

Impact of COVID-19 on the West Sussex Economy

'Snapshot' Monthly Report
16th June 2020



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Overview

- This is a monthly 'snapshot' on the impact of Covid-19 on the West Sussex economy, produced by the County Council's Insight and Economy teams with contributions from the three spatial partnerships.
- The links to the sources of data and reports are included at the end.
- The report is divided into 3 sections as follows:
 - Headline summary (slide 4)
 - West Sussex specific data and insight (slides 5-14)
 - National data providing overall economic context (slides 16 – 22)

Summary of COVID-19 lockdown measures

Context - June 2020

- 'Work from home if you can' continues. Where not possible, work places must have social distancing measures. The furloughing scheme has been extended and made more flexible, and support continues for businesses.
- Some primary schools have reopened, with colleges and universities remaining shut.
- From 15th June secondary schools and further education colleges will be able to have face-to-face contact with some pupils with exams.
- All non-essential retailers can reopen from 15th June with social distancing measures in place.
- Pubs, restaurants, hairdressers, hotels and cinemas will open from 4th July at the earliest in England, with social distancing measures.

Key headlines

- 16.2% businesses in West Sussex are estimated to be in those 'shut down' sectors told to temporarily close in Government advice.
- There were 17.2% fewer business start ups over the period 23rd March – 31st May 2020 compared with the same period last year.
- An additional 7,815 people claimed unemployment related benefit in May than in April in the county. The unemployment rate in May is 5.5% compared with 6.5% for England.
- 35,100 claimed Self Employment Income Support in West Sussex, which is 71% of those who are potentially eligible.
- 107,800 employees have been furloughed – 24.9% of resident workforce aged 16+ in work.
- The international aviation crisis continues to have enormous impacts on Gatwick Airport and associated jobs, airlines and supply chains.

West Sussex specific data and insight

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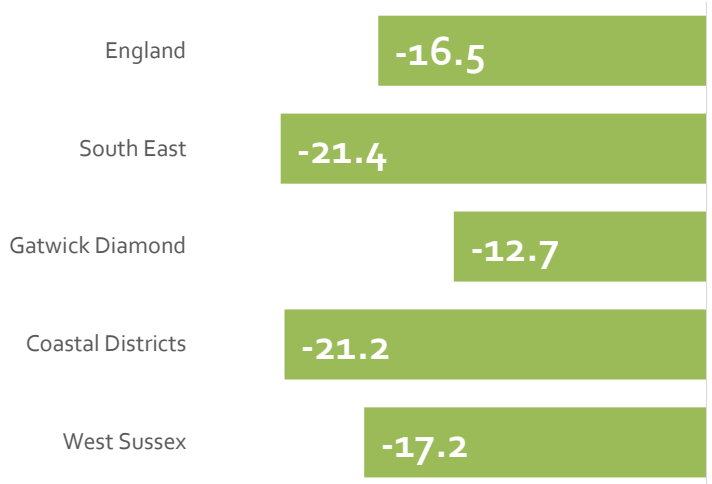


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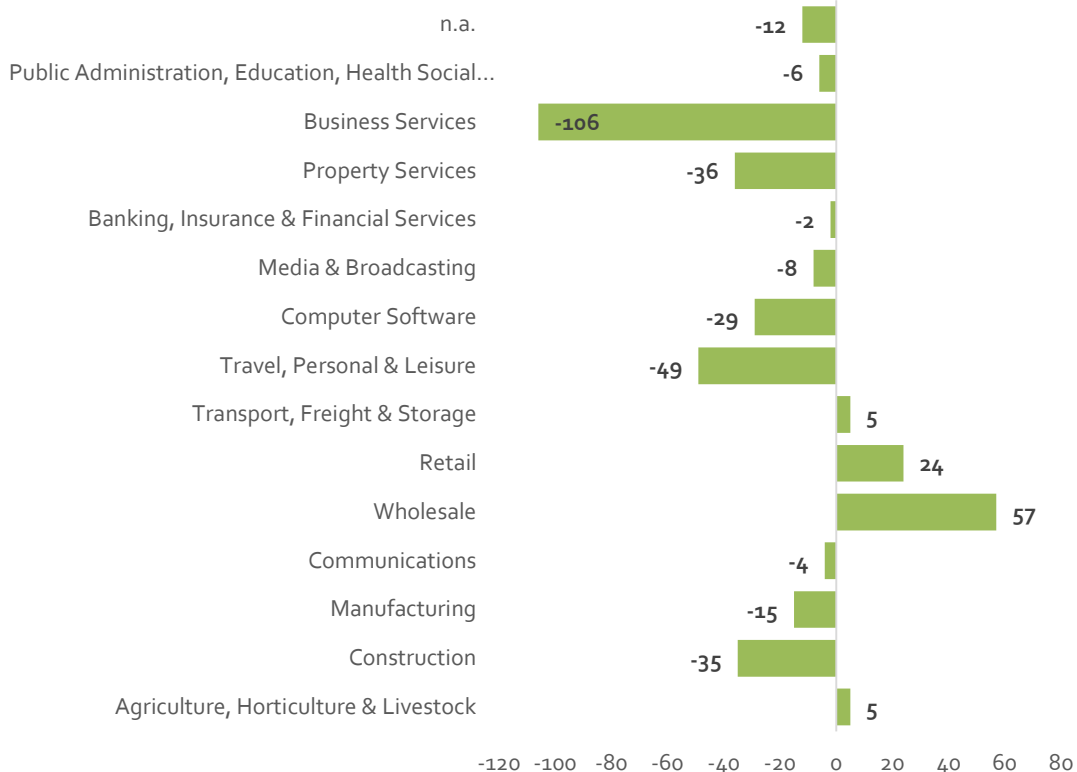
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Business start-ups 23rd March – 31st May 2019 & 2020

