

South Yorkshire Weekly Policy Briefing

19th May 2023

SYMCA Policy Team

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This Week's Policy Highlights:

- ❑ Figures from the [Office for National Statistics](#) show that the number of people not working in the UK due to long-term sickness has risen to a new record of 2.5m, meaning that for every 13 workers, one is off through long-term sickness.
- ❑ Research from the [Financial Conduct Authority](#) show that the number of adults struggling to pay their bills and debts has soared to 10.9m (21%) in January 2023 – an increase of 6 percentage points from July 2022.
- ❑ The [Department for Transport](#) announced an extension to the £2 bus fare cap scheme to be continued until October 31st nationally allowing a continuation of the Mayor's fare within South Yorkshire.
- ❑ Monthly transport data from SYMCA showed that bus patronage was 71.5% of pre-Covid levels and Tram patronage was 78.8% of pre-Covid levels.

Rising Long Term Sickness



New Record

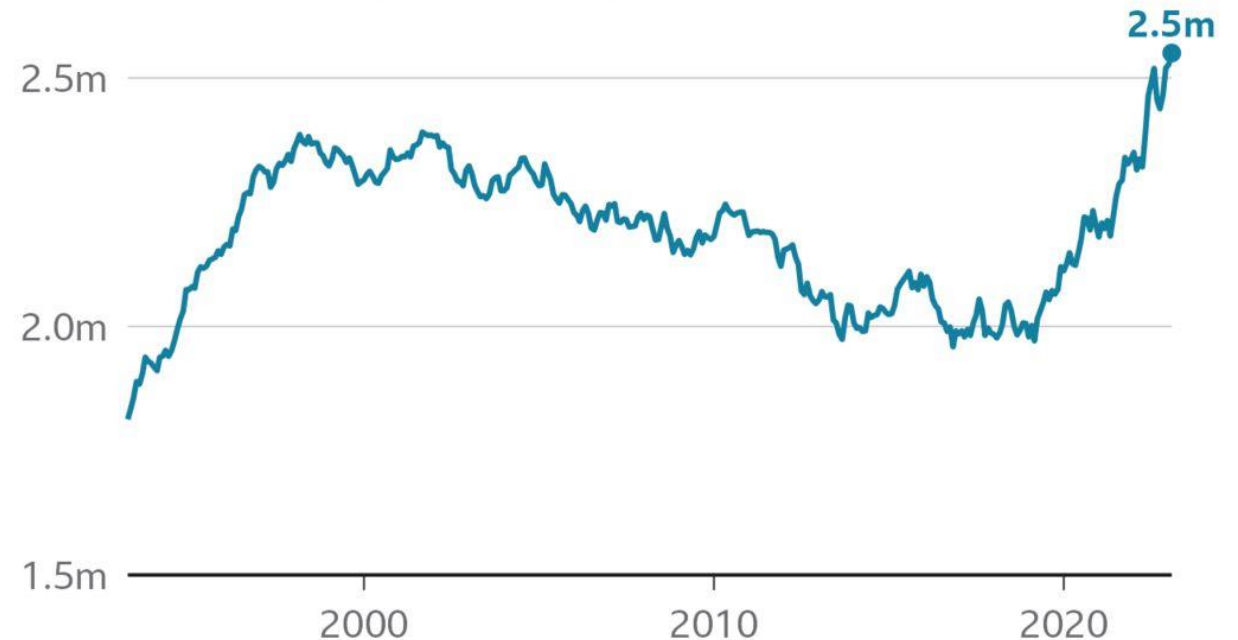
Figures from the [Office for National Statistics](#) show that the number of people not working in the UK due to long-term sickness has risen to a new record of 2.5m.

The figure is up 400,000 from the start of the pandemic and means that for every 13 workers, one is off through long-term sickness.

Darren Morgan, Director of economic statistics at the ONS, said as well as an increase in mental health conditions and back and neck pains there had also been "an increase in the category that includes post-viral fatigue, so perhaps long Covid having an impact".

