

# Leicester and Leicestershire Economic Recovery Strategy

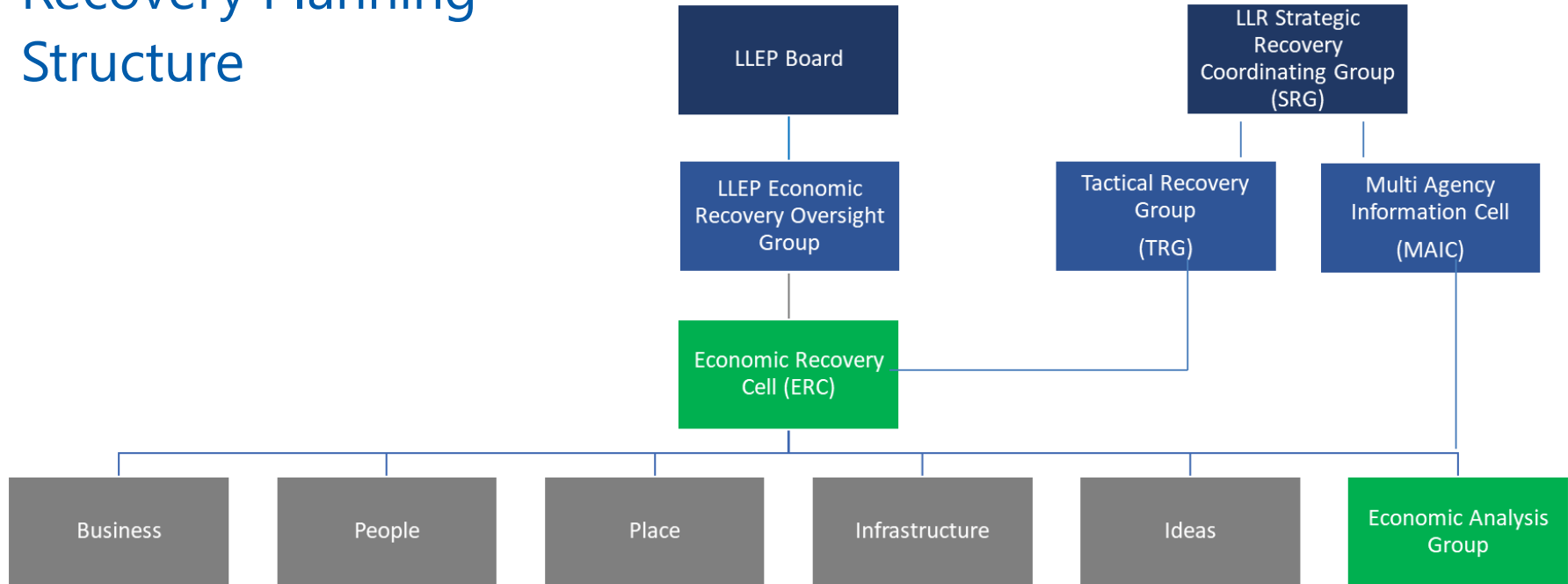
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# Leicester and Leicestershire Economic Recovery Planning Structure



# It's complicated ...

Data lag ... but multiplicity of predictive reports emerging

Government support likely to delay ultimate impact

Duration and nature of crisis is an unknown

Unprecedented situation – unable to apply historic trends

Wide variance in published best case / worst case scenarios

Awaiting information on National Recovery Strategy (and associated funding)

