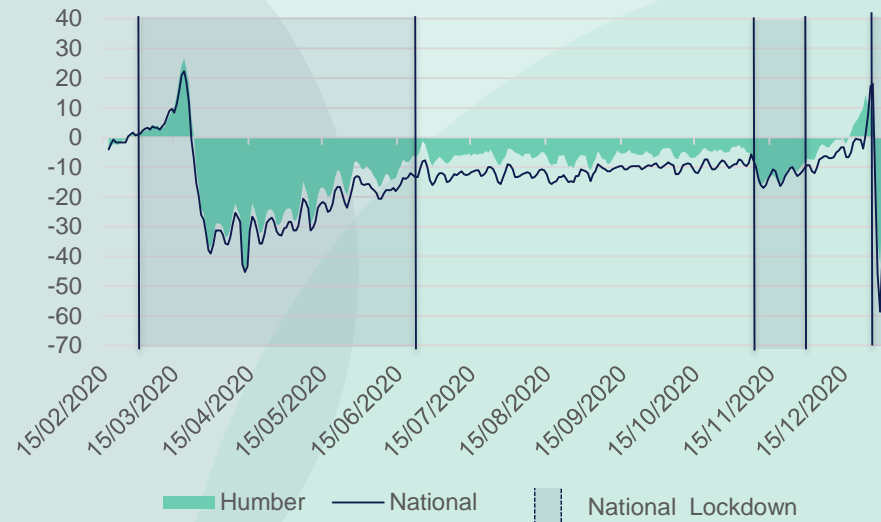
Mobility

Retail



The decline in non-essential retail has been stark, with an average decline of 67% over the first 3 months of lockdown. The re-opening of non-essential retail led to an increase in retail mobility reaching pre-covid levels at the beginning of August. The recovery in demand was greater in Humber compared to national levels. However, with the second and third national lockdown this recovery has been hindered recently.

Grocery



Whilst grocery stores and pharmacies have been allowed to continue to trade, there has been a decline in the number of visits down on 21% over the lockdown period. Prior to the first and third lockdown an increase actually occurred in grocery mobility, although following a rise came a significant fall, most dramatic in the final lockdown beginning in January 2021.

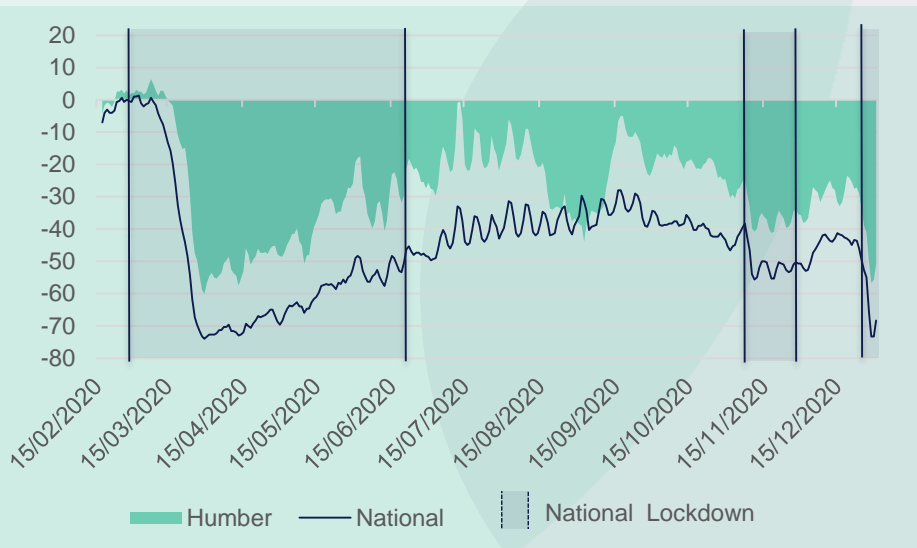
Since February 2020, Google have released mobility data that records numbers of using location proxies including workplaces, transit stations, non-essential retailers and essential retailers. The mobility statistics are measured against a baseline of 0, which is the median mobility value from the five-week period before COVID. Google's methodology uses data from Google users who have opted into Location History for their Google Account, so that the data represents a sample of our users. As with all samples, this may or may not represent the exact behavior of a wider population.

