ONS: Retail sales, Great Britain: July 2022
https://www.ons.gov.uk/businessindustryandtrade/retailindustry/bulletins/retailsales/july2022

- Retail sales volumes rose by 0.3% in July 2022 following a fall of 0.2% in June 2022 (revised from a fall of 0.1%); sales volumes were 2.3% above their pre-coronavirus (COVID-19) February 2020 levels, but down over the past year.
- In the three months to July 2022, sales volumes fell by 1.2% when compared with the previous three months; this continues the downward trend since summer 2021.
- Non-store retailing (predominantly online retailers) sales volumes rose by 4.8% in July 2022; feedback from online retailers suggested that a range of promotions in July 2022 boosted sales.
- Automotive fuel sales volumes fell by 0.9% in July 2022, with anecdotal evidence that the heatwave across parts of the UK may have reduced travel and sales.
- Continued high fuel prices may also be impacting sales. Despite weekly forecourt prices starting to fall during July, average prices for petrol and diesel over the month were still both 5.5 pence per litre higher than in June 2022.
- Non-food stores sales volumes fell by 0.7% over the month because of falls in other non-food stores (negative 1.5%), and clothing stores (negative 1.2%).
- Feedback from retailers suggests that consumers are cutting back on spending because of increased prices and affordability concerns.
- Food store sales volumes rose by 0.1% in July 2022; sales volumes were 0.1% below their February 2020 levels.
- In recent months, retailers have highlighted that they are seeing a decline in volumes sold because of increased food prices and cost of living impacts.
- The proportion of retail sales online rose to 26.3% in July 2022, from 25.3% in June 2022; despite this pick-up, it continues a broad downward trend since its peak in February 2021 (37.5%) but remains above pre-pandemic levels (19.8% in February 2020).

Economics Observatory: The UK’s regional labour markets: what do the latest data reveal?

- The headline UK data indicate a tight labour market with low numbers of people unemployed and high numbers of vacancies. The unemployment rate sits at 3.8% for the period between March and May 2022, down 1.1 percentage points from the previous year.
- Similarly, there is around one unemployed person for every vacancy that exists at the moment, compared with 1.9 this time last year.
- Most regions now have lower unemployment rates than they did in the immediate pre-pandemic period. Unemployment rates were generally around historic lows at that time.
- Most regions have more people who are economically inactive now than in the year prior to the pandemic
- The key drivers of more people being economically inactive are ill health, retirement and because they are students. At the same time, the number of individuals who are economically inactive because they are looking after family or the home is generally declining.
- In Yorkshire and the Humber changes in reasons for economic nativity between 2021-2022 are: retired = +9,3000, sickness +2500, students -5,400, family caring -21,700)
- While median pay growth for the UK as a whole in these data is slightly higher (at 6.6%) than the headline measure (which is only 5.1%), there is variation across regions. The biggest increase in median pay over the past year has been in the South West and the lowest in Northern Ireland, at 7.6% and 4.7% respectively.
There are also differences within regions. Both the East Midlands and Yorkshire and the Humber have a difference of 1.7 percentage points between the areas with the fastest and slowest pay growth.

Median pay in North Yorkshire grew by 8.2% over the past year, but only by 6.6% in West Yorkshire.

In the East Midlands, median pay in Derbyshire and Nottinghamshire grew by 7% over the past year compared with only 5.4% in Lincolnshire.

A number of factors are driving these differences, including the types of businesses and the nature of work in these areas.

Onward: Going Green - New technologies and behaviour change for net zero

Individual actions will be responsible for one third of the fall in the UK's future emissions by 2050.

Of the three biggest changes needed to reach net zero - decarbonisation of the electricity supply, uptake of electric vehicles, and adoption of low-carbon heating systems - people will be responsible for the latter two.

To date, a range of government schemes have proved ineffective at overcoming real and perceived barriers to individual change like cost and flexibility.

The ‘Green Deal’ for retrofit saw only 15,000 households sign up out of 610,000 assessments before the scheme was scrapped in 2015 - a conversion rate of just 2.5%.

The £2 billion Green Homes Grant programme aimed to retrofit 600,000 homes, but as of February 2022 had only benefited 43,000.

Recommendations:

Individual incentives which aim to overcome the barrier of long payback periods and high upfront costs to uptake of energy-efficiency retrofits.
- Retrofit as a service’ model, using blended finance with grants and subsidised loans attached to the property deed to finance street by-street retrofit.
- Stamp duty rebates of up to 50% for energy-efficiency measures and heat pumps installed within 24 months of moving in.

Collective incentives to drive the uptake of new net zero technologies
- Demand aggregation schemes introduced by Local or Combined Authorities, which use collective purchasing power to negotiate lower prices for new technologies for groups of buyers.
- A salary sacrifice scheme for green technologies, promoted through workplaces

Encourage behaviour change
- Individualised marketing schemes for public transport and active travel to be delivered by Local and Combined Authorities.
- Nudge new electric vehicle owners to time-of-use tariffs through email campaigns.
- Require energy suppliers to include social norms messaging on household energy bills.
- Consult on introducing a mandatory requirement for carbon labelling on food and beverage products.

