

REPORT TO:		Resources Overview and Scrutiny Committee	
DATE:		4 th November 2021	
PORTFOLIO:			
REPORT AUTHOR:		Amirah Chati, Policy Apprentice Ben Caulfield, Scrutiny and Policy Officer	
TITLE OF REPORT:		Local Economic Impact of Covid-19	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	Options	Not applicable	
KEY DECISION:	Options	If yes, date of publication:	

1. Purpose of Report

- 1.1 To update the Resources Overview and Scrutiny Committee of the impact of COVID-19 on Hyndburn's economy.

2. Recommendations

- 2.1 That the Committee notes the report.

3. Reason for Recommendations and Background

- 3.1. The COVID-19 pandemic has been a global challenge, but as growing evidence highlights, the brunt of its impact was faced by the most deprived communities.
- 3.2. Ranking 18th (out of 317) for the most deprived local authority area on the 2019 Indices of Deprivation and 9th with regards to health, Hyndburn faced the compounded challenge of confronting COVID-19 with a history of enduring poverty.
- 3.3. Members have received regular Covid-19 related updates over the last 18 months. These updates mainly focussed on health related statistics, number of vaccinations, positive cases, hospital admissions and sadly deaths. This report will focus mainly on economic data, and has been produced via desktop research of freely available public information by the Policy Team.

3.4. The economic impact of Covid-19 is difficult to measure with certainty at the current time. The information in this report therefore provides local economic data pre and post pandemic to support Councillors understanding.

Furlough

3.4 Furlough figures in Hyndburn followed the path of the pandemic. At the peak, 11,400 people were furloughed in June 2020 across numerous sectors. The most recent figures available at the time of writing this report show 1,600 Hyndburn residents were furloughed at the end of July.

	Lockdown one & beginning of easing		Lockdown two	Lockdown three	Current stats
	March-20 to May- 20	Jun-20	Nov-20	Jan-21	End of July (provisional)
England	6,445,800	7,600,900	3,209,500	3,886,900	1,314,400
Blackburn with Darwen	16,500	19,400	7,300	8,900	3,200
Blackpool	17,200	20,000	9,900	11,400	2,900
Burnley	11,200	13,100	4,400	5,400	1,800
Chorley	13,300	15,400	6,300	7,700	2,400
Fylde	8,700	9,800	5,000	5,700	1,700
Hyndburn	9,800	11,400	3,900	4,800	1,600
Lancaster	14,200	16,500	7,100	8,900	2,100
Pendle	12,100	14,000	5,100	6,300	2,100
Preston	15,400	17,900	7,300	8,600	3,000
Ribble Valley	7,900	9,000	3,800	4,700	1,600
Rossendale	8,400	9,600	3,300	4,300	1,400
South Ribble	12,500	14,300	5,300	6,500	2,000
West Lancashire	11,800	13,800	5,400	6,800	2,500
Wyre	12,100	13,800	6,000	7,200	2,500

3.5. The Governments Furlough scheme formally ended on 5th October. Local data is not yet available to show if and how this has affected rates of benefit claimants and unemployment.

Benefit Claimants

3.6. Hyndburn saw a 4.2% rise in the working population claiming over one year of the pandemic, an increase in 2,055 individuals. This was the third-highest rise in Lancashire.

Table 2: Increase in Claimants from March 2020 to March 2021. (ONS, 2021)

	Figure (+)	Percentage points (+)
United Kingdom	1,601,135	3.8
North West	173,650	3.8
Blackburn with Darwen	3,685	3.9

Blackpool	5,925	7.0
Burnley	2,160	4.0
Chorley	1,790	2.5
Fylde	1,665	3.6
Hyndburn	2,055	4.2
Lancaster	2,140	2.3
Pendle	2,810	5.1
Preston	3,435	3.7
Ribble Valley	825	2.3
Rossendale	1,685	3.8
South Ribble	1,540	2.3
West Lancashire	1,850	2.7
Wyre	2,620	4.1

3.7. The number of claimants peaked in February 2021 at 4,130 (8.4% of the population). The latest available figures show a promising reduction, at 3,390 (6.9%) in September 2021. These trends are reflected both regionally and nationally.

