Local Authority EU Transition Exposure Dashboards

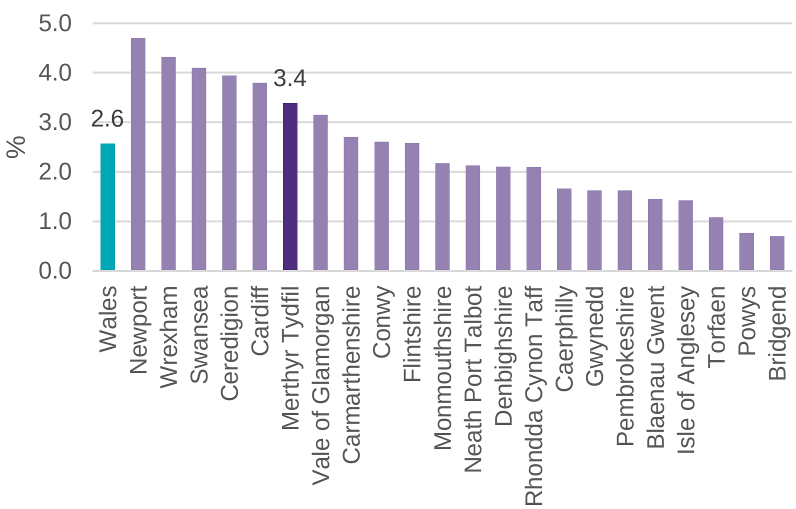
Merthyr Tydfil

2020 update

Merthyr Tydfil. People

EU residents

Proportion of population that are non-UK EU born residents



Long-term international migration

'Net migration' shows how many more people are coming to live in the UK than leaving the UK to live abroad

