

Levelling down: The medium term local economic impact of coronavirus

SUMMARY

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SMF

Social Market
Foundation

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There has been a considerable amount of research conducted into the short-term economic implications of coronavirus but very little on which areas and groups will be impacted beyond 2020 and how. This paper analyses which industries, places and groups face the greatest economic risk over the medium-term period (2020-2023).

KEY POINTS

- Different sectors will face different levels of disruption. Employment in those sectors is unevenly distributed by geography and demography, so some locations and some groups of people face much greater economic risks than others.
- The places that face the greatest impact from the downturn are largely in the more affluent South East and London:

Top 10 highest impact areas (NUTS3)

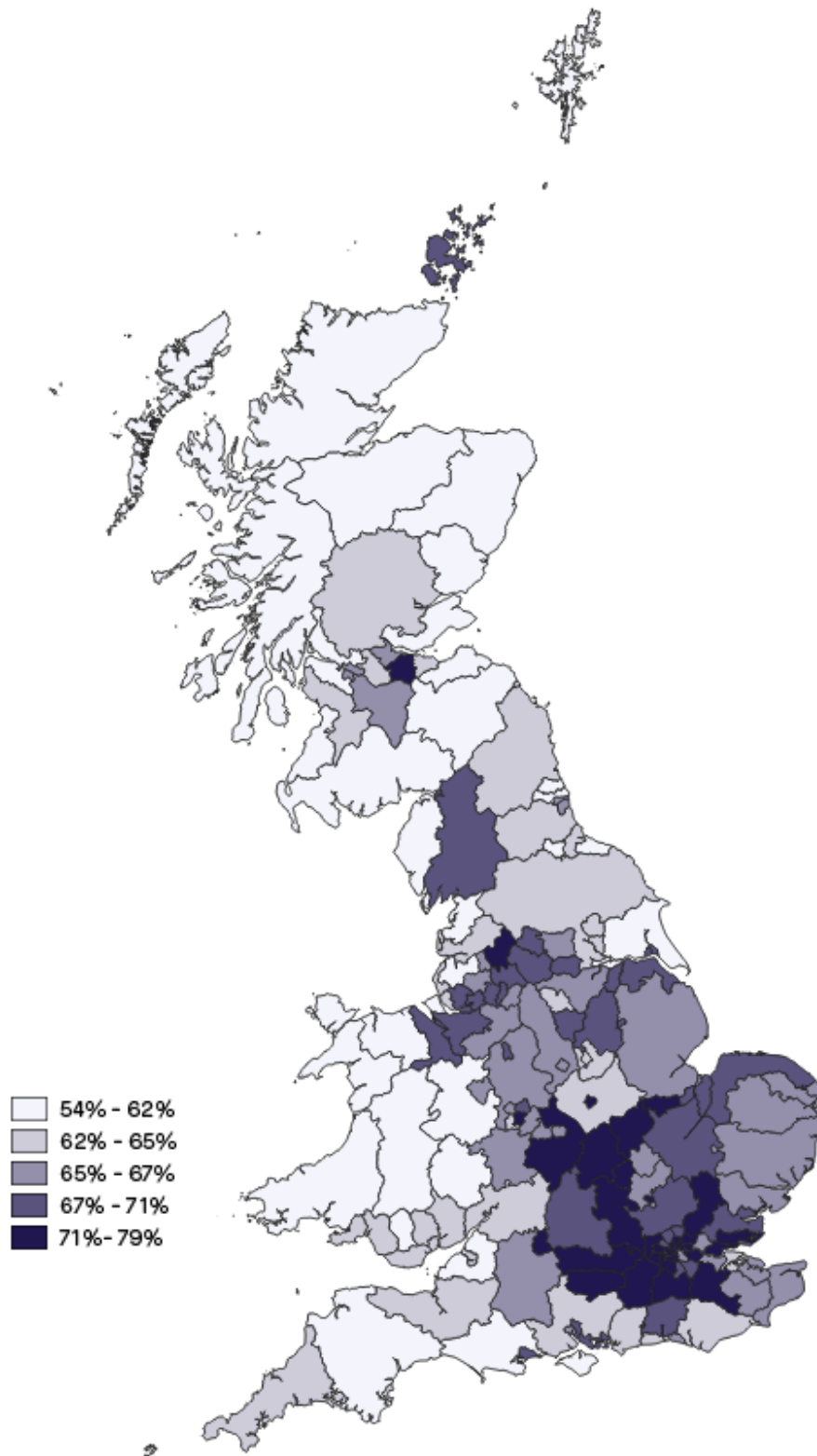
- | | |
|---|-----------------|
| • Camden and City of London | • Ealing |
| • Kingston and Chelsea and Hammersmith and Fulham | • Tower Hamlets |
| • Lambeth | • Westminster |
| • East Lancashire | • Swindon |
| • Hounslow and Richmond upon Thames | • West Essex |