Percentage fall in business incorporations 23rd March - 31st May, 2019 & 2020



Change in number of business incorporations 23rd March - 31st May 2019 & 2020



Source: FAME



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Numbers of dissolved businesses

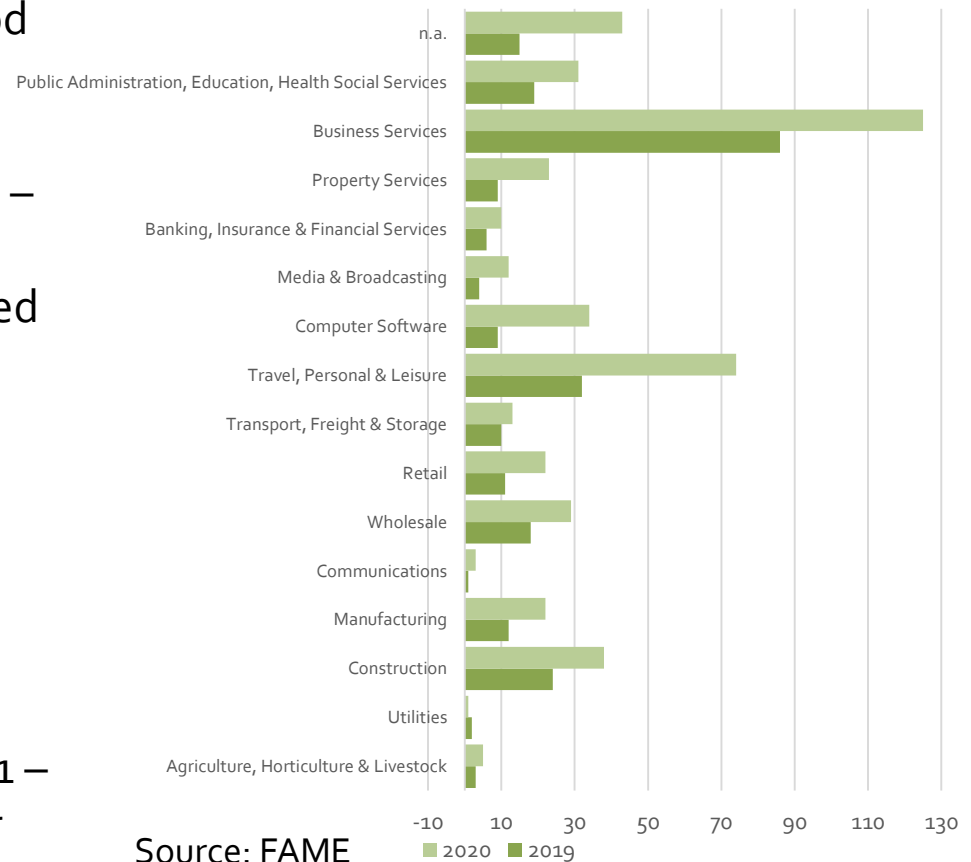
In January and February 2020 there were less dissolved companies than in the same period last year in West Sussex.

In March, the picture changes – March 2019 – 259 dissolved companies, March 2020 485 a difference of 226. There were more dissolved companies in the West Sussex Gatwick Diamond authorities at 261 compared with Coastal West Sussex of 224.

There were more start ups than closures in West Sussex in March 2020.

It tends to be younger companies closing – 1 – 5 years old, and particularly those 3 years or less.