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Source: Google Mobility data, Hatch analysis

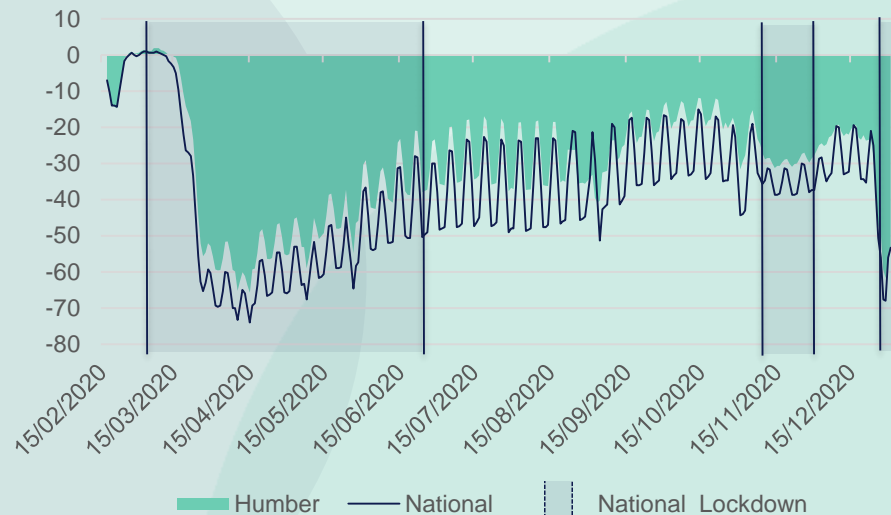
Mobility

Transit



The usage of transit stations shows a divergence of workplace mobility in Humber compared to the national trend. When lockdown measures were introduced the national average had already reached -48% of pre-covid level, while the Humber was only at -20%. Throughout the period, with the exception of late August transit has been less significantly disrupted in Humber compared to national levels.

Workplace



This chart shows that since lockdown, areas within the Humber have seen similar mobility patterns compared to the national average for workplace mobility. Since the start of lockdown the national levels of workplace mobility have been approximately 9% more impacted compared to the Humber. This shows that more people in the Humber have been travelling to work compared to the national level.

Commercial Property

Vacancy Rates

Levels of commercial vacancy rates vary by type. Each of these graphs shows the change in vacancy rates in the Humber, the HEY area and in England.

Retail Vacancy Rates

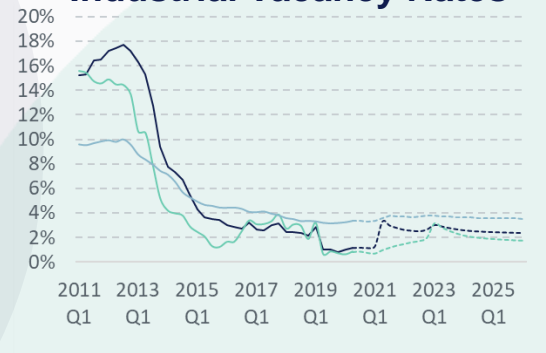


Office vacancy rates have been fairly erratic in the HEY area since 2011, with peaks in 2013, 2015 and 2018. Despite this, the overall trend has been a decline in vacancy rates that are now below the vacancy rates seen in the UK as a whole, suggesting a reduction in supply that may not be meeting demand.

Office Vacancy Rates



Industrial Vacancy Rates



In both Humber and the HEY regions, there has been a significant fall in vacancy rates for industrial space post 2013. Although there was a small period of growth in vacancy space in 2018, this has not lasted and in 2020 industrial vacancy rates were again at under 2% for the HEY region. Estimations predict a small amount of improvement in the future as supply comes on stream but there is no indication of returning to vacancy rates seen in 2011.