BREXIT hasn't gone away

# Economic Recovery Strategy



**Analyse  
economic shock**



**Create short-  
term economic  
recovery plans**



**Develop long  
term economic  
recovery strategy**

**Immediate & ongoing**  
May – Dec



**Immediate & short-term**  
May – Aug

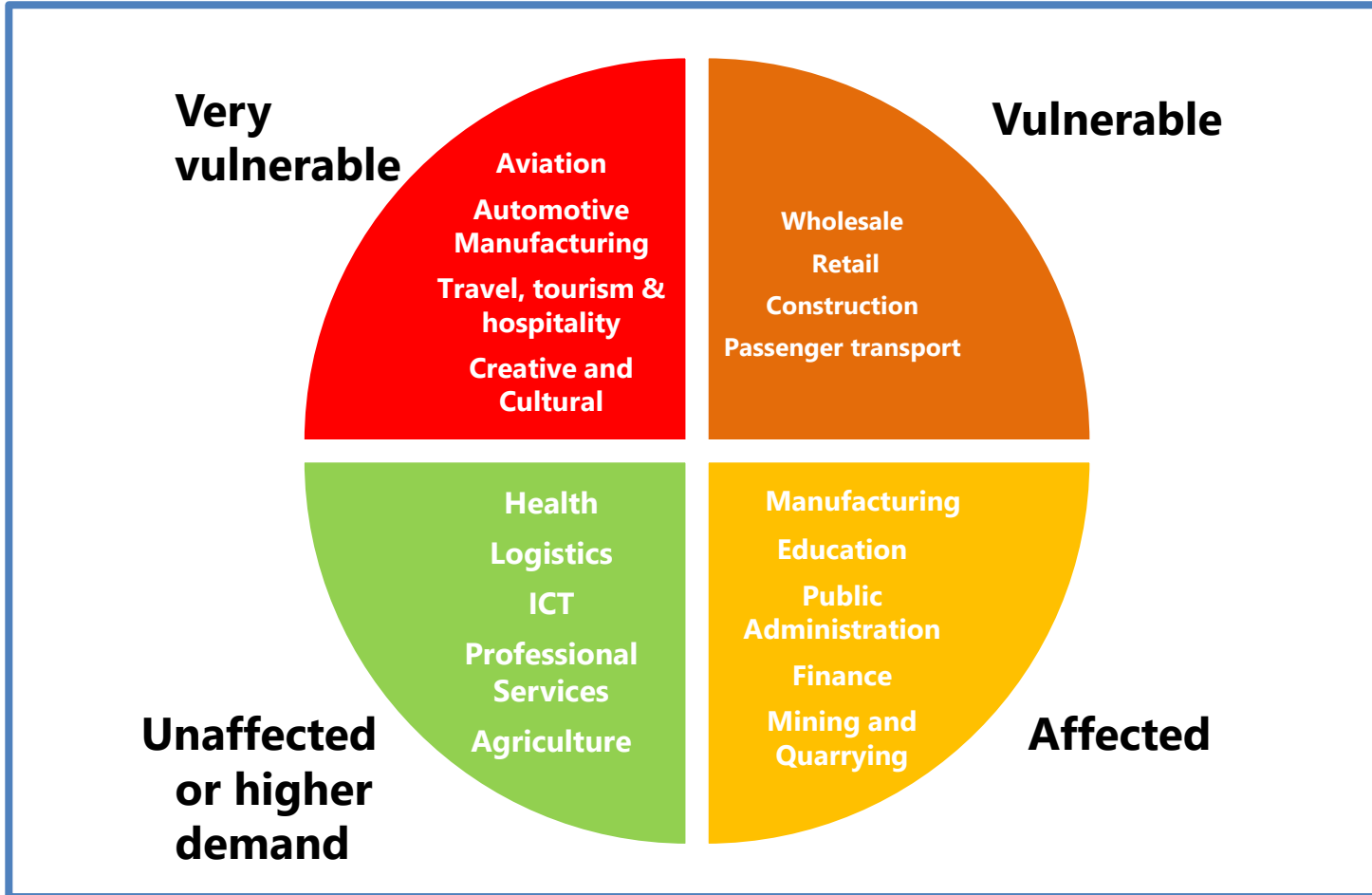


**Longer term**  
Jul - Dec

# Economic Uncertainty

- Projections and scenarios for 2020 economic outturn vary from a contraction of **-4.9%** (IMF) to **-14.0%** (Bank of England, 7<sup>th</sup> May)
- OECD report 10<sup>th</sup> June predicts **-11.5%** contraction in GDP
- Quarterly figures for UK GDP released on 12 June showed that the UK economy had fallen by a record **20.4%**.
- Business Impact of Coronavirus Survey shows that **26%** of East Midlands businesses reported their turnover had decreased by more than **50%**, compared to **25%** of businesses in the UK
- **82%** of East Midlands businesses have continued to trade through lockdown