Unemployment

3.8. Table 3 below details the change in the unemployment rate across Lancashire. Hyndburn has seen an increase of 0.7% and is ranked fourth highest in Lancashire at a 5% unemployment rate. That corresponds to 2,000 unemployed individuals for the latest period (April 2020 – March 2021). Pre pandemic levels of unemployment were around 1800 for Hyndburn.

Table 3: Unemployment rates and figures for Lancashire (ONS, 2021)

	Rate of unemployment %		Number
	2019	2020	2020 figures
United Kingdom	3.9	4.5	1,539,935
Blackburn with Darwen	5.5	5.4	3,700
Blackpool	5.6	5.5	3,500
Burnley	5.6	5.1	2,000
Chorley	3.1	3.6	2,000
Fylde	2.3	3.6	1,300
Hyndburn	4.3	5.0	2,000
Lancaster	4.5	4.4	3,200
Pendle	4.3	4.3	2,000
Preston	3.7	4.6	3,100
Ribble Valley	1.9	2.5	800
Rossendale	3.0	3.7	1,400
South Ribble	2.6	2.9	1,800
West Lancashire	4.0	3.7	1,900
Wyre	2.9	3.7	2,100

3.8. The Governments Furlough scheme formally ended on 5th October. This may have a knock on effect to employment figures however data is not yet available.

Jobs and earnings

3.9. The number of job vacancies is not published at local level. Nationally, as of September 2021 there are 1,197,000 vacancies across all industries. This is a significant increase on pre pandemic levels which stood at 795,000 in February 2020.

3.10. Of those with jobs, and those seeking them, the table below highlights the change in earnings and number of jobs before and during the pandemic.

Table 4: Change in earnings and number of jobs prior to and during the pandemic (ONS, 2020)

	Earnings		Jobs	
	2019	2020	2019	2020
ENGLAND	£25,150	£26,055	18,549,000	18,609,000
NORTH WEST	£23,741	£24,334	2,461,000	2,364,000
Blackburn with Darwen	£21,260	£21,221	44,000	44,000
Blackpool	£19,486	£19,808	41,000	40,000
Burnley	£22,175	£22,647	32,000	25,000
Chorley	£25,016	£24,991	44,000	41,000
Fylde	£27,608	£28,980	27,000	25,000
Hyndburn	£22,725	£22,459	27,000	25,000
Lancaster	£22,907	£24,130	47,000	48,000
Pendle	£22,207	x	31,000	27,000
Preston	£21,706	£23,509	46,000	48,000
Ribble Valley	x	£28,909	25,000	24,000
Rossendale	£20,841	£21,428	22,000	24,000
South Ribble	£22,953	£24,459	43,000	42,000
West Lancashire	£24,151	£24,311	39,000	32,000
Wyre	£22,418	£23,219	33,000	34,000

3.11. With regards to earnings, Table 4 shows that Hyndburn's gross annual earnings are estimated to have been £3,500 less than the national average but around the average in the North West. It had, however, reduced by around £200 from 2019, similar to Chorley and BwD.

Business

3.12. There has been increases in the number of businesses in Hyndburn during the period of the pandemic, with micro, small and medium businesses all increasing between 2020 -21 and large business numbers remaining the same.

Table 5: Number of businesses in Hyndburn by size

Business size	2020	2021
Micro (0-9 Employees)	1985	2025
Small (10-49 Employees)	255	270
Medium (50-249 Employees)	60	65
Large (250+)	5	5

3.13. The pandemic has affected most sectors of business to a degree. Retail was significantly affected, particularly during the early stages of the lockdowns were non-essential

	2016	2017	2018	2019	2020	Feb-21
Accrington	21.1	21.5	24.8	24.0	24.0	25.2
Nelson	24.6	21.1	20.4	20.4	23.8	23.8
Blackburn	20.8	18.4	16.9	19.2	19.2	22.8
Preston	18.0	16.9	16.9	18.8	20.5	22.1
Hyndburn	22.5	20.7	22.5	24.5	23.9	22.0
Bacup (CLG in Rossendale)	33.3	31.3	33.8	27.7	20.9	20.9
Burnley	15.7	18.1	16.0	17.3	18.4	18.4
Lancashire	15.0	15.5	15.6	16.7	17.1	18.0
North West	14.2	14.1	14.0	14.9	15.3	15.8
Rossendale	16.1	15.0	18.5	16.7	15.3	15.3
Pendle	12.6	11.3	12.9	13.4	15.2	15.1
GB	11.2	11.2	11.5	12.1	13.7	13.7
England	10.5	10.6	11.0	11.6	13.0	13.2
Rawtenstall (town in Rossendale)	6.3	7.1	9.4	7.2	9.7	9.7

shops and businesses were forced to close temporarily.