- However, an area's recovery from disruption will depend on local resilience and pre-crisis levels of economic output and employment. Taking that into account, the places with most to fear from the downturn are elsewhere:

Top 10 severely impacted areas with the highest pre-crisis unemployment (NUTS3)

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|-------------------------------|--------------------------------|
| • Kingston upon Hull, City of | • Lambeth |
| • Bradford | • Thurrock |
| • Walsall | • Brent |
| • Manchester | • Redbridge and Waltham Forest |
| • Peterborough | • Sandwell |

Figure 1: Proportion of jobs facing a moderate or severe impact



Source: SMF analysis of NOMIS data (2020)

Note: Comparative data does not exist for Northern Ireland hence its exclusion

Highest impact areas (NUTS3)

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| NUTS3 area | Region | Proportion of jobs in moderate & severe |
|---|-----------------|---|
| Camden and City of London | London | 79% |
| Kensington & Chelsea and Hammersmith & Fulham | London | 79% |
| Lambeth | London | 78% |
| East Lancashire | North West | 78% |
| Hounslow and Richmond upon Thames | London | 76% |
| Ealing | London | 75% |
| Tower Hamlets | London | 75% |
| Westminster | London | 74% |
| Swindon | South West | 74% |
| West Essex | East of England | 74% |
| Thurrock | East of England | 74% |
| Haringey and Islington | London | 73% |
| Luton | East of England | 73% |
| Hackney and Newham | London | 73% |
| Berkshire | South East | 73% |
| Harrow and Hillingdon | London | 73% |
| Warwickshire | West Midlands | 73% |
| Wandsworth | London | 73% |
| Leicester | East Midlands | 72% |
| West Northamptonshire | East Midlands | 72% |
| West Kent | South East | 72% |
| West Surrey | South East | 72% |
| East Surrey | South East | 72% |
| Redbridge and Waltham Forest | London | 72% |
| West Lothian | Scotland | 71% |
| North Northamptonshire | East Midlands | 71% |
| Buckinghamshire CC | South East | 71% |
| Sandwell | West Midlands | 71% |
| Merton, Kingston upon Thames and Sutton | London | 71% |
| Bexley and Greenwich | London | 71% |
| Milton Keynes | South East | 71% |
| Essex Thames Gateway | East of England | 71% |
| North Hampshire | South East | 71% |
| Peterborough | East of England | 71% |
| East Cumbria | North West | 71% |
| Southend-on-Sea | East of England | 70% |
| Bournemouth and Poole | South West | 70% |
| Hertfordshire | East of England | 70% |

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|-----------------------------------|------------------------|-----|
| Calderdale and Kirklees | Yorkshire & the Humber | 70% |
| Heart of Essex | East of England | 69% |
| East Derbyshire | East Midlands | 69% |
| North Nottinghamshire | East Midlands | 69% |
| Manchester | North West | 69% |
| Greater Manchester South West | North West | 69% |
| Wakefield | Yorkshire & the Humber | 69% |
| Brent | London | 69% |
| Warrington | North West | 69% |
| Bromley | London | 69% |
| South Hampshire | South East | 69% |
| Kingston upon Hull, City of | Yorkshire & the Humber | 68% |
| Stoke-on-Trent | West Midlands | 68% |
| Cambridgeshire CC | East of England | 68% |
| Walsall | West Midlands | 68% |
| Flintshire and Wrexham | Wales | 68% |
| Bradford | Yorkshire & the Humber | 68% |
| North and North East Lincolnshire | Yorkshire & the Humber | 68% |
| Croydon | London | 68% |
| Enfield | London | 68% |
| Barnet | London | 68% |
| North and West Norfolk | East of England | 68% |
| Greater Manchester North East | North West | 68% |
| Orkney Islands | Scotland | 68% |
| Portsmouth | South East | 68% |
| West Sussex (North East) | South East | 68% |
| Cheshire West and Chester | North West | 67% |
| East Merseyside | North West | 67% |
| Oxfordshire | South East | 67% |
| Wolverhampton | West Midlands | 67% |
| Staffordshire CC | West Midlands | 67% |
| Central Bedfordshire | East of England | 67% |
| Cheshire East | North West | 67% |
| Derby | East Midlands | 67% |
| Falkirk | Scotland | 67% |
| Mid Kent | South East | 67% |
| Lewisham and Southwark | London | 67% |
| Leeds | Yorkshire & the Humber | 67% |
| Solihull | West Midlands | 67% |
| Birmingham | West Midlands | 67% |
| Greater Manchester North West | North West | 67% |
| Kent Thames Gateway | South East | 67% |
| Barking & Dagenham and Havering | London | 67% |
| Worcestershire | West Midlands | 66% |