Long-term sickness is highest on record

Economic inactivity due to long-term sickness



Source: Office for National Statistics, up to January-March 2023

Rising Unemployment

The employment rate edged up to 75.9% between January and March, helped by more part-time employees and self-employed workers, whilst the unemployment rate also rose slightly to 3.9%.

The economic inactivity rate decreased by 0.4 percentage points on the quarter, to 21.0% in January to March 2023, largely driven by people aged 16 to 24 years.

The decrease in economic inactivity was largely driven by those inactive because they are students or inactive for other reasons. Meanwhile, those inactive because of long-term sickness increased to a record high.

Flows estimates show that, between October to December 2022 and January to March 2023, there has been a record high net flow out of economic inactivity, driven by people moving from economic inactivity to employment.

Employment rate

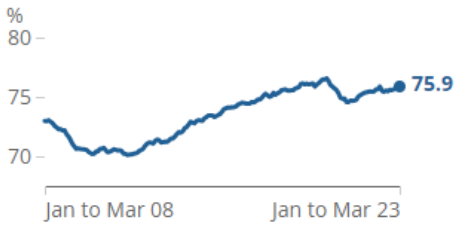
Employment rate (all aged 16 to 64)

Quarterly change: ▲0.2pps
Since Dec-Feb 2020: ▼-0.7pps

The employment rate is up on the quarter and up on the year, and is still below pre-pandemic rates.

Source: LFS from ONS

[Read more](#)



Unemployment rate

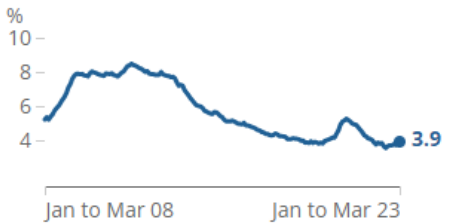
Unemployment rate (all aged 16+)

Quarterly change: ▲0.1pps
Since Dec-Feb 2020: ▼-0.1pps

The unemployment rate is up on the quarter and up on the year, and is below pre-pandemic rates.

Source: LFS from ONS

[Read more](#)



Inactivity rate

Economic inactivity rate (all aged 16 to 64)

Quarterly change: ▼-0.4pps
Since Dec-Feb 2020: ▲0.8pps

The economic inactivity rate decreased on the quarter and on the year, and is still above pre-pandemic rates.

Source: LFS from ONS

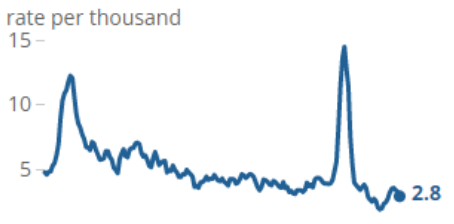
[Read more](#)



Redundancy rate

Redundancy rate (per 1000 employees)

Quarterly change: ▼-0.7 people per thousand
Since Dec-Feb 2020: ▼-1.0 people per thousand



Pay Squeeze

The latest Office for National Statistics figures also showed the squeeze on pay remains, with wage increases failing to keep up with rising prices.

Growth in regular pay, which excludes bonuses, was 6.7% in the first three months of the year, Average regular pay growth for the private sector was 7.0% and for the public sector was 5.6% in January to March 2023 (the highest since 2003).

However, when price rises are taken into account, regular pay fell on the year in January to March 2023, by 3.0% for total pay and by 2.0% for regular pay.