Net migration (total)
Wales: 7,812
UK: 230,514

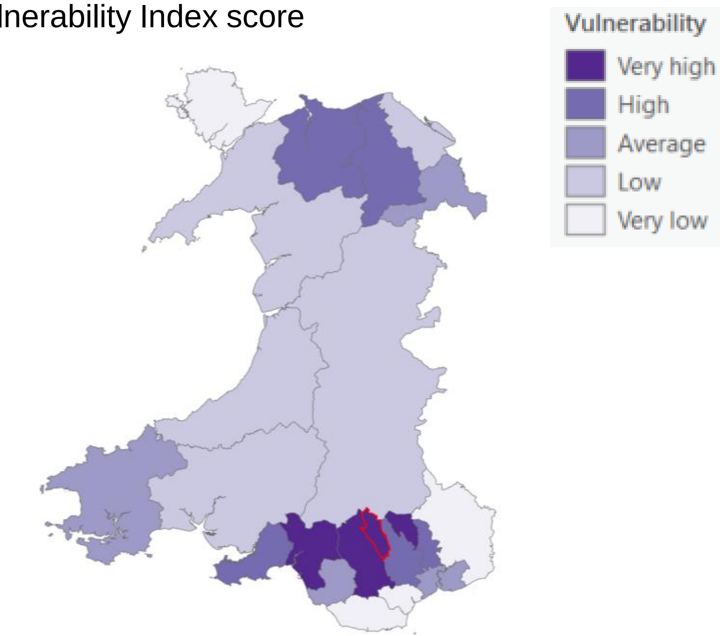
Merthyr Tydfil
43

Net migration (per 1,000 pop)
Wales: 2.5
UK: 3.5

Merthyr Tydfil
0.7

Community Vulnerability Index

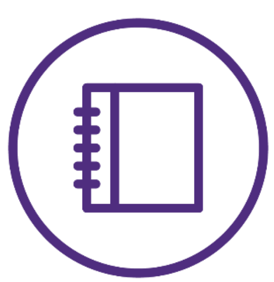
Vulnerability Index score



Skills

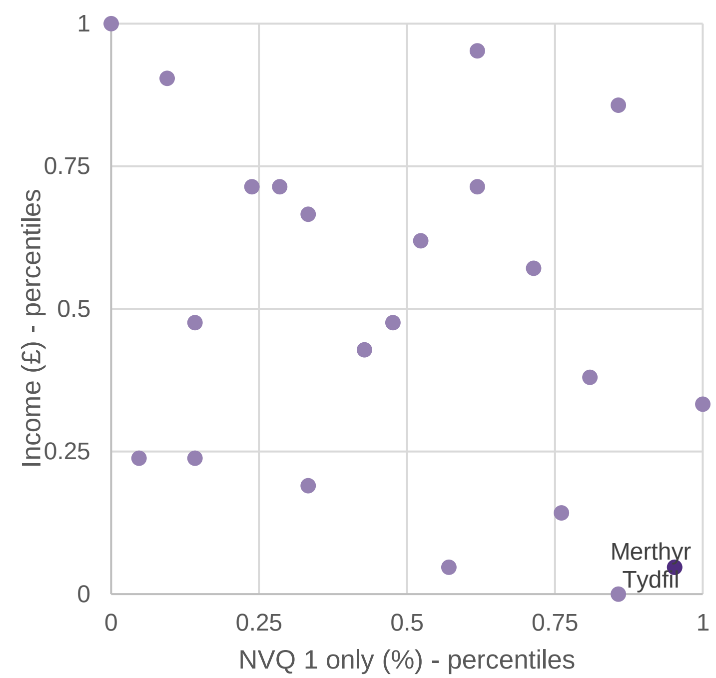
"Those with fewer formal qualifications, are more likely to be employed in the most exposed industries"
Institute of Fiscal Studies, 2018

No qualifications
Merthyr Tydfil: 16.0%
Wales: 8.5%
UK: 7.9%



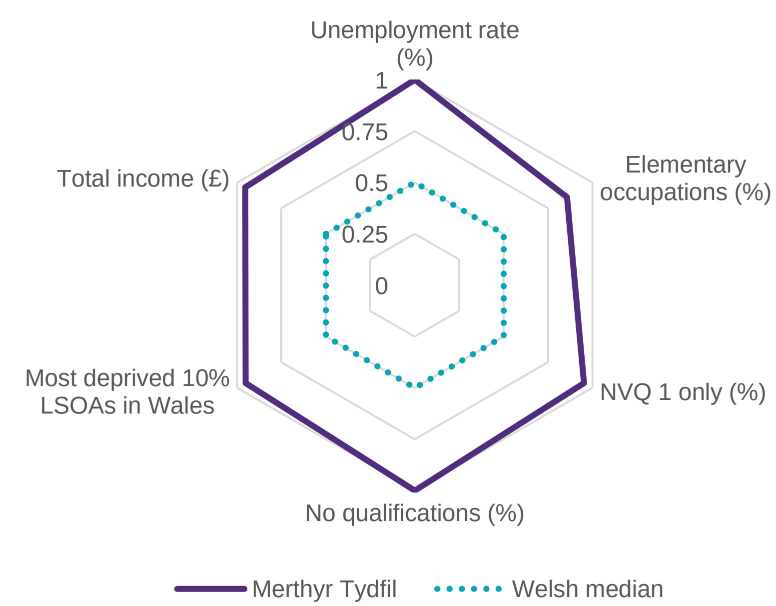
NVQ 1
Merthyr Tydfil : 13.6%
Wales: 11.2%
UK: 9.9%

