

# LLEP Business and Economic Intelligence Update

Issue 9

14 July 2020

## 1. Business Gateway Monthly Summary

*Summary of views received by Business Gateway in June 2020. Please note that the analysis below is a summary of the data submitted by businesses reaching out to the Growth Hub and is therefore not a representative sample of the LLEP area business base as a whole*

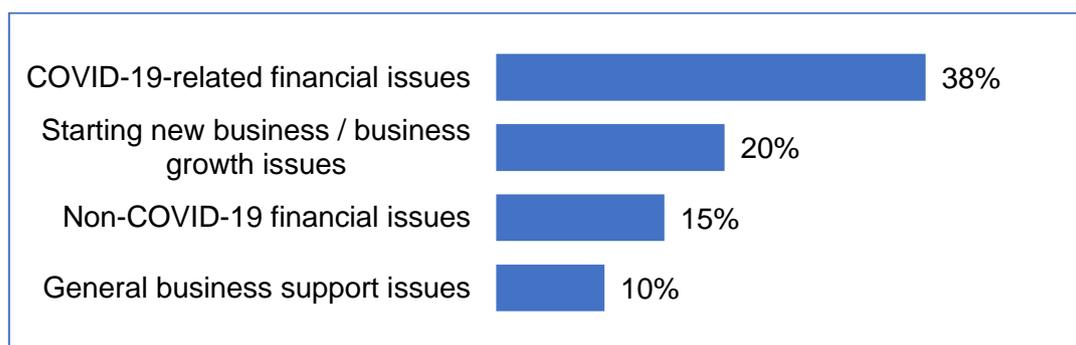
A total of 130 businesses that reached out to the Growth Hub for support also provided data for analysis. Figure 1 shows that the majority were businesses with zero employees, with small proportions of micro, small and one employee businesses.

Figure 1 - Business size



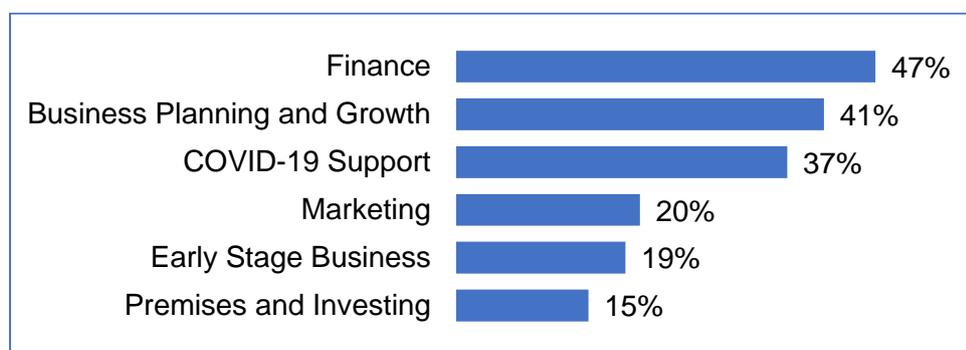
Figure 2 highlights some of the key issues faced by businesses. Almost four out of five (38%) continue to face financial issues due to the ongoing pandemic, this includes struggles to access financial support available due to eligibility issues and difficulties navigating the funding system. Interestingly, a fifth (20%) of respondents are either looking to start a new business or require support in expanding their business. Typical issues faced among this subgroup include difficulty drafting business plans and a lack of understanding regarding the legalities surrounding the set-up of a new business. A sixth (15%) face financial issues that are unrelated to the ongoing pandemic, these tend to be businesses looking to access funding for marketing and capital investment. A tenth (10%) have generic business support issues, this includes support on questions arising from recent webinars held by the Business Gateway and assistance with product development.

Figure 2 - Business issues



As displayed in Figure 3 below, the most common forms of support requested are finance (47%), business planning and growth (41%) and COVID-19 support (37%). This indicates that whilst most businesses are still focusing on recovery, a significant proportion are seeking to expand operations by seeking marketing, growth and investment support.