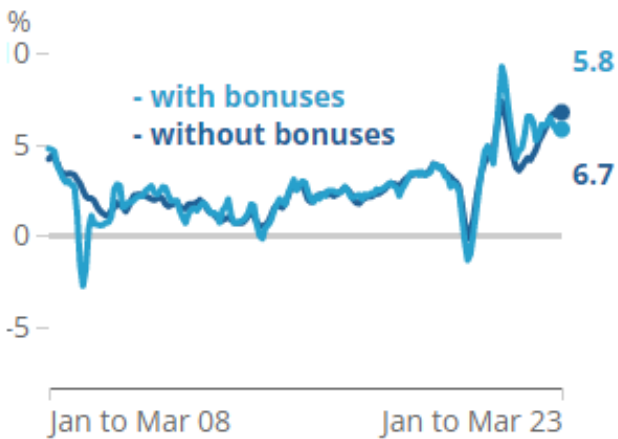
Nominal Earnings

Average Weekly Earnings annual growth rates - nominal pay

For regular pay this remains amongst the highest growth rates seen outside of the coronavirus (COVID-19) pandemic period.

Source: MWSS from ONS

[Read more](#)



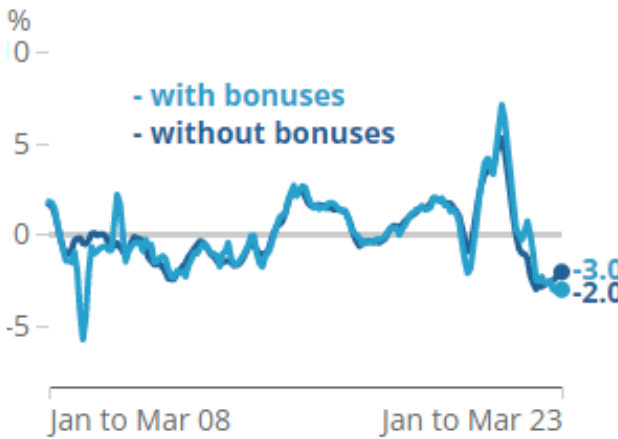
Real Earnings

Average Weekly Earnings annual growth rates - real pay

Inflation has been increasing, causing real pay growth rates to decrease.

Source: MWSS from ONS

[Read more](#)



What this means for South Yorkshire

South Yorkshire has particular issues regarding long-term ill health in comparison with the rest of the country.

Recent figures from the [ONS](#) show that in South Yorkshire, of those who do not work, over 1 in 3 (31.3%) do so because they are long-term sick, compared with just over 1 in 4 (25.8%) nationally.

That is a difference of 5.5 percentage points which equates to 47,635 people extra in South Yorkshire of working age who fall under this category.

Economic inactivity (Jan 2022-Dec 2022)

	South Yorkshire (Met County) (Level)	South Yorkshire (Met County) (%)	Yorkshire And The Humber (%)	Great Britain (%)
All People				
Total	203,500	23.0	22.6	21.5
Student	51,000	25.1	25.7	26.3
Looking After Family/Home	36,800	18.1	18.9	19.8
Temporary Sick	6,800	3.3	2.3	2.2
Long-Term Sick	63,700	31.3	27.6	25.8
Discouraged	!	!	0.7	0.3
Retired	26,800	13.2	13.7	13.8
Other	18,300	9.0	11.0	11.7
Wants A Job	42,300	20.8	16.6	18.1
Does Not Want A Job	161,200	79.2	83.4	81.9

Source: ONS annual population survey

Financial Lives: The Burden of Bills



Financial situation May 2022 – Jan 2023

The [Financial Conduct Authority](#) (FCA) have published some of their survey findings which give an insight into the financial situation UK adults experienced over the 6 months to January 2023.

Figures show that the number of adults struggling to pay their bills and debts has soared to 10.9 million (21%) in January 2023 – an increase of 6 percentage points.