Low skills vs. Income



Community Vulnerability Index Profile

Larger the shape, the higher the vulnerability



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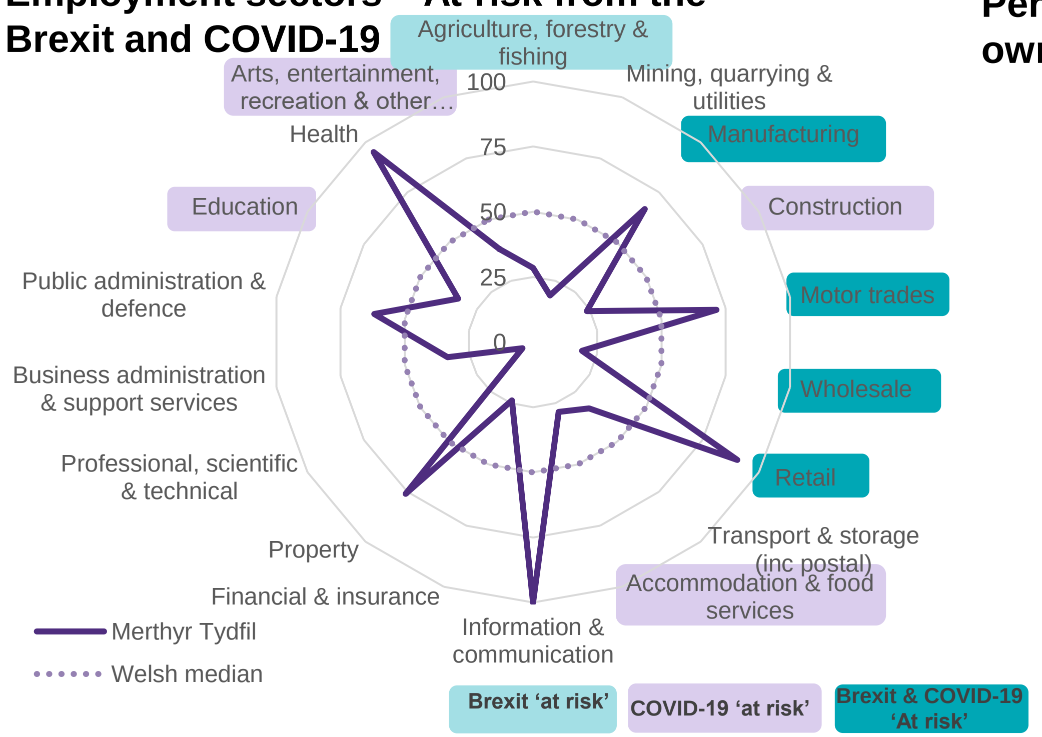
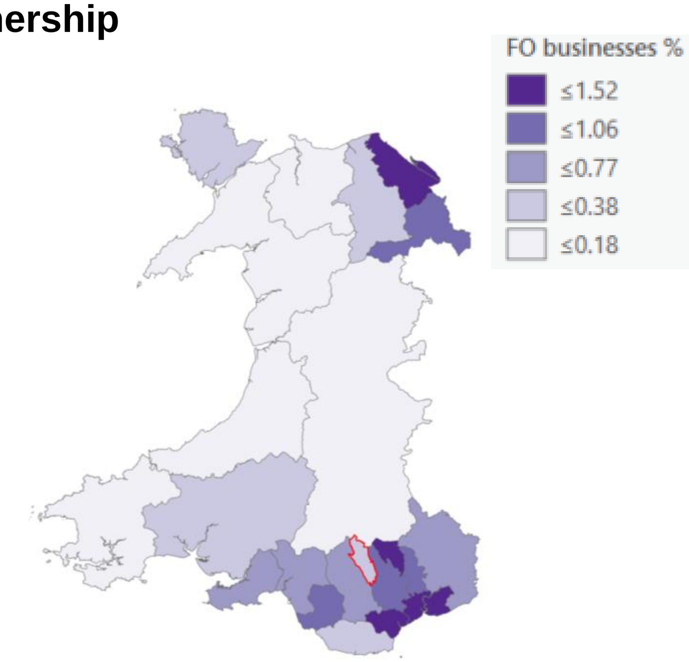
Merthyr Tydfil. Economy