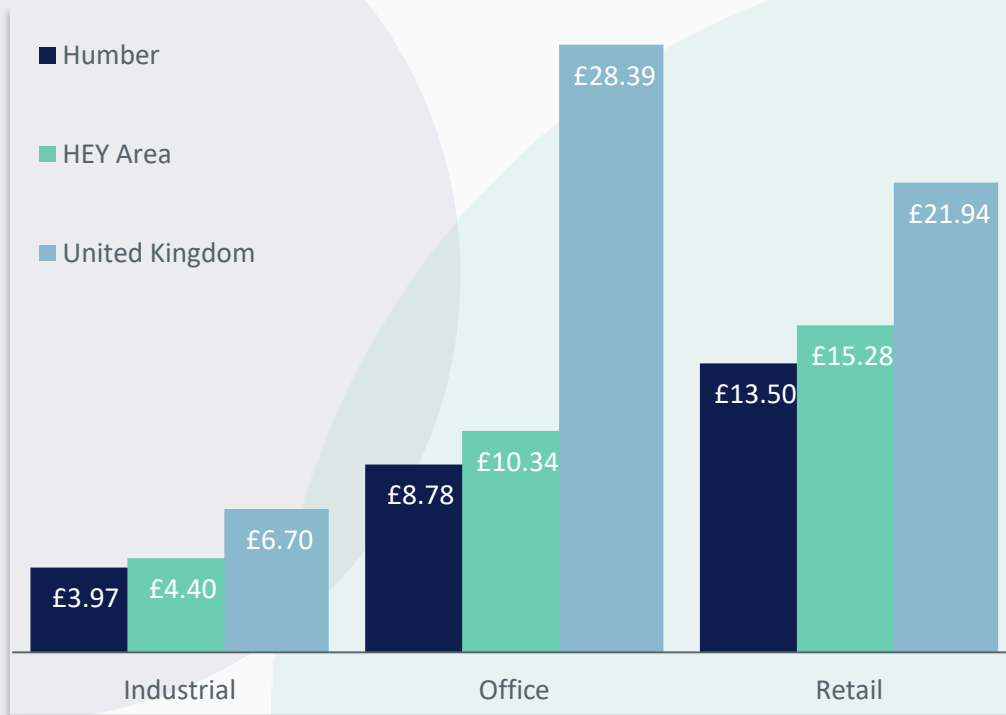
Commercial Property

Rental Rates

Latest data (Q1 2021) on rental rates for the various commercial property types show the HEY region to have affordable commercial space compared to the national level of rent per SQF. This is particularly the case with office rental rates in the HEY region where space is rented at almost a third of the rate office space is rented at nationally. The difference is less significant in industrial and retail space, where the difference between the HEY and the UK rate is 34% less and 31% less respectively.

The HEY region also tends to have slightly higher rates of rent than the wider Humber, this is likely due to costs of rent in Hull city centre.

Commercial Property Rental Rates (per SQF), 2021



Commercial Property

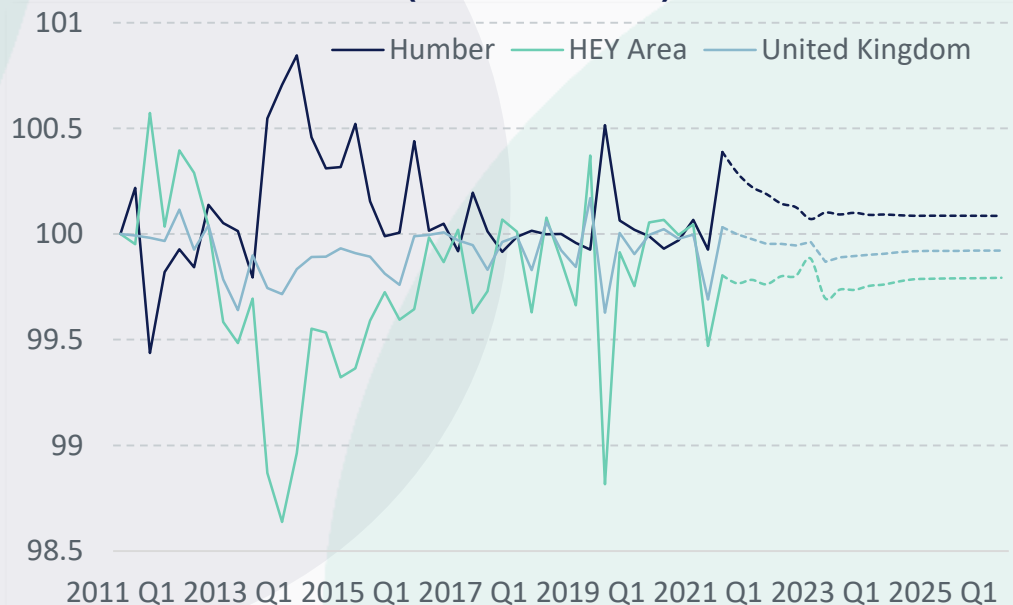
Take-up Rates

This line chart shows the index change of the net-absorption rate, or take-up rate for all commercial property. The take-up rate is calculated by subtracting the total square footage of space that became physically vacant from the total square footage that became physically occupies in a quarter. An index measure is used to allow us to undertaken time series analysis with a national benchmark.

Interestingly it would appear that the change in take-up rates in the HEY region is almost the exact inverse of take-up in Humber. This may allude to a displacement of activity to outside of the HEY region's immediate boundaries (perhaps due to rental rates; see previous page).

A dip in take-up occurred as a result of Covid-19, but a small recovery can be seen in the first quarter of 2021. Predictions show that this recovery may trail off slightly in 2023. Indicating no short term return to the 2011 baseline of take-up in the HEY region.