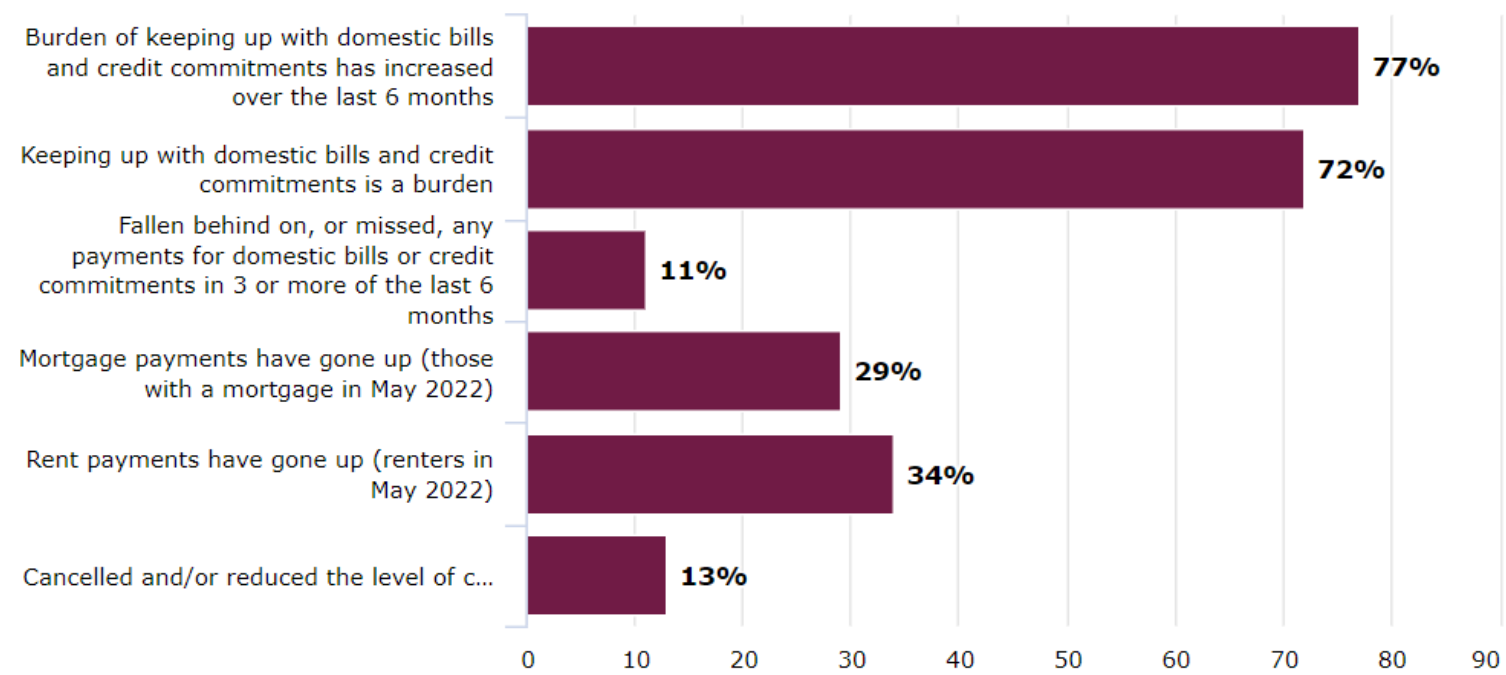
The number of adults who missed payments on any domestic bills or meeting any of their credit commitments in 3 or more of the previous 6 months also increased from 4.2 million (8%) in May 2022 to 5.6 million (11%) in January 2023.

FCA also reported that 29% of UK adults with a mortgage and 34% of renters experienced payment increases in the 6 months to January 2023.