Employment sectors – At risk from the Brexit and COVID-19



Percentage of all businesses with foreign ownership



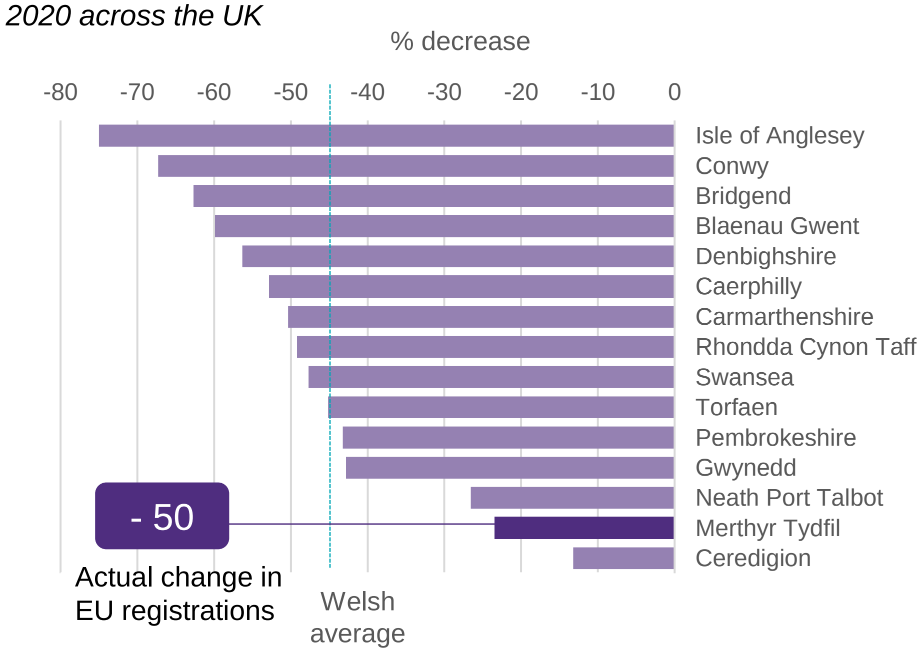
Gross Value Added per job

GVA per filled job
Merthyr Tydfil: £45,348
Wales: £46,132
UK: £56,387

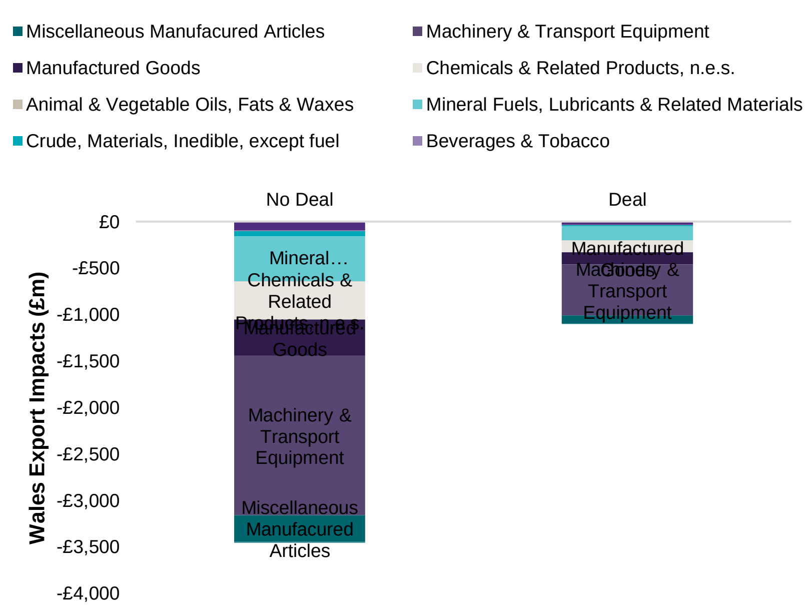
Rank out of 22 Welsh authorities…
12th

National Insurance Number (NINo) registrations

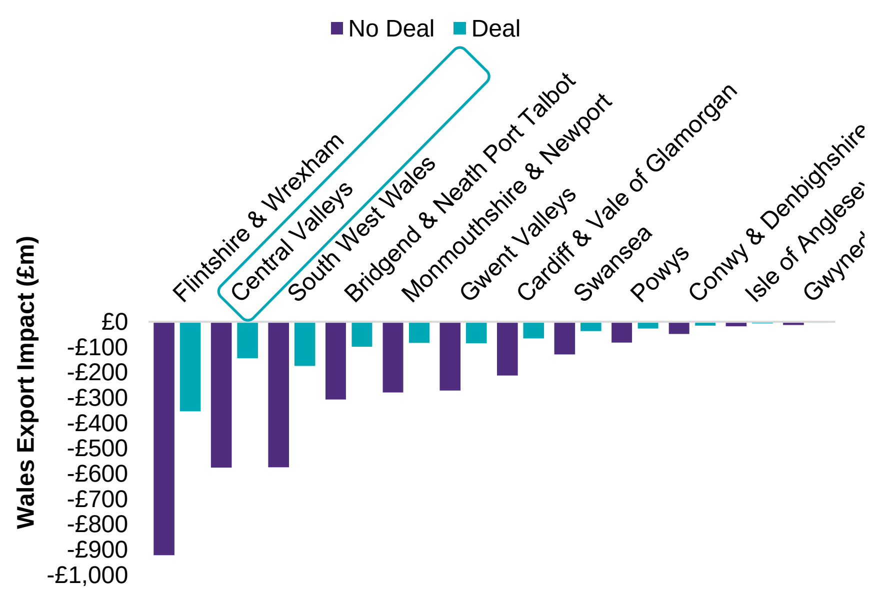
47% reduction in EU registrations between June 2016 and June 2020 across the UK



