Wakefield Council, UK
Policy Alert: Corona – update 18th September

- ONS: Retail sales, Great Britain: August 2020
  https://www.ons.gov.uk/businessindustryandtrade/retailindustry/bulletins/retailsales/august2020
  - In August, retail sales volumes increased by 0.8% when compared with July; this is the fourth consecutive month of growth, resulting in an increase of 4.0% when compared with February’s pre-pandemic level.
  - Retail sales values increased by 0.7% when compared with July and 2.5% when compared with February.
  - There was a mixed picture within the different store types as non-store retailing volumes were 38.9% above February, while clothing stores were still 15.9% below February’s pre-pandemic levels.
  - Spending for home improvements continued to rise as sales volumes within household goods stores increased by 9.9% when compared with February.
  - Online retail sales fell by 2.5% when compared with July, but the strong growth experienced over the pandemic has meant that sales were still 46.8% higher than February’s pre-pandemic levels.
  - Total retail sales volumes decreased by 4.8% up to August 2020 as all sectors except for food and non-store retailing saw a fall in sales. Food stores increased by 4.4% and non-store retailing showed strong growth at 28.6% when compared with January to August 2019.
  - The largest percentage of stores reporting a decrease in footfall because of the effects of the coronavirus pandemic were textile, clothing and footwear stores.
  - Household goods stores selling home improvement items recovered to above pre-pandemic levels, while music and video stores remained at lower levels in August
  - From March 2020, consumers shifted to spending in essential food stores and online retailers as many stores within non-food retailing faced temporary closures. Total non-food stores fell by 18.2%, with a strong decline of 30.1% for clothing stores.
  - 51.5% of food stores reported a decrease in footfall from 10 to 23 August, which may have been down to other parts of the economy reopening, such as restaurants and bars.

- ONS: How the COVID-19 Pandemic has accelerated the shift to online spending
  - At the height of pandemic restrictions in April 2020, retail sales fell by a quarter compared with pre-COVID levels. While overall sales have now recovered this lost ground, in store sales are still nearly 10% down, while those online are still up by nearly half on the start of the year.
  - Clothing stores have been among the worst hit retail sector. At the height of the pandemic their sales were down four fifths and they remain more than a quarter below pre crisis levels.
  - Household goods stores and “other” stores (which includes medical goods, sports equipment and jewellery stores amongst others) initially saw large falls in sales comparable with that witnessed for clothing stores. However, their recovery has been more rapid with in-store sales now both less than 10% lower than pre COVID levels
  - Clothing, household goods and “other” stores have all seen their proportion of online sales more than double during the pandemic period.
  - Food stores have seen the largest increase in online sales, with August’s sales having nearly doubled, compared with February 2020. Large supermarkets reported a huge surge in “click and collect” and delivery orders.
  - However, in store food sales still accounted for nearly nine tenths of all food sales in August, despite the increased online sales.
“Other” retail stores witnessed a large uptake in online sales from April onwards with total online sales peaking at almost double February levels. These levels were maintained through June and July and, while they dipped in August, remain over 50% higher than the start of the year.

Both department stores and household goods stores reported a 70% increase in online sales during August when compared with pre COVID levels.

- Bank of England: Agents' summary of business conditions - 2020 Q3
  [https://www.bankofengland.co.uk/agents-summary/2020/2020-q3](https://www.bankofengland.co.uk/agents-summary/2020/2020-q3)