Burden of keeping up with domestic bills and credit commitments

Source: FCA



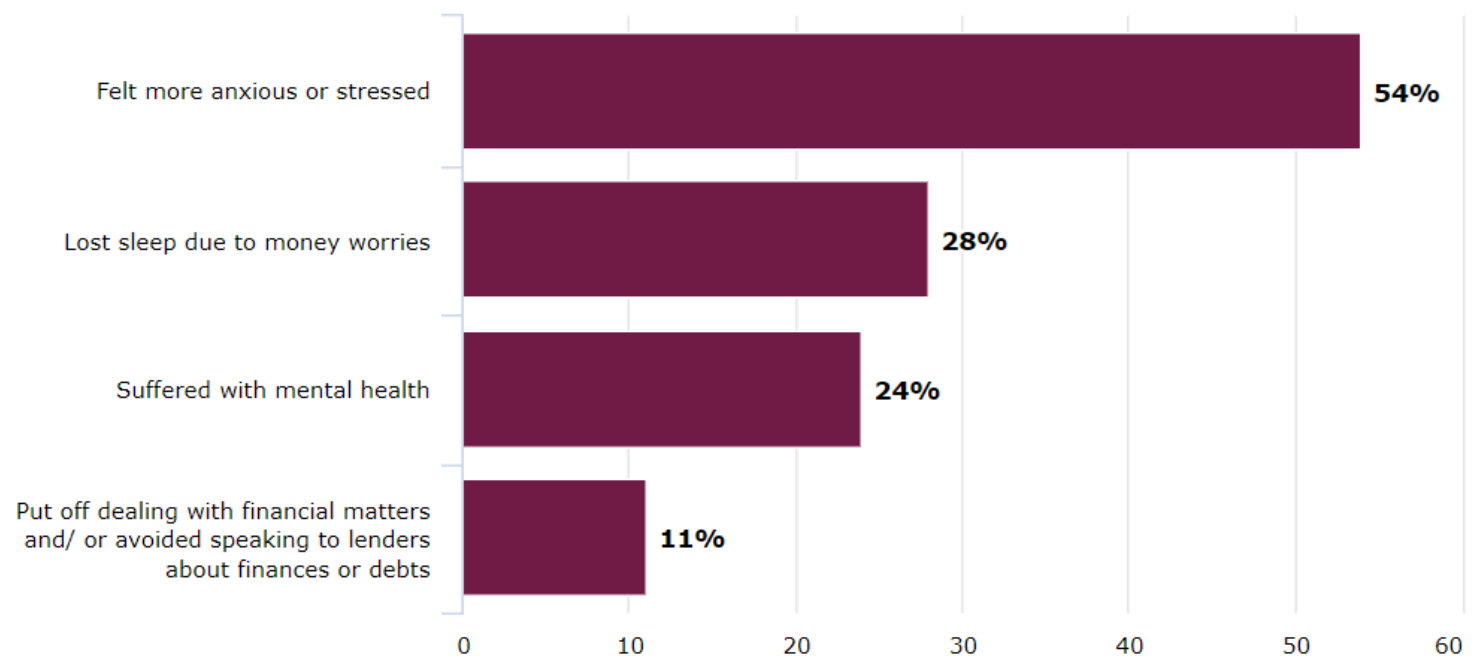
1 in 5 (21%) described it as a heavy burden (up from 15% in May 2022) and just over half (51%) as somewhat of a burden (up from 45% in May 2022).

In total 72% of UK adults felt that keeping up with these bills was a burden.

Over three-quarters (77%) of UK adults in the 6 months to January 2023 felt that the burden of keeping up with their domestic bills and credit commitments had increased.

27% saying a lot more of a burden, and 50% saying a little more of a burden.

Impact on mental wellbeing



As a result of the rising cost of living, over half (54%) of UK adults felt more anxious or stressed.

Just over 1 in 10 (11%) UK adults having put off dealing with financial matters and/or having avoided speaking to their lenders about their finances or debts.

£2 Bus Fare Cap Extension



£2 Fare in South Yorkshire

The £2 fare cap scheme for bus routes was introduced last year with to encourage public transport use during the current cost of living crisis. In South Yorkshire, £12.3m funding from SYMCA's budget was allocated for bus operators so that a fare cap could be sustained, increasing accessibility to public transport during a period of economic hardship.

With the aim to extend this scheme nationally until October, it's estimated to cost the Exchequer an extra £200m with the transport secretary pledging £300m to protect vital bus services.

A near record number of bus services were cancelled last year (around 1,000 routes nationally). There remain questions over whether the extension funding is sufficient with a confederation of Passenger Transport stating £390m is needed over the next 18 months to keep service levels constant.