Green Alliance: Powering the labour market - Skilled work in a low carbon energy system

- Low carbon power sources support at least three times more secure work per megawatt of capacity than gas, with solar and offshore wind supporting five times more.
- The UK energy security strategy will create secure, skilled work in offshore wind, nuclear and solar. These will predominantly be in the East, South East and South West of England, although there will be some growth in the North West, Yorkshire and the Humber, and Wales.
- Permanent jobs in the operation and maintenance of low carbon power sources have a similar or higher skill level to jobs in coal or gas generation.
Nuclear and onshore wind create a greater proportion of long term, skilled jobs in manufacturing and construction than solar or offshore wind. But their construction is less labour intensive overall, so there are fewer total jobs to increase capacity, compared to solar and offshore wind.

Offshore and onshore wind support roughly the same amount of skilled work. The proportion of highly skilled jobs in operation and maintenance is 60 per cent for offshore and 90% for onshore, but offshore wind supports more permanent jobs overall.

Solar and offshore wind create the most temporary ‘job years’ per megawatt of capacity. Around 40% of these are highly skilled.

Fully decarbonising power by 2035, with more ambitious targets for offshore and onshore wind, would distribute secure, skilled work more evenly across the UK’s regions.

Low carbon acceleration would create more secure jobs in the North West, Yorkshire and the Humber, and Scotland, balancing employment more equally between regions. Under this route, the power sector labour force in Wales, Yorkshire and the Humber, the West Midlands, East of England, the North, South West and the South East will need to increase by over 200%. In the North West the rise will be over 300%.

Recommendations:

- Actions beyond legislation should focus on the deployment of renewables. This should include a Clean Power Plan, setting out the government’s roadmap to decarbonise energy, as well as adjustments to the National Planning Policy Framework to accelerate onshore wind deployment.
- Give Ofgem a net zero statutory duty to accelerate its focus on cleaner renewable energy
- Narrow the focus of the R&D tax super-deduction to support low carbon technology.
- Target grants and low cost loans to those training and retraining in the low carbon power sector.
- Rebalance the cost of training, by launching a ‘green skills super-deduction’ and restoring the Union Learning Fund.
- What workers think should be factored into Local Skills Improvement Plans.
- Where fossil fuel assets are winding down, or where workers need to relocate, communities should be supported. This may be through grants to purchase and repurpose local energy assets, for example to convert them into cultural or heritage sites, or by increasing services in places growing through new employment opportunities in low carbon power.

New Statesman: Why the housing market is about to crash
https://www.newstatesman.com/quickfire/2022/08/will-housing-market-crash-50-year-mortgages

- A new lender, Perenna, has been awarded a licence to bring 50-year mortgages to the UK market.
- A £250,000 mortgage at 4.5% will have payments of around £1,000 a month. After 20 years of these payments, a mortgagee will have spent more than £240,000 but cleared less than £45,000 from the debt.
- It will take 37 years to clear half the loan, and after 50 years, that £250,000 mortgage will have cost more than £629,000.
- Almost no one is going to make it to the end of a 50-year mortgage. The average first-time buyer, now in their early 30s, would need to be able to guarantee their income (and probably their relationship with their partner) well into their 80s to do so.
- The fact that there is a market for them – and that the government supports them – is a strong indicator that house prices are due to fall.
- In the 1970s, as mortgages were rationed, buyers scrabbled for new long-term deals before the market slumped.
- In 1989, many couples rushed to buy at inflated prices before tax relief was outlawed; within a few years the average London property had lost almost a third of its value.
- The fact that once more people are being encouraged to use a new and yet more desperate measure, when house price affordability had dropped to a level not seen since the late 19th century, is a very strong sign that the pattern is about to repeat.
• The signs are already beginning to emerge: no-fault evictions have risen by 41% over pre-pandemic levels, and there are signs that this may be a result of buy-to-let landlords deciding that the market has peaked. Landlords, who buy and sell more quickly, are a key indicator of where demand is headed.

New Local: Community Calling - People want more influence
https://www.newlocal.org.uk/publications/community-calling/
• The majority of people were unconfident in Westminster’s ability to tackle the cost-of-living crisis (66% unconfident), loneliness/wellbeing (56%), Levelling Up (54%), and climate change (51%).
• There is a strong sense of disconnect between those decision makers at the top and the public – 79% think Westminster and Whitehall are making decisions about people and places they know little about.
• There is an appetite for more local control – 79% of people think the best decisions are made when the people who will be affected are closely involved in the process and 75% think that allowing communities to have more of a say in decisions that affect their area would be more effective than decisions taken centrally.
• People want more control and influence but within existing governance structures – the Red Wall and Swing Seat focus groups highlighted how existing tiers of government (local councils, parish councils) should play an important role to avoid duplication, overcome disagreements, and avoid exploitation of any new system.
• Local figures are most trusted – 53% of people had trust in members of their local community to have their community’s best interests at heart with 45% trusting local charitable/grassroots organisations, 33% trusting councils, and 8% trusting national politicians.
• People understand spatial variation – the Red Wall and Swing Seat focus groups demonstrated a clear understanding that different places have different issues and will need different solutions.
• An overwhelming majority of people support full funding of councils – 79% of people think national politicians should guarantee funding for local councils so they can invest in communities.
• Most people think community power should be politically committed to and legislated for – 73% think national politicians should transfer more power to local areas while 71% think that there should be a legal right for communities to have a say over how their local public services are run.
• Most people would support a politician’s commitment to community power – 72% would support a politician with this goal

ONS: Online calculator: How is inflation affecting your household costs?
https://www.ons.gov.uk/economy/inflationandpriceindices/articles/howisinflationaffectingyourhouseholdcosts/2022-03-23
8.1% estimated inflation for the Hayes household. Primarily the advantage of me living within walking distance of the office and city centre :-)