Figure 3 Support Requested



## 2. 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 LLEP area by occupations 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 or in shop windows as opposed to online. This is more likely to be the case in certain sectors, e.g. construction.

| 2 Digit SOC  | Occupation                                                  | Jun 2019 Unique Postings | Mar 2020 Unique Postings | May 2020 Unique Postings | Jun 2020 Unique Postings | Annual Growth | Annual Growth % | Monthly Growth | Monthly Growth % | Cumulative Growth | Cumulative Growth % |
|--------------|-------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|---------------|-----------------|----------------|------------------|-------------------|---------------------|
| 11           | Corporate Managers and Directors                            | 1,452                    | 1,310                    | 926                      | 994                      | (458)         | -31.5           | 68             | 7.3              | (316)             | -24.1               |
| 12           | Other Managers and Proprietors                              | 436                      | 466                      | 409                      | 436                      | 0             | 0.0             | 27             | 6.6              | (30)              | -6.4                |
| 21           | Science, Research, Engineering and Technology Professionals | 2,450                    | 2,168                    | 1,479                    | 1,512                    | (938)         | -38.3           | 33             | 2.2              | (656)             | -30.3               |
| 22           | Health Professionals                                        | 1,715                    | 1,651                    | 1,535                    | 1,520                    | (195)         | -11.4           | (15)           | -1.0             | (131)             | -7.9                |
| 23           | Teaching and Educational Professionals                      | 1,139                    | 1,165                    | 1,235                    | 1,098                    | (41)          | -3.6            | (137)          | -11.1            | (67)              | -5.8                |
| 24           | Business, Media and Public Service Professionals            | 1,438                    | 1,510                    | 1,063                    | 1,213                    | (225)         | -15.6           | 150            | 14.1             | (297)             | -19.7               |
| 31           | Science, Engineering and Technology Associate Professionals | 1,142                    | 1,134                    | 746                      | 838                      | (304)         | -26.6           | 92             | 12.3             | (296)             | -26.1               |
| 32           | Health and Social Care Associate Professionals              | 268                      | 360                      | 293                      | 325                      | 57            | 21.3            | 32             | 10.9             | (35)              | -9.7                |
| 33           | Protective Service Occupations                              | 11                       | 27                       | 6                        | 11                       | 0             | 0.0             | 5              | 83.3             | (16)              | -59.3               |
| 34           | Culture, Media and Sports Occupations                       | 305                      | 381                      | 252                      | 248                      | (57)          | -18.7           | (4)            | -1.6             | (133)             | -34.9               |
| 35           | Business and Public Service Associate Professionals         | 3,869                    | 3,767                    | 2,142                    | 2,318                    | (1,551)       | -40.1           | 176            | 8.2              | (1,449)           | -38.5               |
| 41           | Administrative Occupations                                  | 3,328                    | 2,430                    | 1,315                    | 1,453                    | (1,875)       | -56.3           | 138            | 10.5             | (977)             | -40.2               |
| 42           | Secretarial and Related Occupations                         | 340                      | 353                      | 200                      | 224                      | (116)         | -34.1           | 24             | 12.0             | (129)             | -36.5               |
| 51           | Skilled Agricultural and Related Trades                     | 21                       | 33                       | 28                       | 43                       | 22            | 104.8           | 15             | 53.6             | 10                | 30.3                |
| 52           | Skilled Metal, Electrical and Electronic Trades             | 1,881                    | 1,524                    | 1,017                    | 1,049                    | (832)         | -44.2           | 32             | 3.1              | (475)             | -31.2               |
| 53           | Skilled Construction and Building Trades                    | 322                      | 442                      | 245                      | 298                      | (24)          | -7.5            | 53             | 21.6             | (144)             | -32.6               |
| 54           | Textiles, Printing and Other Skilled Trades                 | 517                      | 530                      | 269                      | 257                      | (260)         | -50.3           | (12)           | -4.5             | (273)             | -51.5               |
| 61           | Caring Personal Service Occupations                         | 1,731                    | 1,828                    | 1,715                    | 1,744                    | 13            | 0.8             | 29             | 1.7              | (84)              | -4.6                |
| 62           | Leisure, Travel and Related Personal Service Occupations    | 177                      | 168                      | 117                      | 119                      | (58)          | -32.8           | 2              | 1.7              | (49)              | -29.2               |
| 71           | Sales Occupations                                           | 561                      | 521                      | 233                      | 261                      | (300)         | -53.5           | 28             | 12.0             | (260)             | -49.9               |
| 72           | Customer Service Occupations                                | 494                      | 482                      | 289                      | 323                      | (171)         | -34.6           | 34             | 11.8             | (159)             | -33.0               |
| 81           | Process, Plant and Machine Operatives                       | 418                      | 381                      | 227                      | 271                      | (147)         | -35.2           | 44             | 19.4             | (110)             | -28.9               |
| 82           | Transport and Mobile Machine Drivers and Operatives         | 1,779                    | 1,349                    | 639                      | 769                      | (1,010)       | -56.8           | 130            | 20.3             | (580)             | -43.0               |
| 91           | Elementary Trades and Related Occupations                   | 420                      | 246                      | 150                      | 147                      | (273)         | -65.0           | (3)            | -2.0             | (99)              | -40.2               |
| 92           | Elementary Administration and Service Occupations           | 1,757                    | 1,650                    | 1,209                    | 1,385                    | (372)         | -21.2           | 176            | 14.6             | (265)             | -16.1               |
| <b>Total</b> |                                                             | 27,971                   | 25,876                   | 17,739                   | 18,856                   | (9,115)       | -32.6           | 1,117          | 6.3              | (7,020)           | -27.1               |

Figure 4 Job Posting Data June 2020

Source: EMSI

Figure 4 demonstrates job postings by occupation for June 2020. These are compared with June 2019, March 2019 and May 2020. Standard Occupation Codes are at a two-digit level.