Export impact value ('No-deal' & 'Deal') by SITC codes, Wales, (Annualised, £m)

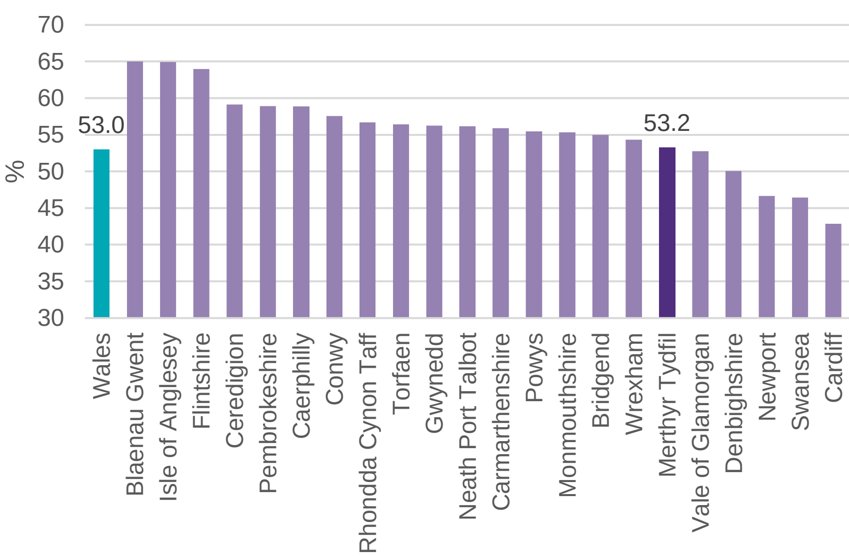


Total Export impact value by Welsh NUTS3 Regions (Annualised, £m)