Commercial Property Transactions Index Change (2011 Q1 = 100)



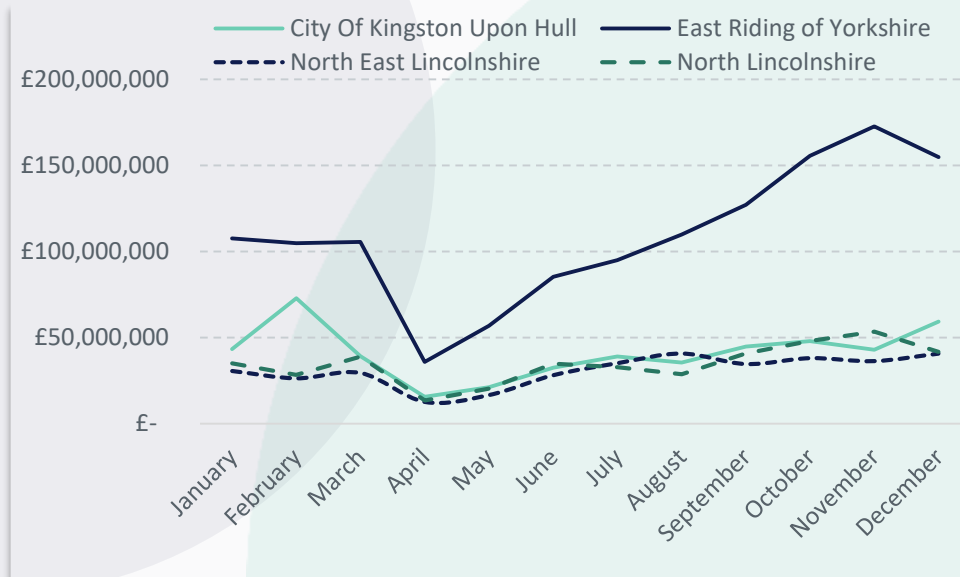
Residential Property

Residential property prices have increased since the spring of 2020 in all local authority areas, it is clear the most substantial rise has been in East Riding. Emerging data suggests property preferences towards rural over urban areas is the current trend in the property market. This would explain the comparative position of the Kingston upon Hull property market compared to East Riding.

There is no indication of any slowing in the rural Humber property market below pre-pandemic levels. This is likely a result of government policy, notably a stamp duty holiday announced during the first nationally lockdown and laterally extended. However, the urban market is still operating below pre-pandemic levels.

At the end of 2020, there is some indication that the property market is beginning to cool in East Riding and heat up in Kingston upon Hull, but until further data is available this cannot be stated for certainty.

**Residential property transactions, 2020
(Sum of prices paid for all types of residential property)**



Recommendations



Short-term Recommendations

The HEY LEP is recommended to:

Continue to monitor the impacts of COVID as more datasets are released and existing datasets are refreshed to inform strategic decision-making.

Continue to seek feedback from businesses of all sizes and sectors to develop and deliver interventions and feedback to government departments.

Continue to support SME businesses to recover and strengthen their resilience through diversifying their offer through targeted Growth Hub activity.

Implement the Local Skills Report Action Plan and support residents and businesses to recover through a responsive skills system which aligns need and opportunity.

Target the most impacted sectors and places (specifically town/city centres) with intensive support which facilitates diversification.

Respond/support LAs with funding opportunities such as Town Deal, Future High Street Fund, Levelling Up Fund, Community Renewal Fund to drive investment into the places and people that need it most.

Medium-term Recommendations

The HEY LEP is recommended to:

Develop HEY LEP Economic Recovery & Growth strategies and support local authorities to target the places, sectors and groups most affected by the pandemic and other macro economic factors.

Collaborate with partners to build on the momentum of investment success stories to drive further investment interest and match funding through a persuasive value proposition.

Maximise community wealth-building opportunities from planned investments, building on the success of the Green Port initiative.

Pursue a Green Recovery to realise the growth potential of the Green Economy working with partners to realise the low carbon potential of the region and put the region at the forefront of innovation and clean growth in the UK.

Appendix 1 – Job Postings by Exposed Sectors



Job Postings: Accommodation & Food

Between October 2020 and March 2021, there were 1,071 unique vacancies in the accommodation & food sector. With a broadly even geographical split in terms of where these vacancies are across the four local authorities considered.

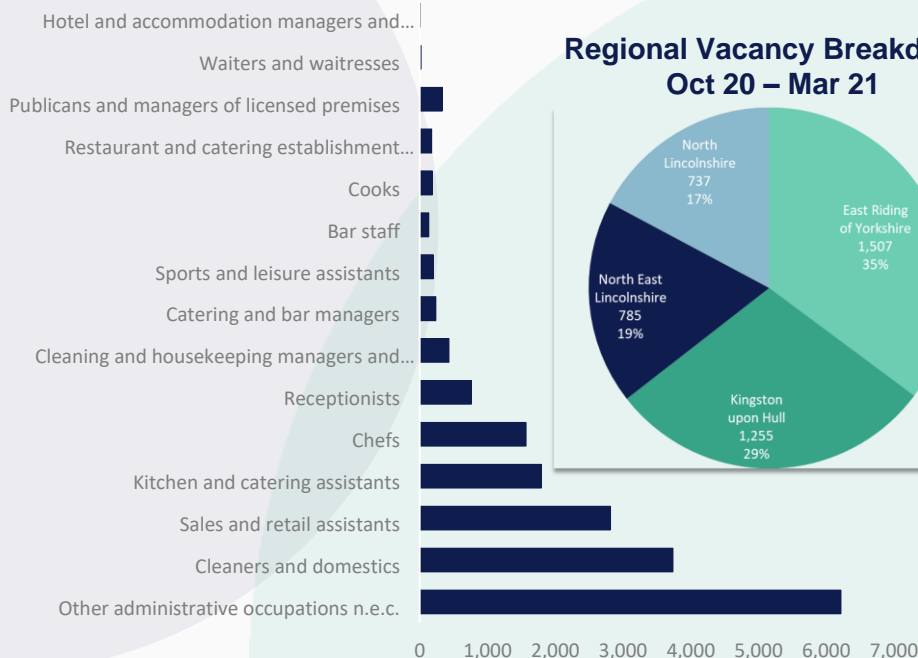
There is diversity in the occupations offered in these vacancies ranging from cleaners to public house and hotel managers. This underscores the diversity in this sector – as does the broad mix of the most significant businesses in terms of vacancy offer, from the retail sector to healthcare and hotels.