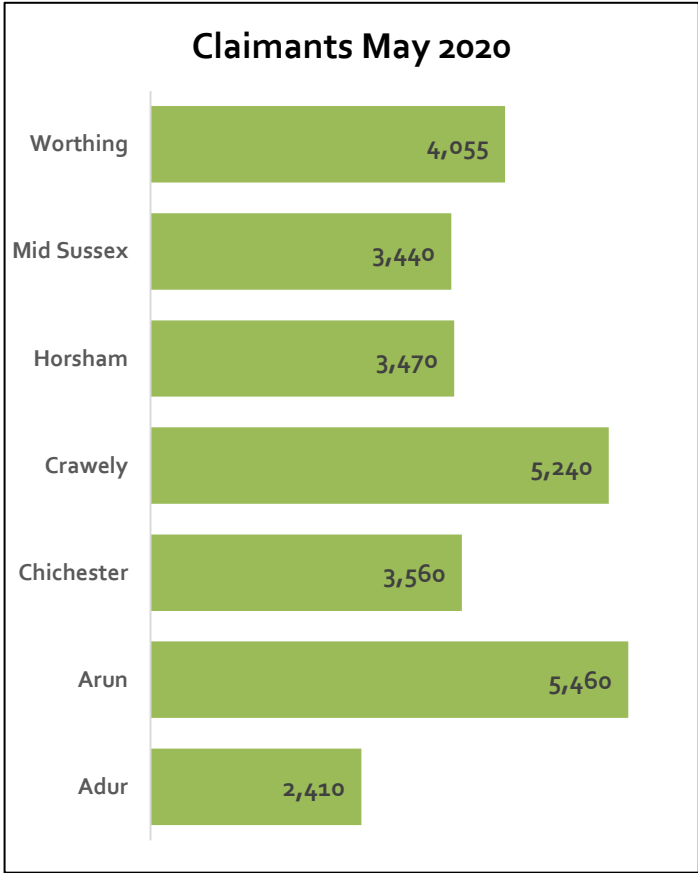
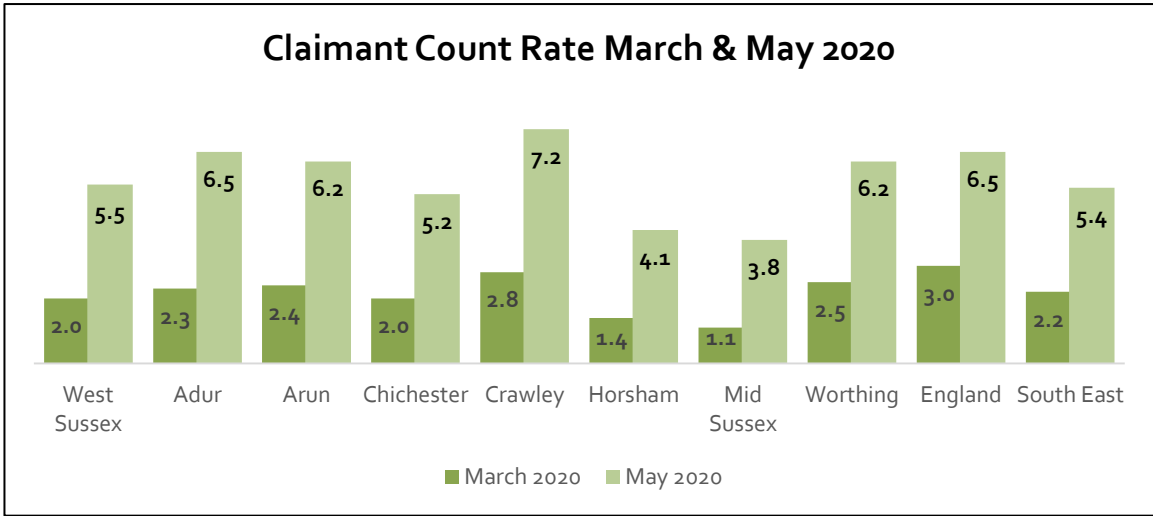
Dissolved companies March 2019 & March 2020



Claimant data – claiming JSA or Universal

Claimants of JSA or Universal Credit for the principal reason of being out of work

- May 27,645 claimants aged 16+ in West Sussex – over 2.5 times the number in March '20
- Mid Sussex seen the highest % increase over March-May
- Percentage increase in claimants in West Sussex highest in 25-29 year old age groups, though varies across the county

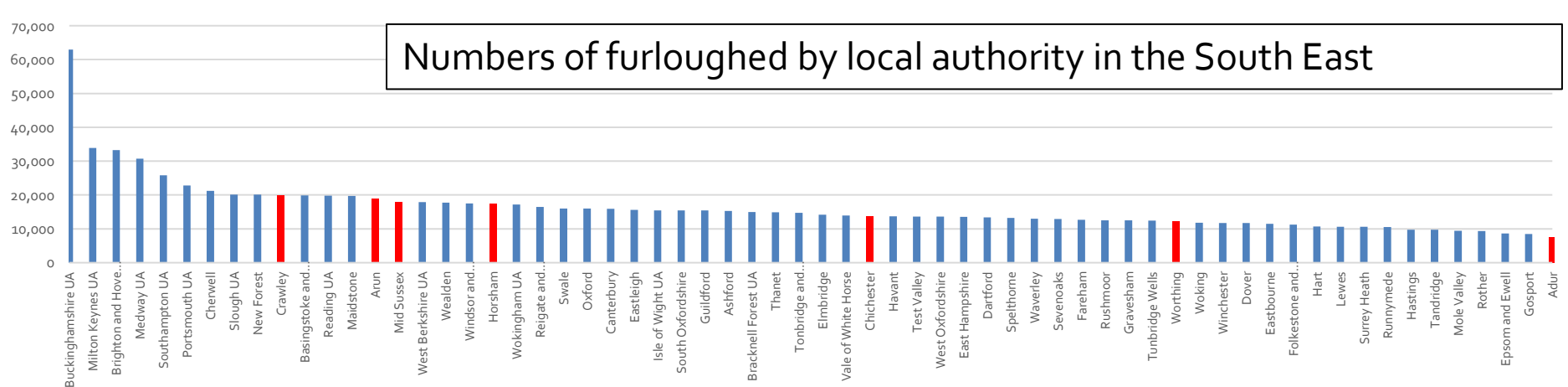


Furloughing in West Sussex

CJRS claims - Data based on residential address HMRC holds for each employee and doesn't necessarily reflect the employee's place of work