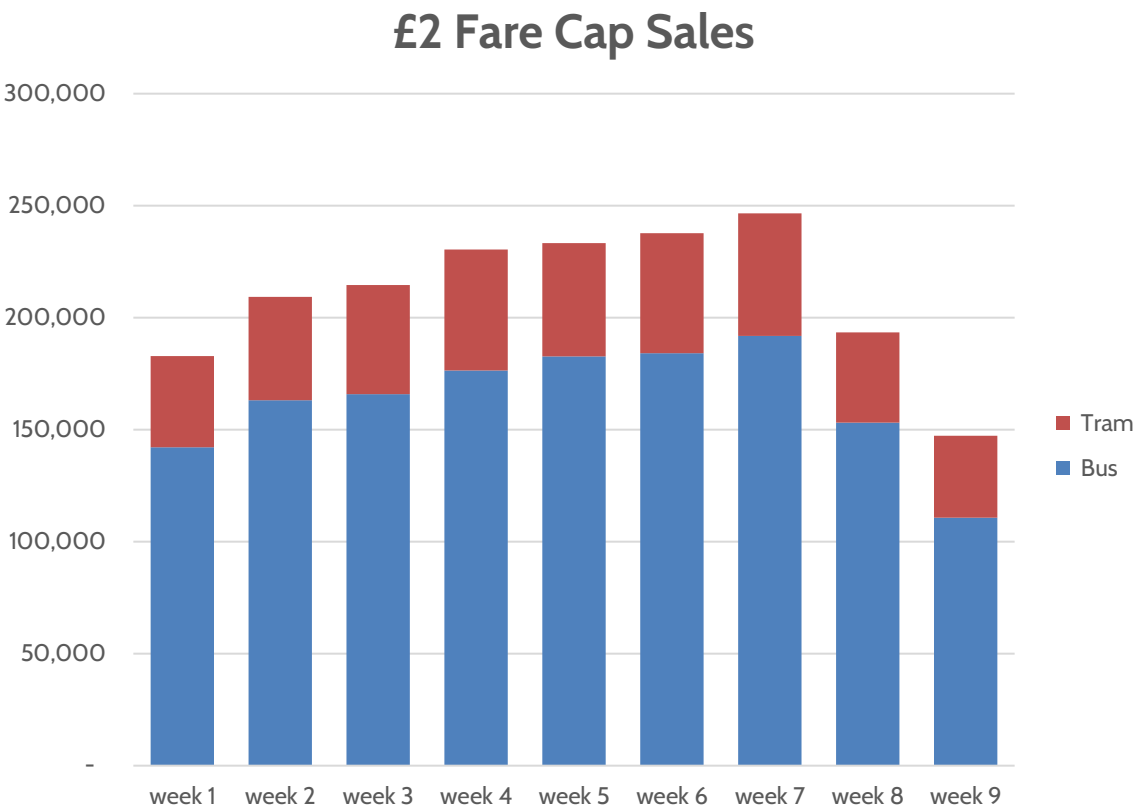
Source: Travel South Yorkshire

Impact of the Scheme

Relative effects of the £2 fare cap were found to be positive in terms of patronage with 35% of respondents to a government survey stating they had taken more bus journeys since the introduction of the initiative, and 10% choosing to travel by bus due to the introduction of the scheme.

In South Yorkshire, there was significant success in use of a £2 fare cap with a greater proportion of residents living in the most deprived quartile of areas within the region using buses. This shows that there is a considerate effect on those most susceptible to the cost-of-living crisis.

The cap contributes towards a lower cost of living, but seen in wider context, public transport only accounts for [about 8%](#) of household spending on transport according to official surveys.