Table 6: Vacancy rates over 6 years (Local Data Company, 2021)

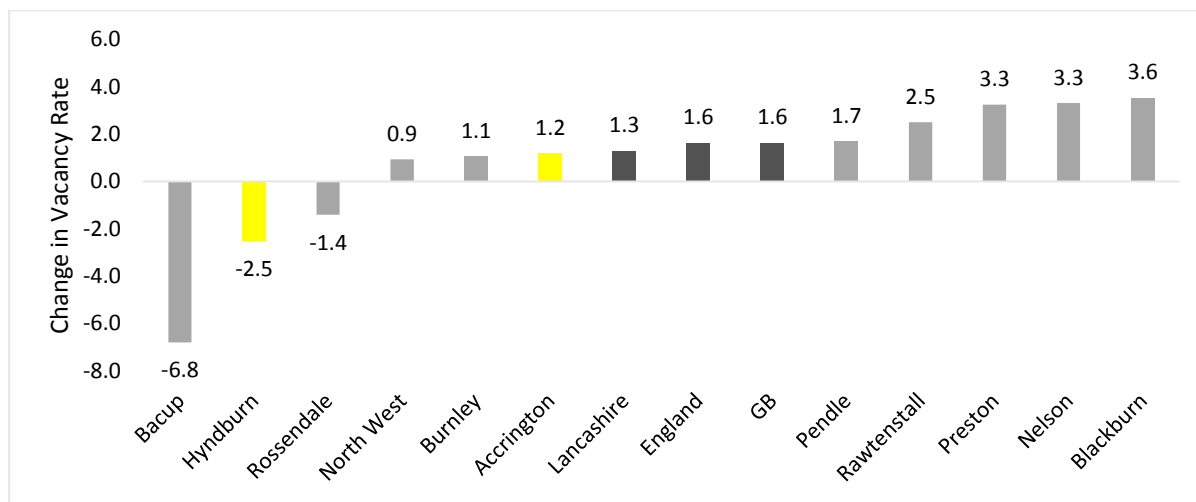
3.14. The above table details the vacancy rates from 2016-Feb 2021. The figures show the vacancy rate in different areas, whilst the colour represents the change from the previous year. Red indicates an increase in the rate of vacancies and green a decrease.

3.15. Nationally the vacancy rate stands at 13.7%, as it had in 2020. This figure is a decrease from 2019 and highlights the start of the COVID-19 impact on high streets. The North West has a higher vacancy rate than Great Britain and England, and Lancashire even higher at 18%. This highlights the particular challenges of deprivation, employment opportunities and struggling town centres that Lancashire face.

3.16. Of the Lancashire boroughs and towns in the table, Accrington currently has the highest vacancy rate, Rawtenstall has the lowest. Bacup has seen a fall in vacancy rates from its original figures of 33.3% in 2016. Positively, despite the effects of the pandemic, Hyndburn as a whole has seen a slow fall in vacancies since 2019. This is positive news, with the majority of areas seeing an increase in vacancies as a result of the pandemic.

Table 7: Change in Vacancy rates 2019-2021 (Local Data Company, 2021)

Pre-pandemic and current



Business Grants

- 3.17. Since March 2020, Government has announced a series of grants and reliefs available to businesses, many of which have been delivered by local authorities using data on our business rates registers. Other financial support schemes such as employee furlough, self-employed grants and bounce back loans were delivered by Central Government through agencies such as HMRC.
- 3.18. To date, businesses in Hyndburn have received £36 million in local authority administered grants and reliefs.
- 3.19. At the peak of the initial wave of grants, the business rates team received hundreds of calls and emails a week and since March 2020 we have answered over 6,000 emails in total. For context, business rates email enquiries are normally around 1,500 per year.
- 3.20. There have been two types of grants rolled out during the pandemic:

Government Grants: These grants are listed below. In addition, rates relief schemes provide a reduction of up to 100% relief on a business rates bill. Rates relief schemes for 2020/21 have included relief for nurseries, pubs and the retail, hospitality and leisure sector. These reliefs have been funded in full by Government.