In terms of salary bands, over 60% of vacancies in the accommodation & over 60% of vacancies in the accommodation & food sector offered salaries of £10k - £20k, this is below the median 2020 salary for both Humber (£23k) and England (£26k).

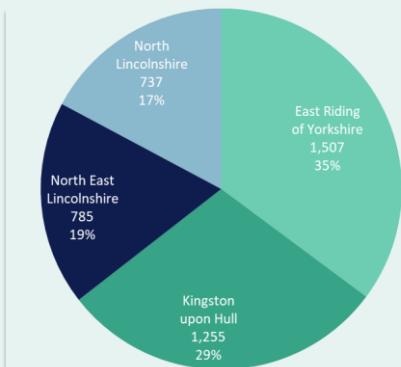
Vacancy Salary Bands

Salary Band	Vacancies
Up to £10,000	31
£10,001 to £20,000	1,598
£20,001 to £30,000	802
£30,001 to £40,000	119
£40,001 to £50,000	36

Accommodation & Food Total Vacancies by Occupations, Oct 20 – Mar 21



Regional Vacancy Breakdown Oct 20 – Mar 21

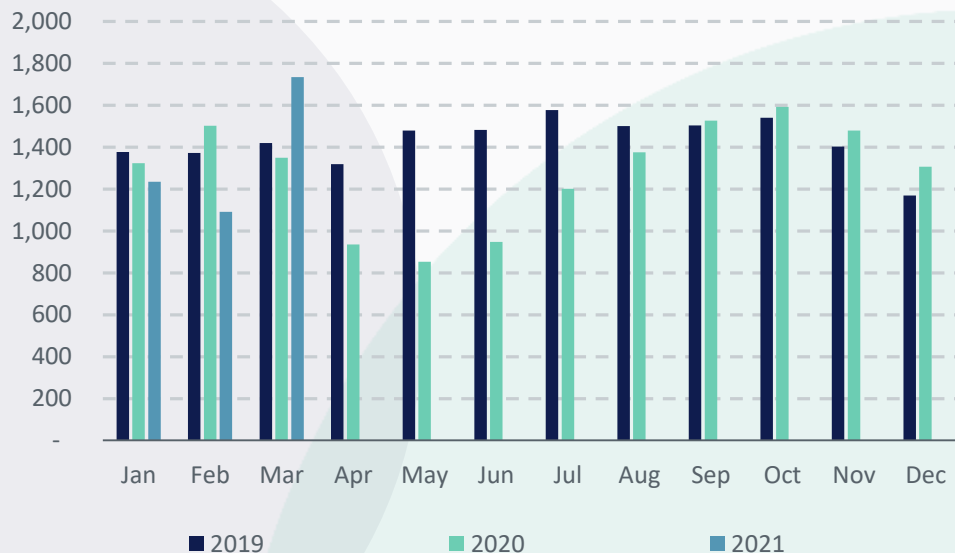


Job Postings: Accommodation & Food

At the outset of the first national lockdown, the accommodation and food sector did not immediately see vacancy postings fall significantly compared to the same month in 2019. However, between April 2020 and August 2020, vacancy postings were consistently lower when compared with the previous summer. Low vacancy rates during summer (where vacancies tended to peak in this sector) underscores the impact Covid-19 has had on businesses that undertake activity with seasonal considerations.

Latest data for 2021 shows a difficult start to the year, but a degree of optimism is perhaps shown in March 2021, with a substantial increase in postings which were 20% higher than vacancy postings even pre-Covid. This may suggest some businesses held off on hiring but are becoming more comfortable to do so as the third lockdown eases and a consumer spending splurge gets underway.