From June 2019 to 2020 the number of job postings fell by 9,115 from 27,971 to 18,856, a fall of 32.6%.

Compared with the same month last year, there has been a decline in the number of job postings in all but five of the occupation codes. Only Health and Social Care Associate Professionals, Skilled Agricultural and Related Trades and Caring Personal Service Occupations have maintained or grown job postings compared to this time last year.

The largest divergence by percentage was seen in Elementary Trades and Related Occupations (65% fall compared to the same period last year), Transport and Mobile Machine Drivers and Operatives (56.8%), Administrative Occupations (56.3%), Sales Occupations (53.5%).

In terms of numbers the largest falls were in Administrative Occupations (1,875), Business and Public Service Associate Professionals (1,551) and Transport and Mobile Machine Drivers and Operatives (1,010).

Between March and June 2020 job postings fell by 7,020 from 25,876 to 18,856. This is a fall of 27.1%. Only Skilled Agricultural and Related Trades has seen positive growth since March.

There is some positive news. When figures for May and June 2020 are compared it is demonstrated that there has been growth in job postings of 1,117 (from 17,739 to 18,856). This is growth of 6.3%. All but 5 occupation areas saw positive growth. Those occupation areas that saw negative growth were Health Professionals, Teaching and Educational Professionals, Culture, Media and Sports Occupations and Elementary Trades and Related Occupations. Whilst a further growth might have been expected, the continuation of lockdown in Leicester City and surrounding areas may mitigate against this.

| Local Authority                  | June 2019 Unique Postings | April 2020 Unique Postings | May 2020 Unique Postings | June 2020 Unique Postings |
|----------------------------------|---------------------------|----------------------------|--------------------------|---------------------------|
| <b>Blaby</b>                     | 981                       | 654                        | 596                      | 743                       |
| <b>Charnwood</b>                 | 3,676                     | 2,961                      | 2,710                    | 3,160                     |
| <b>Harborough</b>                | 1,542                     | 1,430                      | 1,160                    | 1,153                     |
| <b>Hinckley and Bosworth</b>     | 1,535                     | 1,261                      | 1,180                    | 1,454                     |
| <b>Leicester</b>                 | 16,188                    | 11,024                     | 9,258                    | 9,079                     |
| <b>Melton</b>                    | 963                       | 809                        | 704                      | 729                       |
| <b>North West Leicestershire</b> | 2,698                     | 2,102                      | 1,775                    | 2,186                     |
| <b>Oadby and Wigston</b>         | 389                       | 383                        | 359                      | 352                       |
| <b>TOTAL</b>                     | <b>27,972</b>             | <b>20,624</b>              | <b>17,742</b>            | <b>18,856</b>             |

Figure 5 Job Postings by Local Authority

Figure 5 demonstrates that job posting numbers are starting to rise to similar levels in comparison to the same period last year in some areas. More detailed breakdowns of job postings by district are available from [Brendan.brockway@llep.org.uk](mailto:Brendan.brockway@llep.org.uk).

### 3. 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.*

#### A Plan for Jobs

On 8<sup>th</sup> July, the Chancellor announced the Government's [Plan for Jobs](#) in his Summer Economic Statement. The Plan contained a range of measures designed to support the sustainability and creation of jobs, particularly for young people and included:

A summary of these measures, together with those announced the previous week, provided by the [LEP Network](#), is attached at Appendix A of this Update.

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*Whilst every effort has been made to ensure the accuracy of the information contained within this report, Leicester and Leicestershire Enterprise Partnership cannot be held responsible for any errors or omission relating to the data contained within the report.*

## LEP Network Summer Economic Statement Summary

The Chancellor presented his **Summer Economic Statement** on Wednesday 8 July 2020.