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| Bedford | East of England | 66% |
| Barnsley, Doncaster and Rotherham | Yorkshire & the Humber | 66% |
| Suffolk | East of England | 66% |
| Telford and Wrekin | West Midlands | 66% |
| Coventry | West Midlands | 66% |
| South and West Derbyshire | East Midlands | 66% |
| Southampton | South East | 66% |
| Norwich and East Norfolk | East of England | 66% |
| Brighton and Hove | South East | 66% |
| Essex Haven Gateway | East of England | 65% |
| Blackburn with Darwen | North West | 65% |
| East Kent | South East | 65% |
| Lincolnshire | East Midlands | 65% |
| Wiltshire | South West | 65% |
| Greater Manchester South East | North West | 65% |
| Glasgow City | Scotland | 65% |
| Sunderland | North East | 65% |
| South Lanarkshire | Scotland | 65% |
| Breckland and South Norfolk | East of England | 65% |
| Somerset | South West | 65% |
| North Lanarkshire | Scotland | 65% |
| Medway | South East | 65% |
| Swansea | Wales | 65% |
| Gloucestershire | South West | 65% |
| Monmouthshire and Newport | Wales | 65% |
| Torbay | South West | 65% |
| Liverpool | North West | 64% |
| Dudley | West Midlands | 64% |
| Cornwall and Isles of Scilly | South West | 64% |
| Edinburgh, City of | Scotland | 64% |
| Leicestershire CC and Rutland | East Midlands | 64% |
| Central Hampshire | South East | 64% |
| Durham CC | North East | 64% |
| Sefton | North West | 64% |
| North Yorkshire CC | Yorkshire & the Humber | 64% |
| East Sussex CC | South East | 64% |
| Northumberland | North East | 64% |
| Nottingham | East Midlands | 64% |
| Bristol, City of | South West | 63% |
| York | Yorkshire & the Humber | 63% |
| Perth & Kinross and Stirling | Scotland | 63% |
| Sheffield | Yorkshire & the Humber | 63% |
| South Nottinghamshire | East Midlands | 63% |
| Cardiff and Vale of Glamorgan | Wales | 63% |

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| Blackpool | North West | 63% |
| Gwent Valleys | Wales | 63% |
| Hartlepool and Stockton-on-Tees | North East | 63% |
| East Ayrshire and North Ayrshire mainland | Scotland | 63% |
| Plymouth | South West | 63% |
| Bridgend and Neath Port Talbot | Wales | 63% |
| West Sussex (South West) | South East | 63% |
| Mid Lancashire | North West | 62% |
| Bath and North East Somerset, North Somerset and South Gloucestershire | South West | 62% |
| Isle of Wight | South East | 62% |
| Devon CC | South West | 62% |
| Chorley and West Lancashire | North West | 62% |
| Tyneside | North East | 62% |
| Clackmannanshire and Fife | Scotland | 62% |
| Inverness & Nairn and Moray, Badenoch & Strathspey | Scotland | 62% |
| East Lothian and Midlothian | Scotland | 62% |
| Herefordshire, County of | West Midlands | 62% |
| Scottish Borders | Scotland | 61% |
| Shropshire CC | West Midlands | 61% |
| Darlington | North East | 61% |
| East Riding of Yorkshire | Yorkshire & the Humber | 61% |
| Inverclyde, East Renfrewshire and Renfrewshire | Scotland | 61% |
| Shetland Islands | Scotland | 61% |
| South Teesside | North East | 61% |
| Dorset CC | South West | 60% |
| Wirral | North West | 60% |
| East Dunbartonshire, West Dunbartonshire and Helensburgh & Lomond | Scotland | 60% |
| Dumfries & Galloway | Scotland | 60% |
| Angus and Dundee City | Scotland | 60% |
| Central Valleys | Wales | 60% |
| Lancaster and Wyre | North West | 59% |
| Caithness & Sutherland and Ross & Cromarty | Scotland | 59% |
| South West Wales | Wales | 59% |
| West Cumbria | North West | 59% |
| Lochaber, Skye & Lochalsh, Arran & Cumbrae and Argyll & Bute | Scotland | 59% |
| Powys | Wales | 58% |
| Aberdeen City and Aberdeenshire | Scotland | 58% |
| Na h-Eileanan Siar (Western Isles) | Scotland | 58% |
| Gwynedd | Wales | 58% |
| Conwy and Denbighshire | Wales | 57% |
| South Ayrshire | Scotland | 57% |
| Isle of Anglesey | Wales | 54% |