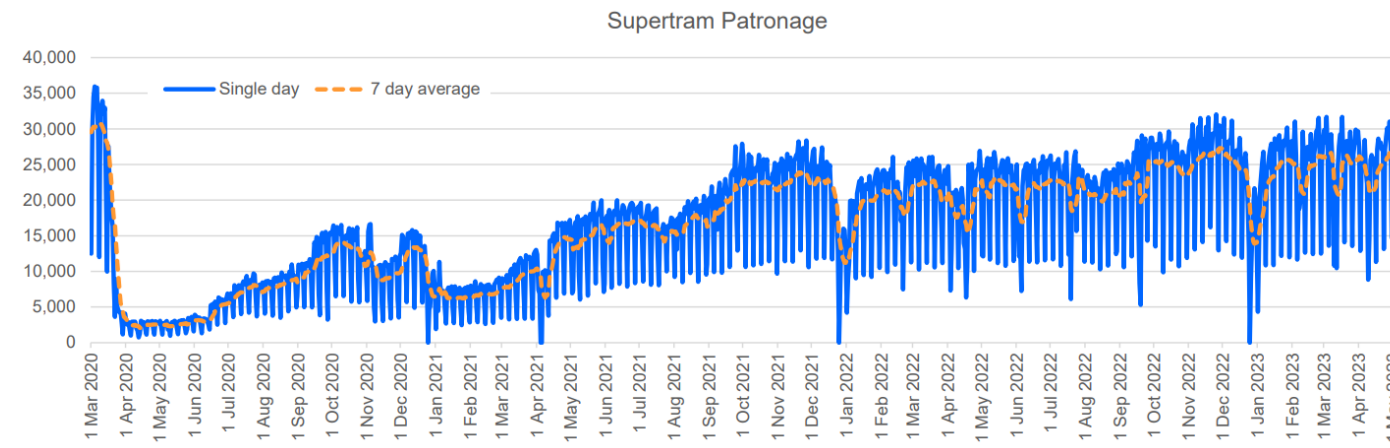
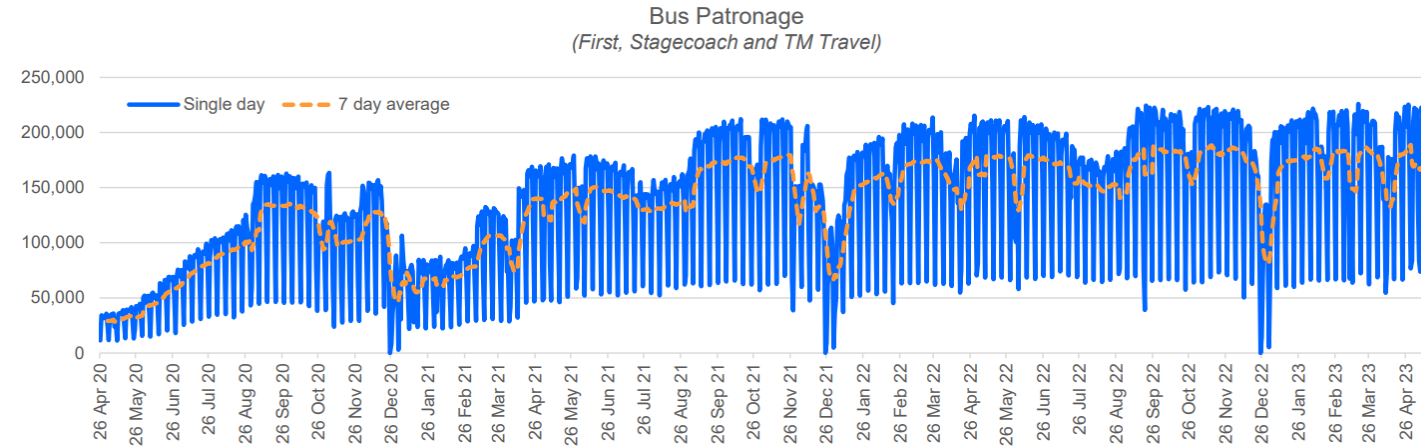
Source: SYMCA

Monthly Transport Usage Update



In the latest monthly update (Wednesday 10th May):

- Bus patronage was 71.5% of pre-Covid levels and Tram patronage was 78.8% of pre-Covid levels.
- There was a top 10-percentage of pre-Covid weekly recovery of 88.4% in the week to Sunday 30 April; if that weekly rate continued for a full year, patronage would reach 9.8m in total (forecast for 2023/24 is 8.9m).
- People counted in interchanges fell by 3,241 (7.5%) to 40,165 compared to the same day the previous week.