National schemes and discretionary scheme- To provide grants to businesses that were not eligible for other grants, the Government provided funding to local authorities for discretionary schemes. Hyndburn Council adopted three discretionary schemes, approved by Cabinet in July 2020 and November 2020.

Table 8: Grant Schemes (HBC, 2021)

Scheme	Value	Number of Businesses Supported	Overall Value of Support
March 2020 Small Business Grant Fund (National scheme)	£10,000 one-off grant	1699	£16.9m
March 2020 Retail, Hospitality and Leisure Grant (National scheme)	£10,000 one-off grant for businesses with a rateable value of less than £15,000 £25,000 one-off grant for business with a rateable value between £15,000 and £51,000 One grant per unique property	91 124	£910k £3.1m
March 2020 Expanded Retail Discount Scheme (National scheme)	100% business rates relief applied as a reduction to the business rates bill, no cash alternative is available	340	£8.1m
March 2020 Nursery Discount Scheme (National scheme)	100% business rates relief applied as a reduction to the business rates bill, no cash alternative is available	12	£64k
July 2020 Local Business Discretionary Grant (HBC scheme)	Value of grants at the discretion of HBC: A policy developed and awards in line with Government guidance £5000 £10,000 £25,000	105 15 12	£525k £150k £300k
October 2020 to November 2020, and December 2020 Local Restriction Support Grant for Closed Businesses (National Scheme)	£667 per qualifying two week period for businesses with a rateable value of less than £15,000. £1,000 per qualifying two week period for businesses with a rateable value between £15,000 and £51,000 £1,500 per qualifying two week period for businesses with a rateable value of £51,000 or more.	204 grants paid 63 grants paid 10 grants paid	£147k £66k £16k
November 2020 National Lockdown Grant (National scheme)	£1,334 per 28 day period for businesses with a rateable value under £15,000 £2,000 per 28 day period for businesses with a rateable value between £15,000 and £51,000 £3,000 per 28 day period for businesses with a rateable value over £51,000	451 57 15	£602k £114k £16k

November 2020, backdated to August 2020 Local Restriction Support Grant for Open Businesses (HBC scheme)	Value of grants at the discretion of HBC: A policy developed and awards in line with Government guidance <u>Businesses with a rateable value</u> Up to £934 per 28 day period for businesses with a rateable value under £15,000 Up to £1,400 per 28 day period for businesses with a rateable value between £15,000 and £51,000 Up to £2,100 per 28 day period for businesses with a rateable value over £51,000 <u>Businesses without a rateable value</u> Up to £934 per 28 day period for small/micro businesses with up to 50 employees Up to £1,400 per 28 day period for medium-sized businesses with up to 250 employees Up to £2,100 per 28 day period for large businesses with more than 250 employees	67 15 1	£215k £72k £7k
November 2020 Local Restriction Support Grant – Sector (National scheme)	£667 per qualifying two week period for businesses with a rateable value of less than £15,000. £1,000 per qualifying two week period for businesses with a rateable value between £15,000 and £51,000 £1,500 per qualifying two week period for businesses with a rateable value of £51,000 or more.	1	£2k
December 2020 Christmas Support Payment (National scheme)	£1000 one-off grant per wet-led pub	64	£64k
January 2021 to 31 March 2021 National Lockdown Grant (National scheme)	£2001 per 42 day period (05 January 2021 to 15 February 2021), and £2096 per 44 day period (16 February 2021 to 31 March 2021) for businesses with a rateable value under £15,000 £3,000 per 42 day period (05 January 2021 to 15 February 2021), and £3143 per 44 day period (16 February 2021 to 31 March 2021) period for businesses with a rateable value between £15,000 and £51,000 £4,500 per 42 day period (05 January 2021 to 15 February 2021), and £1714 per 44 day period (16 February 2021 to 31 March 2021) for businesses with a rateable value over £51,000	1200 grants paid 147 grants paid 27 grants paid	£2.4m £463k £19k
January 2021 to March 2021 Closed Business Lockdown Payment (National scheme)	£4000 one-off grant for businesses with a rateable value under £15,000 £6,000 one-off grant for businesses with a rateable value between £15,000 and £51,000	587 76	£2.3m £456k