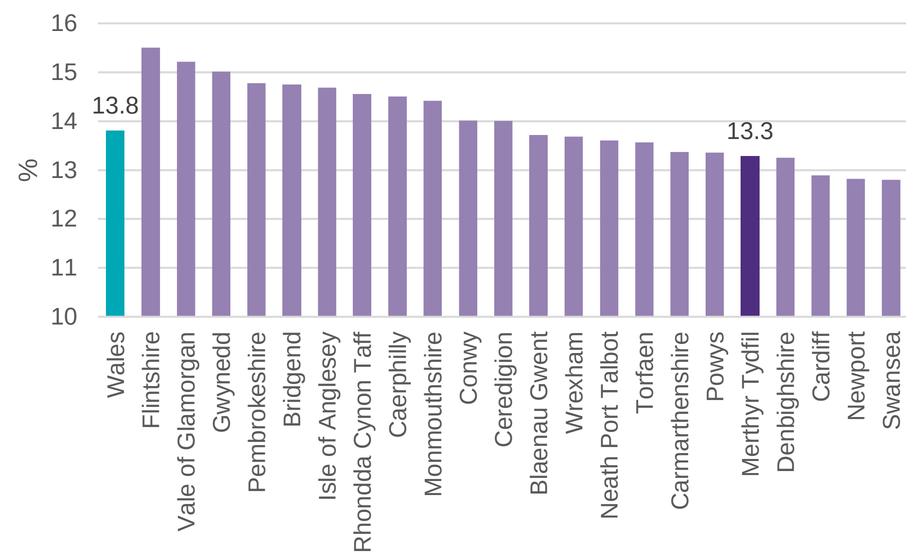


Merthyr Tydfil. COVID-19

Percentage of employment in COVID-19 ‘at risk’ sectors



Estimated decline in total annual GVA resulting from COVID-19

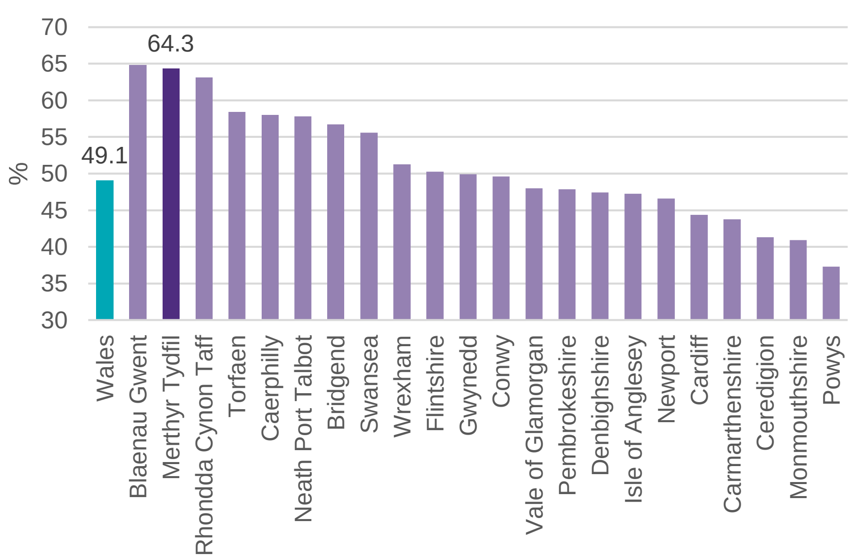


Government support take-up rate

Coronavirus Job Retention Scheme
Merthyr Tydfil: 29%
Wales: 31%
UK: 32%

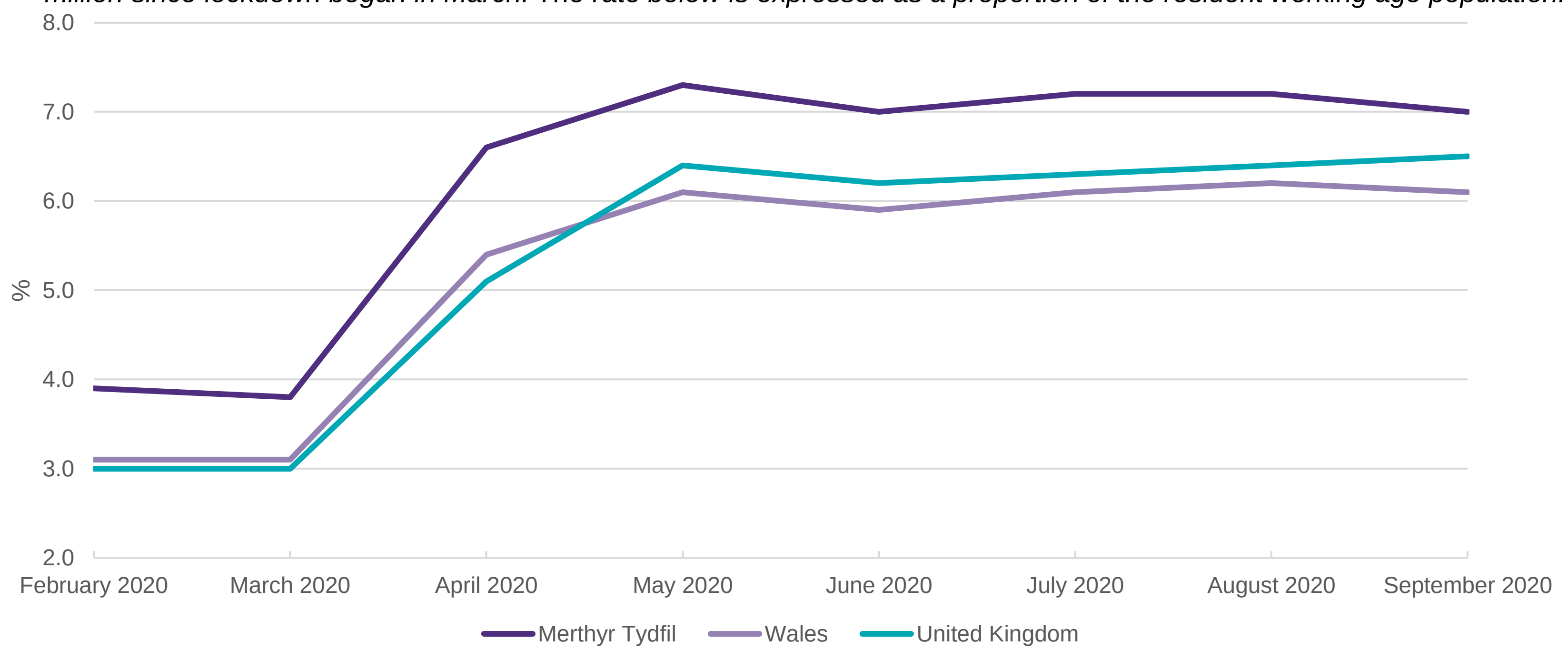
Self-Employment Income Support Scheme
Merthyr Tydfil: 80%
Wales: 78%
UK: 77%