Source: HMRC 11th June 2020

	West Sussex	Adur	Arun	Chichester	Crawley	Horsham	Mid Sussex	Worthing	South East	England
Nos.furloughed	107,800	7,400	19,000	13,800	20,000	17,400	18,000	12,200		
% of West Sussex	100.0	6.9	17.6	12.8	18.6	16.1	16.7	11.3		
% of residents in work aged 16+	24.9	21.4	27.7	22.2	33.7	24.4	22.2	21.5	22.3	23.4



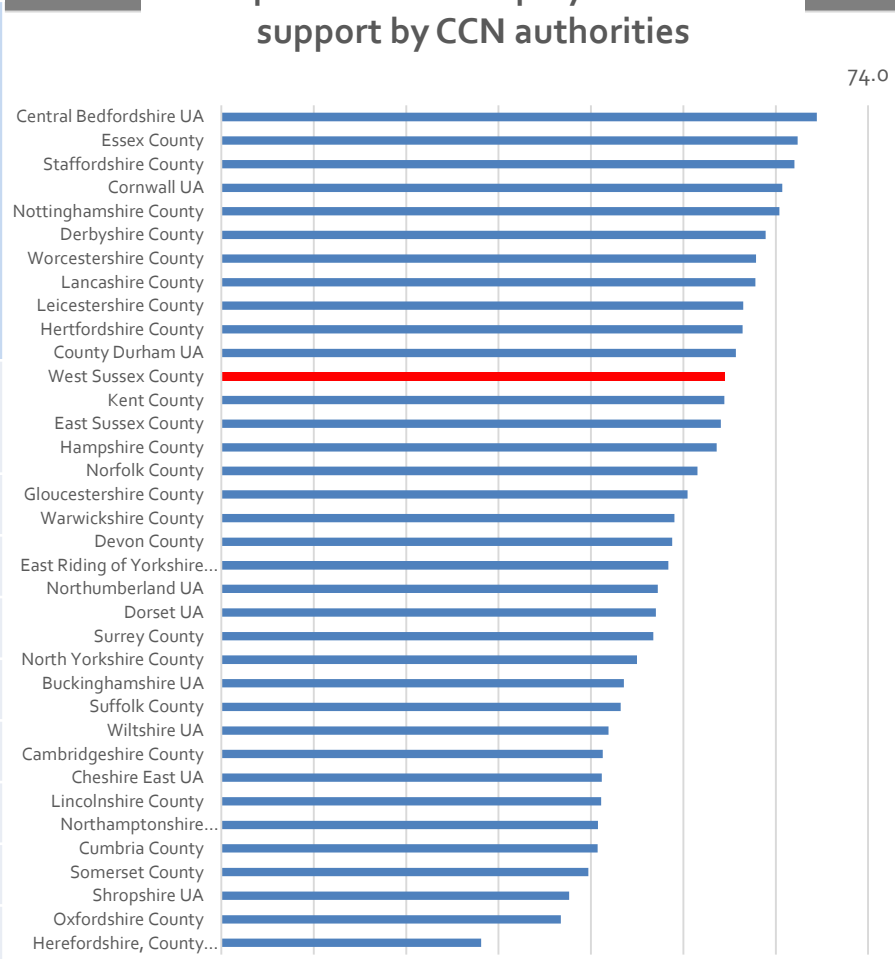
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Self Employment Income Support Scheme

Take up rate of self-employment income support by CCN authorities

County and district / unitary authority	Total potentially eligible population	Total no. of claims made to 31/5/20	Total value of claims made to 31/5/20 (£)	Average value of claims made to 31/5/20 (£)	Take-Up Rate
West Sussex County	49,500	35,100	110,500,000	3,100	71%
Adur	4,200	3,100	9,900,000	3,100	75%
Arun	9,300	6,700	20,700,000	3,100	71%
Chichester	7,800	5,300	16,700,000	3,100	68%
Crawley	5,700	4,100	12,100,000	2,900	73.0%
Horsham	8,100	5,600	18,300,000	3,300	69.0%
Mid Sussex	8,300	5,700	19,000,000	3,300	69.0%
Worthing	6,100	4,500	13,900,000	3,100	74.0%
South East	501,000	352,000	£1117m	3,200	70%



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Reductions in job postings

The current stock of vacancies is **60%** lower than before the crisis.

Hospitality/catering, administration, consultancy and HR/recruitment continue to experience the largest percentage drop in vacancies, reflecting the areas of the economy that have been affected the most.