# Sector Risk Index

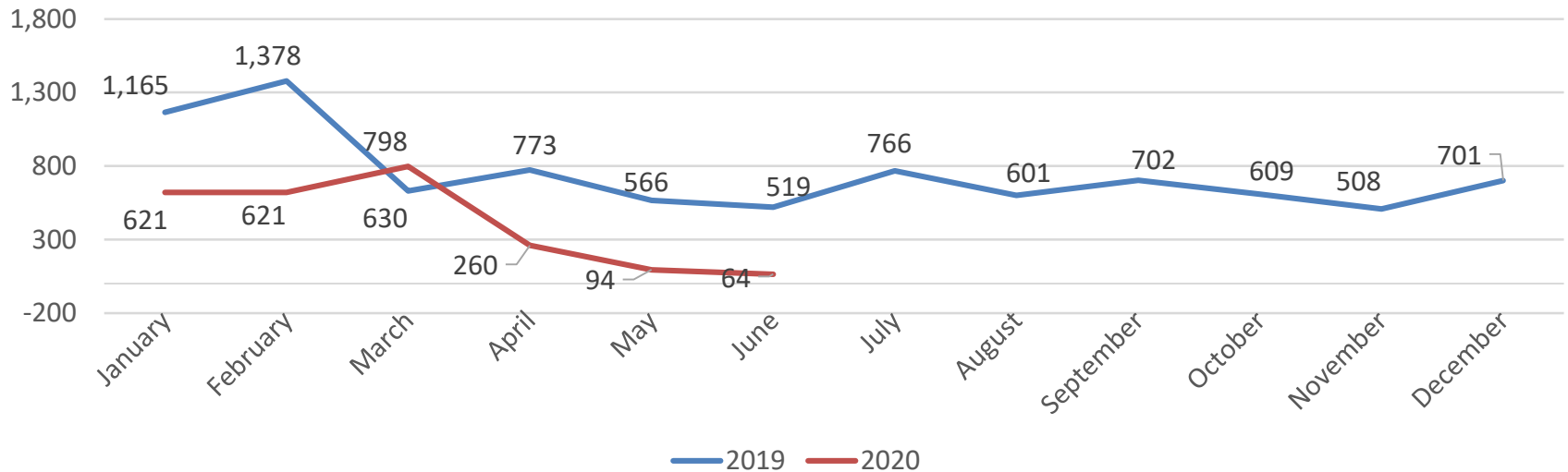


# Unemployment and Employment

- Claimant count increased by **131.5%** or **19,900** people from March to May.
- At 31 May **24.5%** of total employment in LLEP area were furloughed (129,700 people)
- **91%** of eligible businesses in Leicester and Leicestershire have received Small Business and Retail Grant Funds (to 16/06/2020).
- Job postings have decreased **by 34%** (EMSI: May '19 vs May '20)
  - Most occupations impacted except health, care and some agriculture
  - Biggest % drop elementary occupations and transport operatives
  - Biggest total drop administrative occupations