Accommodation & Food Total Unique Vacancy Postings, 2019 - 2021



Companies with the most Accommodation & Food vacancies:

TESCO



Four Seasons
HEALTH CARE

NHS



BARCHESTER
Celebrating life



BOURNE
LEISURE
LIMITED



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Source: Hatch analysis of EMSI data, 2019-2020; Annual Survey of House and Earnings, ONS, 2020

Job Postings: Manufacturing

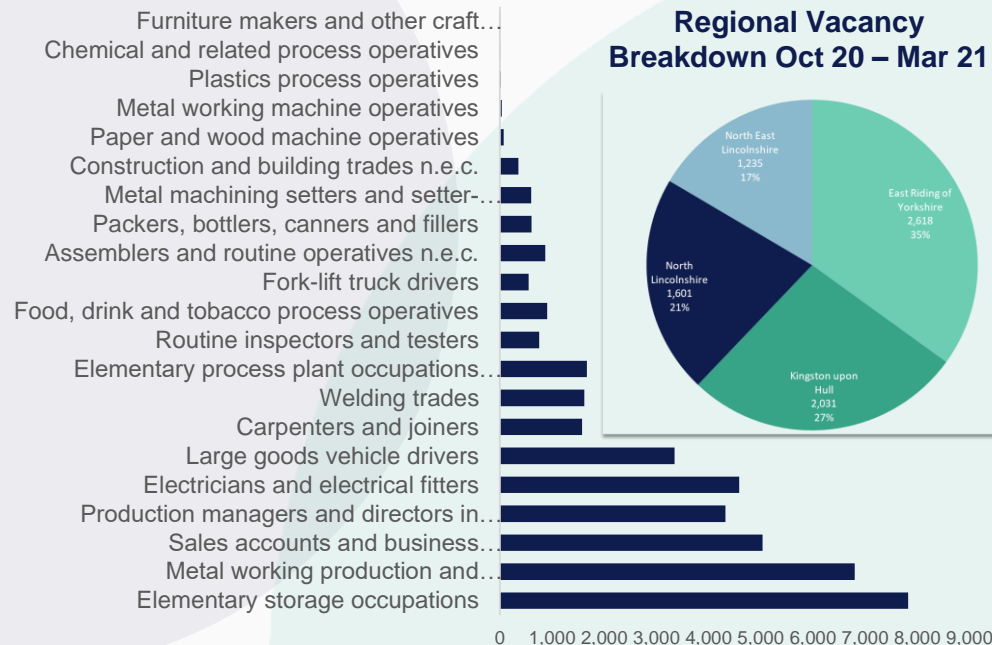
Over 7k unique vacancies in the manufacturing sector were posted in Humber area between October 2020 to March 2021. Most of the postings (including non-unique postings) were in elementary occupations, but there were also some specialist postings in areas such as welding, carpentry, metal working etc.

There is a very even split in the locations of areas across Humber with manufacturing vacancies, an almost identical split between the two HEY local authorities. In terms of salary, most vacancies were in the £25k - £50k indicating wages higher than the Humber average of £23k.

Vacancy Salary Bands

Salary Band	Vacancies
Up to £25,000	2,174
£25,001 to £50,000	2,540
£50,001 to £75,000	256
£75,001 to £100,000	27
£100,001 to £125,000	5

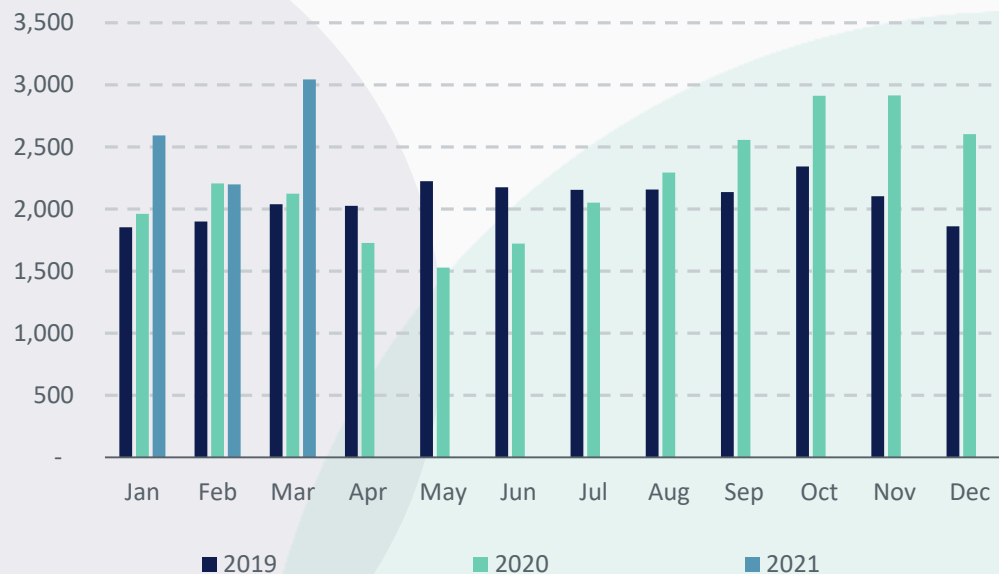
Manufacturing Total Vacancies by Occupations Oct 20 – Mar 21