Health and social care vacancies have recovered the greatest to near pre-crisis levels.

Local Authority	w/e 31 May 2020	Change since 15 March	Change in last week	Year on year change
Adur	246	-51.1%	8.4%	-60.6%
Arun	442	-40.8%	3.8%	-56.3%
Chichester	1069	-61.4%	0.5%	-66.3%
Crawley	664	-71.8%	2.9%	-77.2%
Horsham	759	-55.9%	-3.6%	-64.5%
Mid Sussex	771	-59.2%	-1.3%	-66.4%
Worthing	337	-61.0%	2.1%	-69.8%

Vacancy postings per local authority

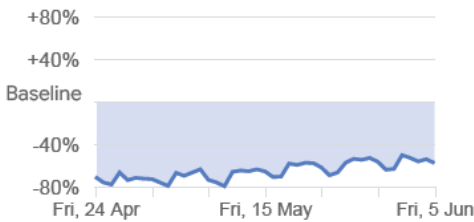
Source: Institute for Employment Studies analysis of Adzuna vacancy data - 6th June 2020

West Sussex Google mobility data

Mobility trends for different types of places in West Sussex using phone location data.

Retail and recreation

-58% compared to baseline



Supermarket and pharmacy

-14% compared to baseline



Parks

+42% compared to baseline



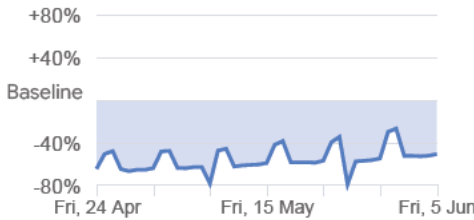
Public transport

-73% compared to baseline



Workplaces

-50% compared to baseline



Residential

+20% compared to baseline



Source: Google Covid-19 Community Mobility Report - 5th June 2020



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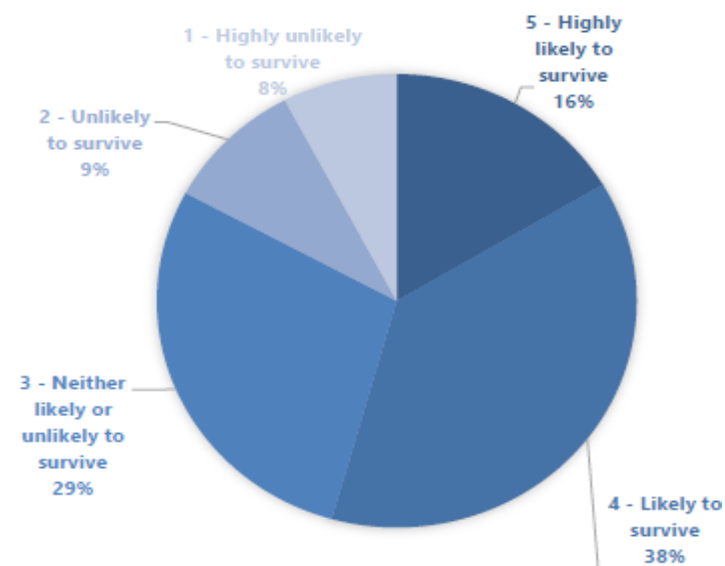
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Sussex business survey

There are numerous business surveys currently running throughout June, which will be reported on in July.

The most recent survey from local co-working providers Rume 2 and Freedom Works was completed by over 350 businesses across Sussex.

- **96%** of businesses reported that their revenue had been negatively impacted, due to widespread client cancellation, client inability to pay and being unable to deliver their services during lockdown.
- **17%** of businesses said that they had been forced to shut down.
- Only **54%** felt their business was likely or highly likely to survive.



Confidence in business survival
Source: Sussex Small Business Survey
May 2020

Spatial area updates

- The Coastal West Sussex Partnership recently commissioned a data dashboard and report from [Hatch to look at the impact of Covid 19 on the coastal economy](#). The report suggests that Covid-19 will have a disproportionate impact on younger people, particularly those with low skills
- The Gatwick Diamond commissioned [Hatch to look at the impact of Covid-19 on the Gatwick Diamond economy](#).
- The international aviation crisis continues to have enormous impacts on Gatwick Airport and associated jobs, airlines and supply chains. Gatwick are in active dialogue across all relevant Government departments on issues relating to quarantine; air bridges; runway slots; business rates; job protection and regulatory measures. Reported by the [BBC](#), Easyjet are planning for up to 4,500 job cuts.
- The Rural West Sussex Partnership has reported ongoing issues around the viability of ornamental horticulture, as well as the considerable impact on tourism and hospitality within rural areas, for example country pubs and brewers. For farmers and landowners looking to diversify, there appears to be a significant funding hiatus, with EU funding nearly finished and the new UK funding (UKSPF) not finalised.