# Business Closures

## Dissolved or Liquidated Businesses Monthly Comparator

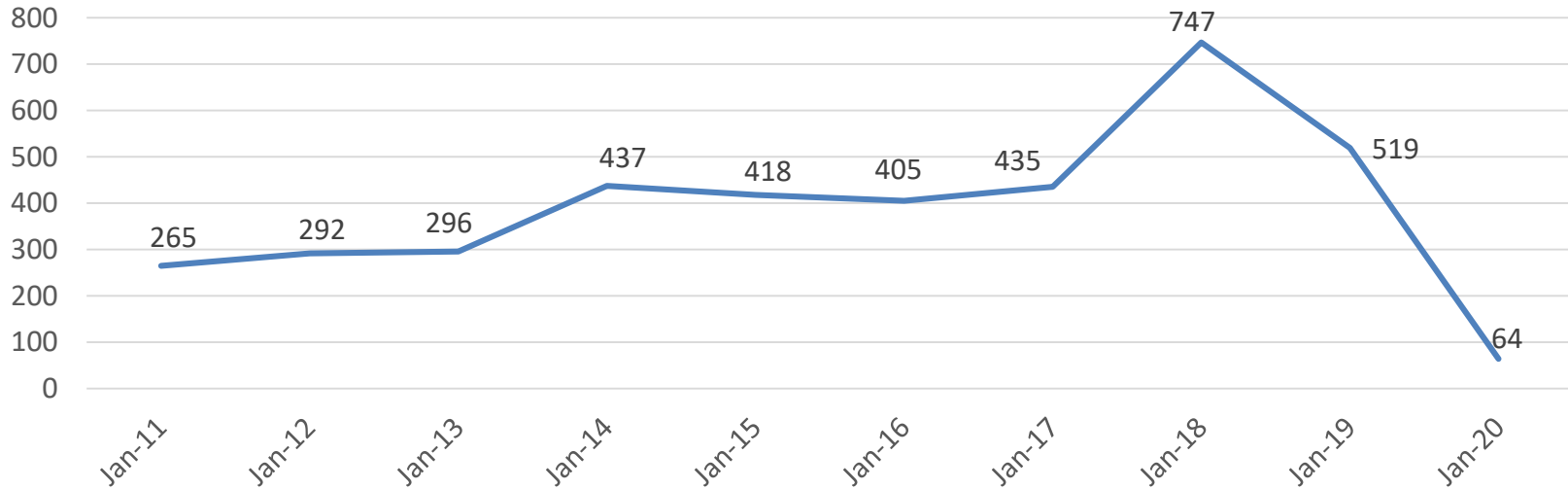


Source: Bureau van Dyck



# Dissolved and liquidated businesses

Dissolved & Liquidated Businesses (Time Series)



Source: Bureau van Dyck

# Who is likely to be most affected?



Young people (18-24)



Those who cannot work from home



Those without qualifications



Those in industries most at risk



Those without workplace digital skills

# Furloughed employment (to 31/05/2020)

Sector	% of Sector Furloughed - national (HMRC)	LLEP Area Employment (ONS)	Estimated Numbers Furloughed (LLEP Area) <sup>1</sup>
<b>Wholesale, Retail, Motor Vehicle Repair</b>	39.1%	78,000	30,484
<b>Manufacturing</b>	39.4%	59,500	23,450
<b>Accommodation and food services</b>	70.0%	29,500	20,648
<b>Construction</b>	53.1%	22,000	11,685
<b>Business Administration and support services</b>	26.6%	42,000	11,154

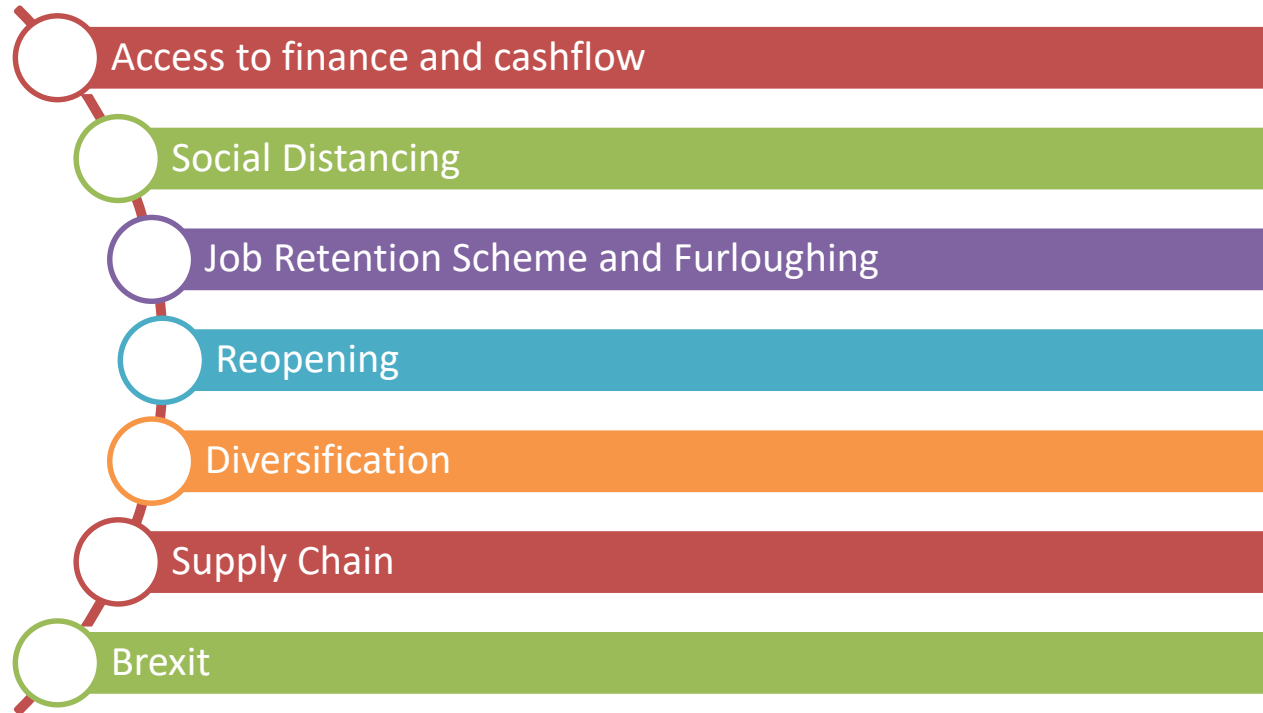
An estimated **73%** of the total furloughed employments in Leicester and Leicestershire falls within the above five sectors.