	£9,000 one-off grant for businesses with a rateable value over £51,000	23	£207k
April 2021 Restart Grant	£2667 one-off grant for non-essential retail businesses with a rateable value under £15,000	204	£544k
(National scheme)	£4,000 one-off grant for non-essential retail businesses with a rateable value between £15,000 and £51,000	23	£92k
	£6,000 one-off grant for non-essential retail businesses with a rateable value over £51,000	9	£54k
	£8000 one-off grant for hospitality, accommodation, leisure and personal care businesses with a rateable value under £15,000	352	£2.8m
	£12,000 one-off grant for hospitality, accommodation, leisure and personal care businesses with a rateable value between £15,000 and £51,000	54	£648k
	£18,000 one-off grant for hospitality, accommodation, leisure and personal care businesses with a rateable value over £51,000	11	£198k
Additional Restriction Support Grant. The Council administered this scheme over nine phases from December 2020 to October 2021 (HBC scheme)	Value of grants at the discretion of HBC: A policy developed and awards in line with Government guidance <u>Businesses with a rateable value</u> Up to £934 per 28 day period for businesses with a rateable value under £15,000 Up to £1,400 per 28 day period for businesses with a rateable value between £15,000 and £51,000 Up to £2,100 per 28 day period for businesses with a rateable value over £51,000 <u>Businesses without a rateable value</u> Up to £934 per 28 day period for small/micro businesses with up to 50 employees Up to £1,400 per 28 day period for medium-sized businesses with up to 250 employees Up to £2,100 per 28 day period for large businesses with more than 250 employees	2814 grants paid over the nine phases of the ARG scheme	£2.5m
April 2021 Expanded Retail Discount Scheme	100% business rates relief applied as a reduction to the business rates bill for period 01 April 2021 to 30 June 2021, reducing to a 66% business rates relief reduction	258	£1.5m

(National scheme)	for the period 01 July 2021 to 31 March 2022, no cash alternative is available		
April 2021 Nursery Discount Scheme	100% business rates relief applied as a reduction to the business rates bill for period 01 April 2021 to 30 June 2021, reducing to a 66% business rates relief reduction for the period 01 July 2021 to 31 March 2022, no cash alternative is available	11	£48k
(National scheme)	for the period 01 July 2021 to 31 March 2022, no cash alternative is available		

3.21. In addition to business grants, the government rolled out a national Test and Trace Support Payment scheme (TTSP) in order to provide financial support for those required to isolate as a result of the trace and trace scheme. This was due to findings referenced by Sage that willingness to self-isolate was three times lower among less affluent people. Below is the information for Hyndburn as of May 2021:

Table 9: Applications for TTSP in Hyndburn (HBC)

Applications processed	2966
Approved	1007
Refused	1931
In progress	28

Table 10: Spending for TTSP in Hyndburn (HBC)

	Spend	Fund remaining
Main fund	£ 387,500.00	£ 81,000.00
Discretionary fund	£ 116,000.00	£ 128,000.00
Total	£ 503,500.00	£ 209,000.00

Children in Low Income Households

3.22. No Child Poverty data has yet been published with the impact of the pandemic. The data used from the DWP is the most up to date with a pre-pandemic baseline. However, this has been included in the report as a reference point once more upto date data is published.

Table 11: Number of children in low income households (DWP, 2021)

	2015		2020		Change in %
	Number	Proportion (%)	Number	Proportion (%)	%
United Kingdom*	1,888,287	16%	2,428,284	19%	3.6%
Pendle	5,414	29%	7,270	37%	8.3%
Blackburn with Darwen	10,125	30%	12,639	37%	6.8%
Burnley	4,618	26%	6,186	33%	6.7%
Hyndburn	4,395	27%	5,583	33%	6.3%
Blackpool	5,271	21%	6,522	25%	4.1%

Preston	5,690	21%	7,268	25%	4.0%
Rossendale	2,619	19%	3,101	22%	2.7%
Lancaster	3,628	16%	4,283	17%	1.9%
Wyre	2,450	14%	3,029	17%	2.8%
West Lancashire	2,846	15%	3,353	17%	2.5%
South Ribble	2,176	11%	2,975	15%	3.6%
Chorley	2,399	12%	3,143	14%	2.7%
Fylde	1,344	11%	1,805	14%	3.3%
Ribble Valley	1,000	10%	1,126	11%	1.2%