Local Authority Grant Payments as of 7th June 2020 as part of Government Support for Businesses

Local Authority	Initial Allocation	Number of eligible hereditaments	Number of grant payments made to hereditaments	Value of payments (£)	Number of hereditaments left	Value of payments left (£)
Adur District Council	£17,640,000	970	869	£10,490,000	101	£7,150,000
Arun District Council	£39,380,000	2,603	2,529	£29,865,000	74	£9,515,000
Chichester District Council	£37,086,000	3,046	3,003	£36,510,000	43	£576,000
Crawley Borough Council	£12,102,000	870	825	£12,045,000	45	£57,000
Horsham District Council	£29,522,000	2,350	2,157	£26,610,000	193	£2,912,000
Mid Sussex District Council	£26,882,000	2,168	1,912	£24,400,000	256	£2,482,000
Worthing Borough Council	£26,130,000	1,625	1,466	£18,350,000	159	£7,780,000
Total	£188,742,000	13632	12761	£158,270,000	871	£30,472,000

National data providing overall economic context

NATIONAL PICTURE

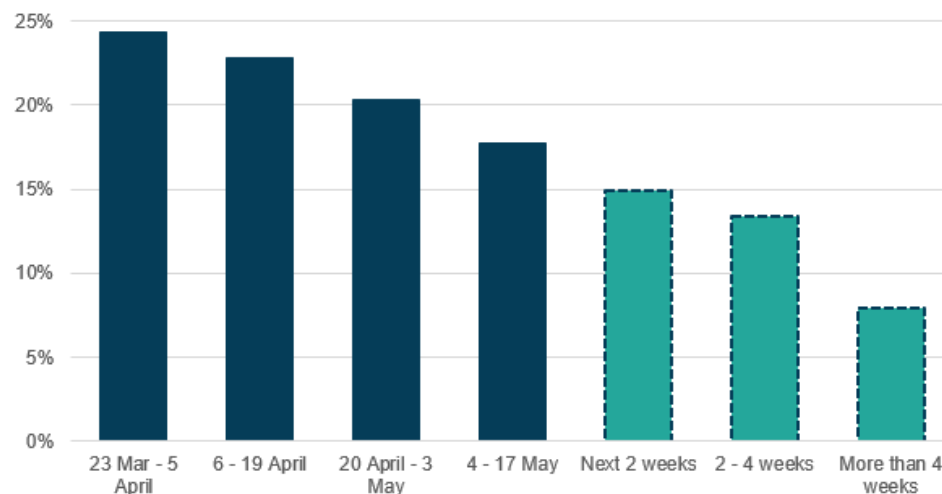
Business trading

Nationally only a **fifth (18%)** of UK businesses are temporarily closed or paused trading currently.

There are stark differences in temporary closures/pauses per sector:

- Only **5%** in IT, Transportation & storage and Manufacturing.
- Around **75%** in Accommodation & food services and Arts, entertainment & recreation.

Percentage of all responding businesses who have temporarily closed or paused trading by survey wave, and current expectations of restarting, UK



UK businesses that have paused trading

Source: ONS Business Impact of Coronavirus Survey

Waves 2 to 5 – 4th June 2020

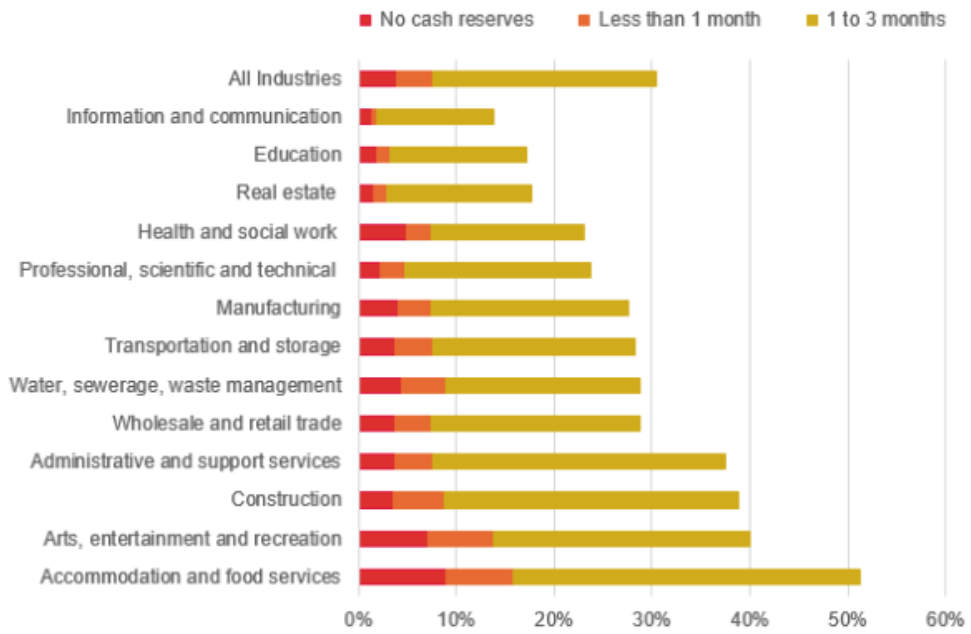
Cash reserves

Nationally, 1/3 of UK businesses have reserves of 3 months or less.