<sup>1</sup> Estimated numbers calculated using HMRC and ONS data. Correlation with overall numbers furloughed is not exact due to rounding and differences resulting from applying national percentages locally. Results in an overall calculation of estimated total numbers furloughed of 133,785 vs. HMRC total furloughed for Leicester and Leicestershire of 129,700. Furloughed employments relate to residency of individual and not site of business premises so this should be interpreted as an indication only, actual figures may differ.

# Local Authority Business Support Payments

Local Authority	Small Business Grants Fund (SBGF) scheme Retail, Hospitality and Leisure Business Grants Fund (RHLGF)					Discretionary Funding	
	Initial Allocation	Businesses in scope to receive a grant as at 29 June	Number of grant payments made to hereditaments as at 29 June	% of businesses receiving payment	Value of payments (£)	Applications received	Funding Allocated
Blaby District Council	£12,628,000	1,025	917	89%	£10,580,000	TBC	TBC
Charnwood Borough Council	£32,544,000	2,853	2,515	88%	£30,295,000	TBC	TBC
Harborough District Council	£19,106,000	1,708	1,621	95%	£20,470,000	150	TBC
Hinckley & Bosworth Borough Council	£21,996,000	1,889	1,791	95%	£20,970,000	330	TBC
Leicester City Council	£85,352,000	6,465	5,903	91%	£68,105,000	66	£460,000
Melton Borough Council	£11,674,000	979	845	86%	£10,145,000	95	£457,000
North West Leicestershire District Council	£20,294,000	1,695	1,618	95%	£18,925,000	255	TBC
Oadby and Wigston Borough Council	£10,212,000	744	700	94%	£8,125,000	64	TBC
<b>TOTAL</b>	<b>£213,806,000</b>	<b>17,358</b>	<b>15,910</b>	<b>92%</b>	<b>£187,615,000</b>		

# Business Issues



# Activity to date

- Economic Recovery Cell in place
- Economic Analysis Group in place
- Business and Economic Intelligence Update issued fortnightly
- Over 80% of Leicester and Leicestershire eligible businesses have received Small Business Grant Funding through Local Authorities
- Non-financial support via Business Gateway Growth Hub
  - Webinars
  - One to one support
- District and Town Centre Recovery Plans in development (including night time economy and safe shopping arrangements)
- **Economic Impact Assessments for each foundation in progress**
- Baseline pre. COVID data established (Oxford Economic Review / LLEP Annual Economic Profiles / Skills Evidence Base Summary)

# Research projects

Project	Status	Lead
Leicester and Leicestershire Business Survey	In progress	LLEP/BMG
Covid-19 Tracker Survey	Not started	LLEP
Digital Skills in the workplace	In progress	SERCO
Warehousing and logistics	Draft report completed	SPG
Low Carbon Economy, Goods and Services	Not started	Midlands Energy Hub
Food and Drink Survey	In Progress	Nottingham University / Food and Drink Forum
Natural Capital Baseline Report	Specification drafted	LLEP / Leicestershire County Council
Supply Chain	Not started	Midlands Engine
Digital High Street	Ongoing	Leicestershire County Council
Forecast scenario modelling – GVA / employment / business base	In progress	LLEP / TBC
Sector impact analysis	Not started	LLEP / TBC