Job Postings: Manufacturing

As with all sectors, the manufacturing sector saw vacancy postings fall after the first lockdown, although this sector has been quick to begin its recovery – for example seeing vacancy postings increase each month since May 2020. Despite local lockdowns, and the second and third national lockdown, the manufacturing sector appears to have been relatively resilient. Perhaps due to the certainty around continuing economic activity during the latter lockdowns compared to the black and white “Stay Home” message expressed at the outset of the first national lockdown.

Manufacturing Total Unique Vacancy Postings, 2019 -2021



Companies with the most Manufacturing vacancies:



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Source: Hatch analysis of EMSI data, 2019-2020; Annual Survey of House and Earnings, ONS, 2020

Job Postings: Retail & Sales

Between October 2020 and March 2021 there were over 2k unique job postings and over 12.7k total postings in the retail and sales sector in Humber. Most of these were for roles in sales, both managers and retail assistants. The largest share of retail and sales vacancies was in the city of Hull which accounted for 35% of total postings. Food retailers tended to be the most frequent source of job vacancies. Most vacancies were offering salaries up to £25k which is broadly in line with the average annual pay rate for Humber at £26k.

Vacancy Salary Bands

Salary Band	Vacancies
Up to £25,000	932
£25,001 to £50,000	513
£50,001 to £75,000	137
£75,001 to £100,000	15
£100,001 to £125,000	1

Retail & Sales Total Vacancies by Occupations Oct 20 – Mar 21

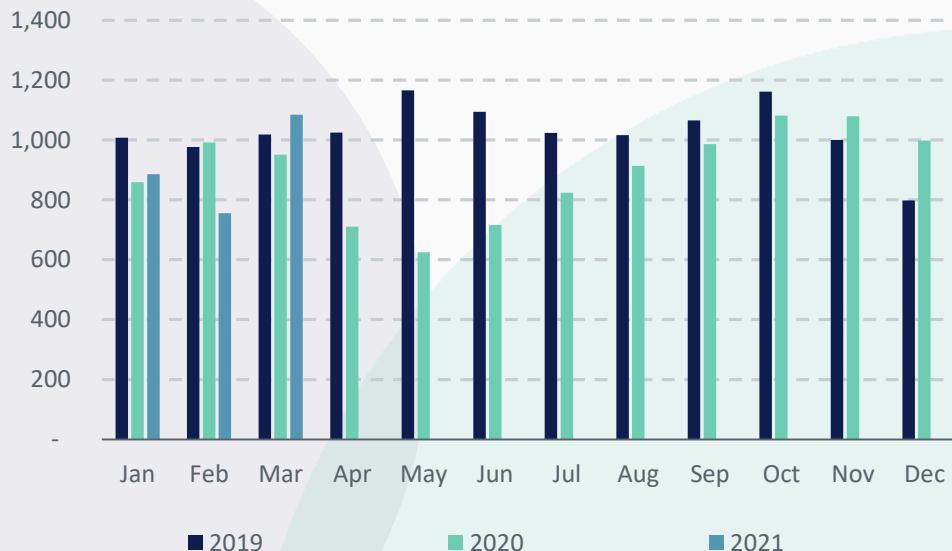


Job Postings: Retail & Sales

The retail and sales sector, like manufacturing began its recovery – in terms of vacancy postings – early, in May 2020. However, the impact of the second lockdown did impact this sector with vacancy postings beginning to fall each month between December and February.

It is possible that, due to the nature of the main hirers in the Humber sales and retail sector, there has been some relative protection from the impacts of lockdown. Noticeable three of the largest businesses posting vacancies in retails and sales are food retail businesses whose operations will have continued throughout the lockdowns.

Retail & Sales Total Unique Vacancy Postings, 2019-2021



Companies with the most Retail & Sales vacancies:

TESCO



paymentsense

farmfoods



Job Postings: Transport & Logistics

Between October 2020 and March 2021, the transport and logistics sector has seen a rise in vacancies of 34%, to over 7k unique vacancies, when measured against the same period the previous year. Of the almost 40k total vacancies, most tended to be in elementary occupations, but some were in skilled vocations such as van drivers and fork-lift truck drivers. The local authority with the highest representation of vacancies in the transport and logistics sector was East Riding, with 29% of all vacancies.