- **8%** said they had no cash reserves or less than one month's
- **25%** quarter said they did not know how long their reserves would last.

Accommodation & food services and Arts, entertainment & recreation businesses are the most vulnerable with the least reserves.

Percentage of all responding businesses with no enterprise cash reserves or reserves of three months or less, by industry, UK, 4 May to 17 May 2020



Source: ONS – Business Impact of Coronavirus Survey Wave 5 - 6th June 2020

Furloughing of workers

Nationally – over three quarters of employers furloughing employ less than 9.
In monetary terms over a quarter of the claims went to larger employers (250+).

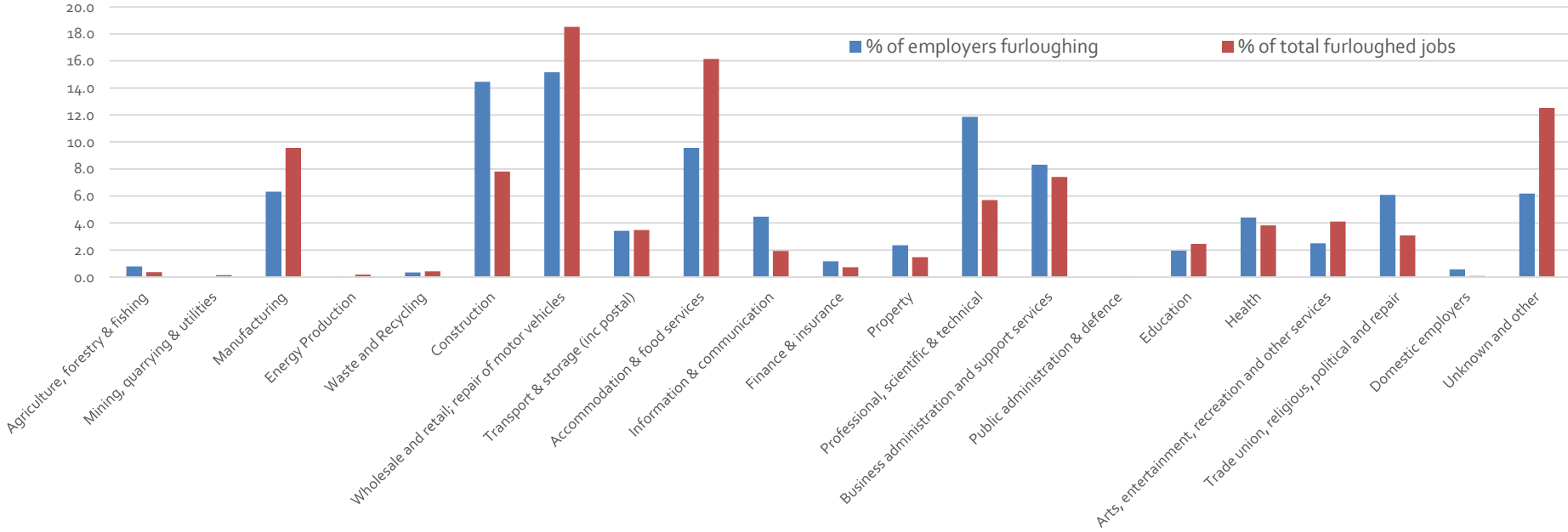
CJRS claims by employer size			
Employer Size (by no. of employments)	Percentage of employers furloughing	Percentage of jobs furloughed	Total value of claims made (£million)
1	24.0	2.9	2.6
2 to 4	35.9	9.5	8.9
5 to 9	16.4	9.3	9.8
10 to 19	9.6	10.1	11.3
20 to 49	6.0	12.2	14.5
50 to 99	1.9	7.7	9.2
100 to 249	1.0	7.7	9.2
250+	0.6	28.4	27.9
Unknown	4.4	12.0	6.6
Total number	1,067,700	8,696,000	17,471

CJRS claims Source: HMRC 11th June 2020

Furloughing of workers in Great Britain

As of 4 June, more than a 1/4 of UK workers (8.7 million jobs) have been furloughed.