In other news....

Greggs Takeover

Greggs says total sales have gone up nearly a fifth (17%) compared to this time in 2022. The company said hot food like chicken goujons, wedges and pizza were popular.

The bakery chain, which opened its first shop in Newcastle in 1951, opened 63 new shops this year and extended some opening hours. It comes as it won the right to sell late-night sausage rolls at its flagship Leicester Square store following an agreement with Westminster City Council that allows it to sell some baked goods and hot drinks until 02:00 on certain nights.

In the past year Greggs has opened the new shops but closed 25 franchises, leaving it now with more than 2,360 outlets. The rise in 2023 was partly because the beginning of last year was impacted by the Omicron variant of coronavirus, Greggs said.



Rotherham or Rotheram?

Amid the discourse over Levelling Up, spending announcements in the Liverpool City Region seemed to have confused a campaign group in Staffordshire.

They attempted to complain about Liverpool City Region Metro Mayor Steve **Rotheram** spending money in **Rotherham** as it has a population smaller than Stoke.

In fact, Stoke (and Staffordshire) has no Metro Mayor or Combined Authority meaning it misses out on regional spending.

Steve **Rotheram** also denied he was a **Rotherham** superfan which is a real shame....



Steve Rotheram
@MetroMayorSteve

Just so we're clear:

I'm Steve Rotheram, the Mayor of the Liverpool City Region.

Rotherham is a town in South Yorkshire.

I've not called myself Steve Rotheram because I'm a Rotherham superfan (I've got not nothing against them beyond the constant misspelling of my own name!)



Staffordshire Regeneration
@Regenerate_SOT

Rotherham is basically the exact same size as Stoke.

It's metro population is a smaller

Where's our £500m publicly owned hydrogen buses?

Where's our £50m active travel fund?

We got £56m for levelling up and we're told to be grateful

Enough. Deliver change. Or get out

South Yorkshire Data & Intelligence Hub

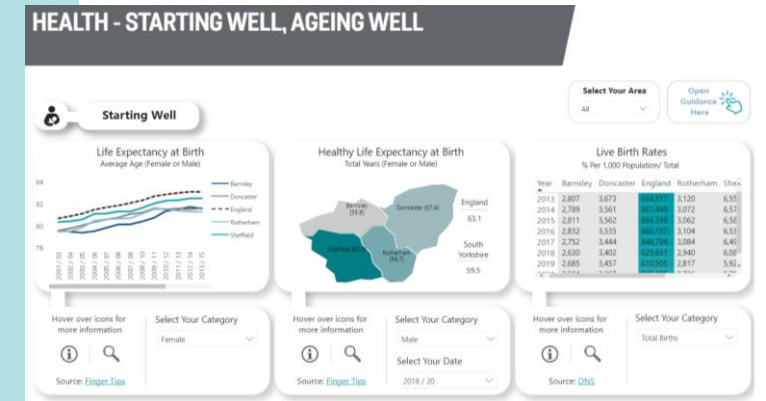
Want to access data and trends relating to South Yorkshire?

Head to the [South Yorkshire Data & Intelligence Hub](https://southyorkshire-ca.gov.uk/Data-Intelligence-Hub), which provides a range of data useful for understanding the local economy, as well as social and environmental outcomes.

It also helps to understand relative performance and changes in data. See how it works on YouTube [here](#).

Whether you're a resident, employer, academic, researcher or just interested in data, this can help you understand South Yorkshire's economy and develop evidence-based solutions.

Visit the dashboard now at <https://southyorkshire-ca.gov.uk/Data-Intelligence-Hub>



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