- Sales of consumer goods over the past month or so recovered from their lows during lockdown: contacts reported faster growth in online sales, while store-based sales also improved, though to a lesser extent.
- Many retail contacts said they delayed opening less profitable stores, and some chains closed stores permanently. Sales at out-of-town shopping centres were stronger than in town centre stores.
- Supermarkets said sales growth had eased somewhat from its peak during lockdown, as some consumers returned to eating out. However, online orders for home delivery and in-store collection remained strong. Convenience stores also continued to report strong sales growth.
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- Restaurant contacts reported strong demand, supported by the Government’s Eat Out to Help Out scheme, and many reported positive trade on days when the scheme did not apply. Nonetheless, revenues were constrained because restaurants had to limit customer numbers in order to maintain social distancing — in some cases by as much as half. And some restaurant chains kept certain outlets closed, especially in locations reliant on business from office workers.
- Activity continued to be strong among firms in IT and telecoms, employment law, audit, debt management and corporate restructuring. Insurance and corporate banking activity continued to hold up. Contacts offering Brexit planning advice reported activity starting to pick up again.
- The majority of manufacturing contacts said they had restarted output, though many were operating below capacity in order to maintain social distancing, and demand remained subdued.
- Contacts reported strong demand in public sector work, in part supported by a government scheme to fund infrastructure projects, which resulted in some projects being brought forward.
- House building activity was reported to have picked up, though mostly to complete projects, rather than start new ones. Contacts were uncertain about how long that upturn would be sustained, and so were cautious about the outlook for house building.
- Housing market and rental activity strengthened; investor demand for commercial property remained muted.
- Commercial real estate remained subdued. In the retail sector, rental income was significantly lower than normal. Some landlords have been renegotiating rental terms, and the shift towards rents linked to turnover continues. There was significant uncertainty over the outlook for demand, as some businesses were actively considering giving employees the option to work remotely on a permanent basis.
- Demand for industrial space remained strong, particularly for distribution and logistics premises, supported by the shift towards online retail. Demand for healthcare premises and data centres was also robust.
- Widespread reports of investment being cancelled or postponed due to uncertainty, especially in the aviation, automotive and oil and gas industries.
- Many companies reported freezing pay, and a large proportion of contacts said they planned to delay or cancel pay settlements this year. Companies in a number of sectors reported introducing temporary pay cuts, though these were mainly at management level.
- Companies across all sectors reported plans to reduce headcount, particularly in the second half of this year as the CJRS unwinds. Job losses were expected to be particularly severe in the hospitality, retail, aviation, automotive and oil and gas sectors.
Contacts reported little movement in prices, as uncertainty about demand and constrained capacity limited the desire to move prices up or down.

- Public Accounts Committee: Immigration Enforcement:
  https://publications.parliament.uk/pa/cm5801/cmselect/cmpubacc/407/40702.htm
  - The Home Office is still not sufficiently curious about the impact of its actions and the underlying reasons for the challenges it faces.
  - If it does not make decisions based on evidence, it instead risks making them on anecdote, assumption and prejudice.
  - It has no idea of what impact it has achieved for the £400 million spent each year by its Immigration Enforcement directorate.
  - The culture and make-up of the Department have left it poorly placed to appreciate the impact of its policies on the people affected.
  - Recommendations:
    - Undertake work to improve its understanding of the illegal population in the UK. This should include analysis by age, length of time in the UK, and whether they originally entered the UK legally or illegally.
    - Produce clear definitions of harm, and a means to record the level of harm caused by the illegal population.
    - Put in place a detailed improvement plan for its collection, use, and analysis of data, setting out: The skills gaps it has identified in its analytical capability and how it intends to fill them; A plan for transforming Immigration Enforcement into a data-led organisation; and how it intends to use this in the future to help plan and prioritise its activities.
    - Building on its response to the Windrush lessons learned review, The Home office should mobilise an evidence base and evaluations to challenge its own assumptions and beliefs about the user experience within the immigration system.
    - Develop a joined-up approach across the full end-to-end immigration system to ensure that people get the right support at the right time.
    - Record and assess how people move through the immigration system to understand where and how problems arise. This should include evaluating whether earlier access to good quality, affordable legal advice might help to reduce the number of late claims.
    - Urgently develop a forward plan and put in place actions to mitigate the risks to work with EU partners. This should include consideration of reciprocal arrangements for: immigration staff working in other countries; the return of offenders, from the UK to EU member states and vice versa, following the end of transition period; and the return of individuals who attempt to enter the UK with false documents or by clandestine means from an EU country, or indeed those who enter EU countries from the UK.

- And for your weekend (and things that pollsters ask The Great British Public). This:
  https://yougov.co.uk/topics/health/articles-reports/2020/09/11/covid-19-one-five-britons-would-have-sex-face-mask