*"Today we act with a plan for jobs. Our plan has a clear goal, to protect, support, and create jobs."*

*"We face profound economic challenges; IMF expects deepest global recession since records began; household consumption has fallen steeply; and businesses have stopped trading and hiring...in just two months our economy contracted by 25%, the same amount it grew in the previous 18 years."*

Notably, the government has confirmed that it will set out a **Budget and Spending Review** in the autumn with measures to support the longer-term recovery. These will detail further plans to invest in public services, to support innovation and growth-enhancing infrastructure with a National Infrastructure Strategy, and to seize global opportunities and to level up opportunity across every region and nation of the UK.

### Job Retention Bonus

HMG is introducing a new **Job Retention Bonus** to reward and incentivise employers who keep on their furloughed employees. HMG will introduce a one-off payment of £1,000 to UK employers for every furloughed employee who remains continuously employed through to the end of January 2021. Employees must earn above the Lower Earnings Limit (£520 per month) on average between the end of the Coronavirus Job Retention Scheme and the end of January 2021. Payments will be made from February 2021. Further detail about the scheme will be announced by the end of July.

The Chancellor then announced a three point 'Plan for Jobs':

### Support people to find jobs:

- HMG announced a '**Kickstart Scheme**' to support young people. Directly paying employers to create new jobs for 16-24-year olds at risk of long-term unemployment. These will be "new jobs" with a minimum of 25 hours a week. In return employers must provide kick starters with training and support. HMG will pay the wages of these young people for six months, plus an amount to cover overheads. That means for a 24-year-old, the grant will be c£6,500 and employers can apply from next month. £2bn is being made available to fund "hundreds of thousands of jobs".
- **Traineeships** – HMG will provide funding to triple the number of traineeships and sector-based work academy placements. It will pay employers £1,000 to take on new trainees, with triple the number of places.

- **School leavers:** To support 18-19-year olds leaving school/college, HMG will provide £100m to create more places on Level 2 and 3 courses.
- **Careers:** HMG will “utilise private sector capacity” to deliver a new online, one-to-one job finding support service. Additional funding will also mean that over a quarter of a million more people will receive individualised advice on training and careers through the National Careers Service.
- **National Careers Service:** HMG will provide an additional £32 million funding over the next 2 years for the National Careers Service so that 269,000 more people in England can receive personalised advice on training and work.
- **Work Academies:** HMG will provide an additional £17 million this year to triple the number of sector-based work academy placements in England in order to provide vocational training and guaranteed interviews for more people, helping them gain the skills needed for the jobs available in their local area.
- **Apprenticeships:** For the next six months HMG are going to pay employers to create new apprenticeships. This includes a new payment of £2,000 per apprentice, and a new bonus for businesses to hire apprentices 25 and over with a payment of £1,500.
- **Work Coaches:** HMG will double the number of work coaches and additional intensive support to those who have been unemployed for at least three months.
- **Flexible Support Fund:** HMG will increase the funding for the Flexible Support Fund by £150 million in Great Britain, including increasing the capacity of the Rapid Response Service. It will also provide local support to claimants by removing barriers to work such as travel expenses for attending interviews.
- **Work and Health Programme:** HMG will provide up to £95 million this year to expand the scope of the Work and Health Programme in Great Britain to introduce additional voluntary support in the autumn for those on benefits that have been unemployed for more than 3 months.
- **Job finding support service:** HMG will provide £40 million to fund private sector capacity to introduce a job finding support service in Great Britain in the autumn. This online, one-to-one service will help those who have been unemployed for less than three months increase their chances of finding employment.
- **DWP:** HMG will give an extra £1bn to DWP “to support millions of people back to work”.

### Create jobs:

The Chancellor emphasised “Better roads, better schools, better hospitals, better high streets, creating jobs in all four corners of our country...This is going to be a green recovery”

- **Green Homes Grant:** HMG will introduce a £2 billion Green Homes Grant, providing at least £2 for every £1 homeowners and landlords spend to make their homes more

energy efficient, up to £5,000 per household. For those on the lowest incomes, the scheme will fully fund energy efficiency measures of up to £10,000 per household. In total this could support over 100,000 green jobs and help strengthen a supply chain that will be vital for meeting our target of net zero greenhouse gas emissions by 2050. The scheme aims to upgrade over 600,000 homes across England, saving households hundreds of pounds per year on their energy bills.