3.23. Table 17 shows that in 2020 the proportion of children in low income households in the UK was at 19%- half of Lancashire authorities saw a proportion less than that. Of the other half which saw a larger proportion of children in low income households, Hyndburn had the second highest with Burnley at 33%, an increase (for Hyndburn) of 6.3% from 2015. Pendle and BwD saw the largest proportion of children in low income households at 37%, Pendle having increased by 8.3% from 2015 and BwD by 6.8%.

Table 12: Number of children in low income households- Wards

	2015		2020		Change in %
	Number	Proportion (%)	Number	Proportion (%)	%
Central	1,044	56%	1,149	65%	9.0%
Spring Hill	643	44%	833	51%	6.8%
Peel	283	28%	404	41%	12.9%
Netherton	290	32%	362	39%	7.4%
Barnfield	240	33%	332	39%	5.9%
Church	424	35%	497	35%	0.1%
Milnshaw	154	19%	266	29%	9.2%
Altham	208	17%	313	27%	9.7%
St Andrew's	163	19%	221	26%	6.9%
Rishton	227	20%	307	26%	6.3%
Clayton-le-Moors	120	16%	176	22%	6.2%
Immanuel	124	17%	149	21%	4.6%
Huncoat	126	15%	163	19%	4.5%
St Oswald's	123	13%	173	17%	4.4%
Overton	166	14%	184	16%	1.7%
Baxenden	55	9%	57	9%	0.7%

3.24. Of the sixteen wards in Hyndburn, two wards had more than half of the children in low income households in 2020: Central and Spring Hill at 65% and 51% respectively. All other wards, besides Baxenden, had over 15% of children in low income households. The greatest change in the proportions from 2015-2020 was in Peel, which saw a 12.9% rise in the proportion of children in low income households. Church saw the least change of 0.1%.

House Prices

3.25. To support the housing market during these uncertain times and stimulate potential buyers to invest in real estate, last summer the government temporarily increased the amount at which the tax is paid to £500,000, for property sales. The hike was phased out, ending on 31st September 2021.

3.26. The North West and Lancashire as a whole are below the averages in England, and the gap is slowly increasing as house prices in other parts of the country steeply increase. In 2010, the difference between England median prices and Lancashire's was £50k. In 2020, the difference was around £90k.

3.27. That is not to say Lancashire is not seeing a rise in median house prices in the last 10 years. Hyndburn, whilst having the second-lowest median house prices in Lancashire, saw a £9k hike in prices between 2019 and 2020. At an 11.5% rise, this was the biggest on-year increase in 10 years

Table 13: Change in average house prices over 10 years (ONS, 2021)

	Year ending Sep 2010	Sep 2019	Sep 2020
England	£180,000	£242,000	£249,000
Ribble Valley	£174,000	£230,000	£231,000
Fylde	£170,250	£198,000	£205,000
West Lancashire	£165,000	£193,000	£184,950
Chorley	£149,995	£170,000	£174,500
North West	£132,000	£165,000	£170,000
South Ribble	£143,950	£166,000	£167,000
Wyre	£141,750	£155,000	£164,500
Lancaster	£133,995	£155,000	£160,000
Lancashire	£130,000	£155,000	£159,000
Preston	£123,000	£145,000	£150,000
Rosendale	£113,500	£135,000	£140,000
Blackburn with Darwen	£98,200	£122,000	£120,000
Blackpool	£105,000	£114,000	£118,000
Pendle	£85,000	£109,998	£113,000
Hyndburn	£85,000	£101,000	£110,000
Burnley	£75,000	£92,750	£97,500

4. **Alternative Options considered and Reasons for Rejection**

4.1 **Not applicable**

5. **Consultations**

6. **Implications**

Financial implications (including any future financial commitments for the Council)	None arising from this report
Legal and human rights implications	N/A
Assessment of risk	N/A
Equality and diversity implications <i>A Customer First Analysis should be completed in relation to policy decisions and should be attached as an appendix to the report.</i>	No CFA required

7. **Local Government (Access to Information) Act 1985:**
List of Background Papers

7.1 There are none