Percentage of employers furloughing and jobs furloughed



CJRS claims Source: HMRC 11th June 2020



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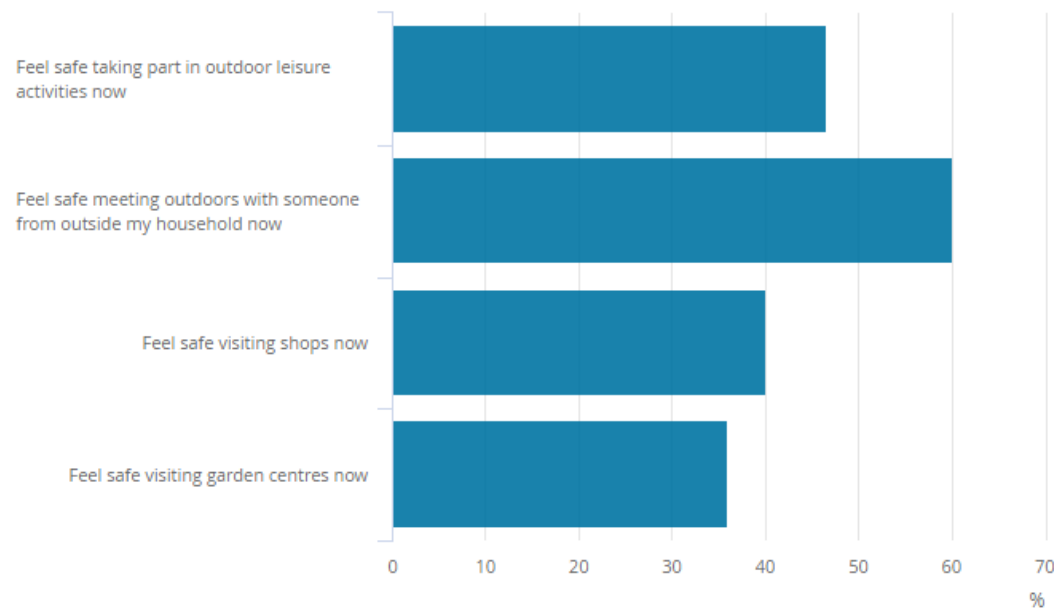
Coronavirus social impacts

Around 4 in 10 people felt safe when visiting shops now.

Over 4 in 10 adults (41%) said the coronavirus was having an impact on their work, and of these the most common impacts were: being furloughed, finding working from home difficult and needing to work from home.

The number of people finding working from home difficult increased – from 14% w/c 21 May to 24% w/c 28 May.

The location where people worked has not changed over the past three weeks.



The proportion of people who feel safe in the following situations
Source: ONS – Opinions and Lifestyle survey 5 June 2020

Sector highlight: Tourism perception survey

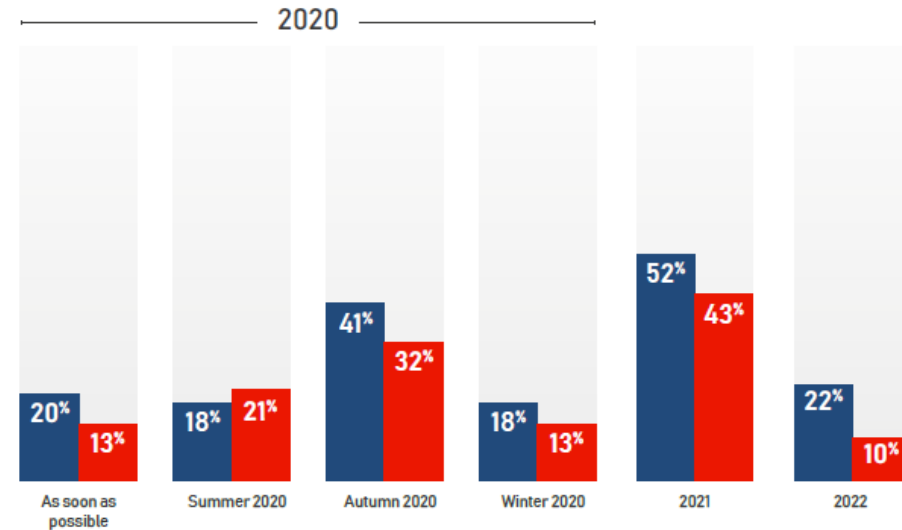
The public are becoming increasingly optimistic about getting away in 2020, likely leading to a strong latest market.



Unsurprisingly, safety and health are the top concerns with planning a holiday.

European and domestic holidays were the top choices for a holiday destination.

57% of Times and 49% of Sun readers felt they are less likely to consider flying.



Source: News UK Coronavirus UK Travel survey May 2020

Links

ONS Business Impact Survey Waves 2 to 5 (trading and cash reserves) <https://blog.ons.gov.uk/2020/06/04/the-road-to-business-recovery/>

Institute of Employment Studies (vacancies) <https://www.employment-studies.co.uk/system/files/resources/files/IES%20Briefing%20-%20w.e%2005.06.2020.pdf>

Google mobility report https://www.gstatic.com/covid19/mobility/2020-06-05_GB_Mobility_Report_en-GB.pdf

Self-employment income support scheme statistics June 2020 - <https://www.gov.uk/government/statistics/self-employment-income-support-scheme-statistics-june-2020>

Coronavirus Job Retention Scheme Statistics June 2020 - <https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-june-2020>

Coastal West Sussex HATCH Covid-19 Impact Report <https://coastalwestsussex.org.uk/wp-content/uploads/2020/05/Final-Report-Coastal-West-Sussex-COVID-19-Impact-Assessment-210520.pdf>

Gatwick Diamond HATCH Covid-19 Impact Report <http://www.gatwickdiamond.co.uk/media/102420/Report-Gatwick-Diamond-COVID-19-Impact-Assessment.pdf>

Any questions – please contact Sue Cooper, WSCC sue.cooper@westsussex.gov.uk