- **Temporary Stamp Duty cut** - HMG will temporarily increase the threshold in England and Northern Ireland, from £125,000 to £500,000. This will apply from 8 July 2020 until 31 March 2021 and cut the tax due for everyone who would have paid stamp duty. Nearly nine out of ten people getting on or moving up the property ladder will pay no SDLT at all.
- **Public Sector Decarbonisation Scheme** – The Clean Growth Strategy set out the government’s ambition to halve greenhouse gas emissions from the public sector by 2032. To help achieve this and support economic recovery, the government will invest £1 billion over the next year in a Public Sector Decarbonisation Scheme that will offer grants to public sector bodies, including schools and hospitals, to fund both energy efficiency and low carbon heat upgrades.
- **Green Jobs Challenge Fund** - HMG will invest up to £40 million in a Green Jobs Challenge Fund for environmental charities and public authorities to create and protect 5,000 jobs in England. The jobs will involve improving the natural environment, including planting trees, restoring habitats, clearing waterways, and creating green space for people and wildlife.
- **Direct Air Capture** – HMG will provide £100 million of new funding for researching and developing Direct Air Capture, a new clean technology which captures CO2 from the air.
- **Automotive Transformation Fund:** HMG is making £10 million of funding available immediately for the first wave of innovative R&D projects to scale up manufacturing of the latest technology in batteries, motors, electronics and fuel cells. The government is also calling upon industry to put forward investment proposals for the UK’s first ‘gigafactory’ and supporting supply chains to mass manufacture cutting-edge batteries for the next generation of electric vehicles, as well as for other strategic electric vehicle technologies.
- **Social Housing Decarbonisation Fund:** HMG will establish a new Social Housing Decarbonisation Fund to help social landlords improve the least energy-efficient social rented homes, starting with a £50 million demonstrator project in 2020-21 to decarbonise social housing. This will mean warmer homes and lower annual energy bills for some of the lowest income households.
- **Brownfield Housing Fund** – HMG will allocate a £400 million Brownfield Housing Fund to seven Mayoral Combined Authorities to bring forward land for development and unlock 24,000 homes in England. To allow authorities to begin delivering projects quickly,

90% of the fund will be allocated immediately on a per capita basis, with 10% to be allocated through a competitive process.

- **Planning reform:** HMG will introduce new legislation in summer 2020 to make it easier to build better homes in the places people want to live. New regulations will make it easier to convert buildings for different uses, including housing, without the need for planning permission. In July 2020, the government will launch a policy paper setting out its plan for comprehensive reforms of England's planning system to better support the economy and release more land for housing in areas that need it most.
- **Further Education (FE) estate funding:** HMG will bring forward £200 million to 2020-21 to support colleges to carry out urgent and essential maintenance projects. This will be the first step in the government's commitment to bring the facilities of colleges everywhere in England up to a good level.
- **School estate funding:** HMG will provide additional funding of £560 million for schools in England to improve the condition of their buildings and estates in 2020-21. This is on top of the £1.4 billion already invested in school maintenance this year.<sup>40</sup>
- **School rebuilding programme:** HMG announced over £1 billion to fund the first 50 projects of a new, ten-year school rebuilding programme in England. These projects will be confirmed in the autumn, and further detail on future waves will be confirmed at the Comprehensive Spending Review. Construction on the first sites will begin in September 2021.
- **Towns Fund capital acceleration:** HMG will accelerate £96 million of investment in town centres and high streets through the Towns Fund this year. This will provide up to 101 towns across England with funding for projects such as improvements to parks, high streets, and transport.
- **Local road maintenance:** HMG will invest £100 million to deliver 29 local road maintenance upgrades across England in 2020-21, including eight bridge and viaduct repairs and improving local roads.
- **Manchester:** HMG will provide £10 million to develop plans for improving the reliability and capacity of the Manchester rail network.
- **World-class laboratories:** HMG will provide a £300 million investment in 2020-21 to boost equipment and infrastructure across universities and institutes across the UK.

## Protect jobs

The Chancellor targeted the hardest hit sectors in hospitality and tourism. The sector employs over 2m people, with rural and coastal areas relying on these industries.

- **Eat Out to Help Out** – To support around 130,000 businesses and to help protect the jobs of their 1.8 million employees, HMG will introduce the Eat Out to Help Out scheme to encourage people to return to eating out. This will entitle every diner to a

50% discount of up to £10 per head on their meal, at any participating restaurant, café, pub or other eligible food service establishment.

- **VAT Cut:** From 15 July 2020 to 12 January 2021, to support businesses and jobs in the hospitality sector, a reduced (5%) rate of VAT will apply to supplies of food and non-alcoholic drinks from restaurants, pubs, bars, cafés and similar premises across the UK. Further guidance on the scope of this relief will be published by HMRC in the coming days.
- **VAT cut for accommodation and attractions:** – From 15 July 2020 to 12 January 2021, to support businesses and jobs, the reduced (5%) rate of VAT will apply to supplies of accommodation and admission to attractions across the UK. Further guidance on the scope of this relief will be published by HMRC in the coming days.