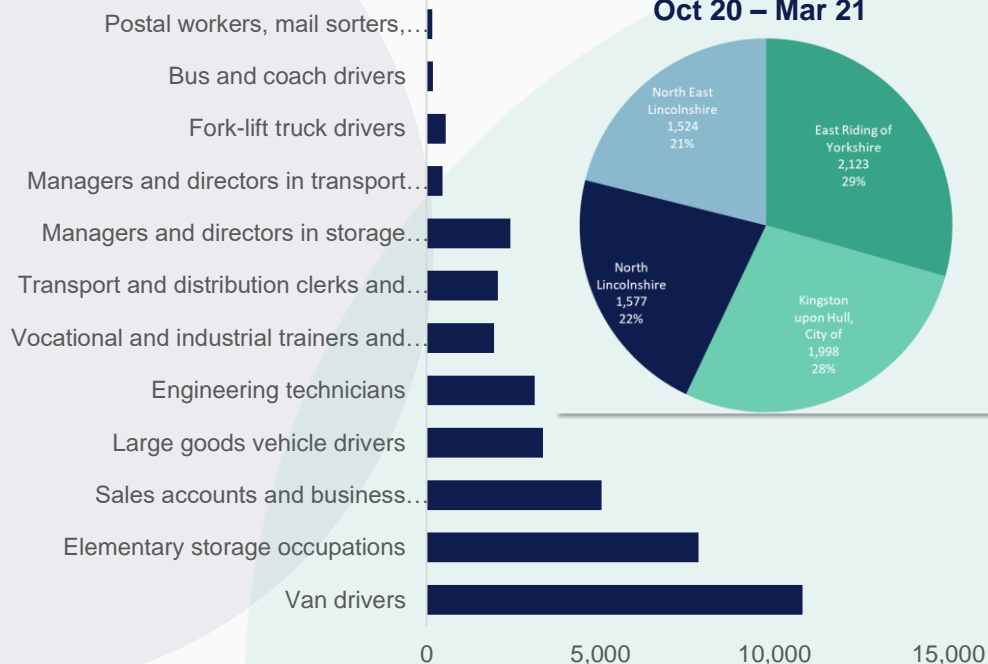
Salary tended to be in the £20k-£30k band, and therefore likely in line with the Humber and national annual salary averages.

Vacancy Salary Bands

Salary Band	Vacancies
Up to £10,000	9
£10,001 to £20,000	1,192
£20,001 to £30,000	2,308
£30,001 to £40,000	739
£40,001 to £50,000	287



Transport & Logistics Total Vacancies by Occupations Oct 20 – Mar 21

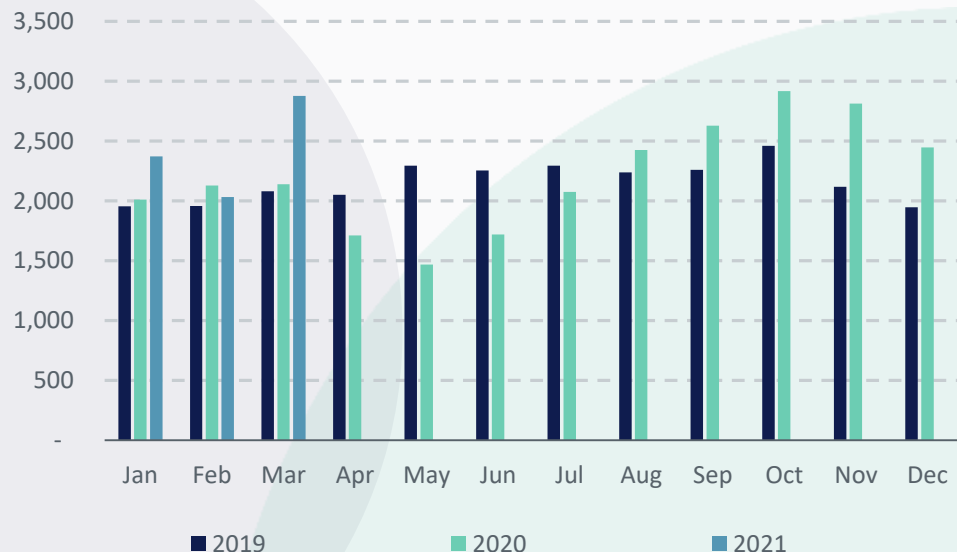


Job Postings: Transport & Logistics

In a normal year vacancy postings in the Humber transport and logistics sector tend to be broadly consistent across the year. Although this became more erratic in 2020, with low levels of vacancy postings in early summer 2020 to postings higher than the 2019 rate each month following this.

This trend continued into 2021, with growth in vacancies compared to the same month in 2020 for two out of the three months where data is available for 2021. Moreover, a significant number of vacancies were posted in March 2021, perhaps indicating an emerging positive picture.

Transport & Logistics Total Unique Vacancy Postings, 2019 - 2021



Companies with the most Transport & Logistics vacancies:



Group

YODEL

TESCO