Percentage of businesses in COVID-19 ‘at risk’ sectors



Claimant rate (Feb 2020 to Sept 2020)

The number of people claiming unemployment related benefits in the UK reached 2.7 million in September, an increase of 1.5 million since lockdown began in March. The rate below is expressed as a proportion of the resident working age population.



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Merthyr Tydfil. Summary

Key findings

- Compared to the rest of Wales, the proportion of its population who were born in the EU in Merthyr Tydfil is high, at 3.4%, which compares to a Welsh average of 2.6%.
- Merthyr Tydfil ranks in the top 20% on our Community Vulnerability Index, indicating very high levels of social vulnerability to the EU transition.
- Notable areas of vulnerability include the very high levels of deprivation and high proportion of residents with no qualifications. Income levels are also very low.
- Between 2016 and 2020, EU NINO registrations in Merthyr Tydfil reduced by 23.5%, which is a small reduction compared to the comparator group and notably lower than the national average of -45.5%.
- Relative to all other Welsh authorities, Merthyr Tydfil has high proportions of employment in Motor trades, Retail and Wholesale, which are all identified as 'most at risk' sectors in relation to both the EU transition and COVID-19.
- Merthyr Tydfil is within the Central Valleys region which is predicted to see a large export impact, particularly in a 'no-deal' scenario.
- Productivity, as measured by GVA per job, is average compared to the rest of Wales, ranking 12th out of 22 authorities.
- When employment across all COVID-19 'at risk' sectors is aggregated and benchmarked to the rest of Wales, Merthyr Tydfil comes out around average, with 53.2% of employment is in 'at risk' sectors. However, a very high percentage of businesses are in 'at risk' sectors.
- The estimated decline in GVA as a result of COVID-19 is predicted to be 13.3% which is lower than the Welsh average.
- The claimant rate has rose steeply since March and has remained above the Welsh and UK average since.
- Uptake of Self-employment Income Support Scheme has been above the Welsh and UK averages.

Key implications

- Given the high proportion of EU nationals in Merthyr Tydfil, consider how changing patterns in migration may affect the makeup of local communities and therefore demand for key local services such housing and school places.
- Merthyr Tydfil ranks in the top 20% of our Community Vulnerability Index, making it important for the council to continue to support the most vulnerable communities, particularly in light of job losses and income reduction as a result of COVID-19 identify. As part of this an important role for the council will be in identifying where new vulnerable communities might be emerging. In some areas the EU transition may continue to exacerbate these issues and community leaders must consider how they can respond.
- Merthyr Tydfil also has above average levels of employment in Manufacturing, Retail and Motor trades which means that the council should seek to understand the exposure of local businesses within the local economy. Particular focus should be given to businesses in those sectors most impacted by COVID-19 where the management focus will have been on survival rather than preparations for the EU transition. The economic consequences of "no deal" arising from trade fluctuations could impact household and business stability further. This, in turn, may lead indirectly to increased pressure on local public services and more challenging prospects for local growth. Working through some of these scenarios and linkages will be important in helping to provide economic and social resilience.
- Given the large predicted impact on export value resulting from reductions in trade in the Central Valleys region, coupled with the effects of COVID-19, the potential for market failure is profound. There is a role for local authorities in identifying these market failures and designing packages of support and economic interventions that can both address the market failure while also laying robust foundations for longer term economic recovery and growth.

Data sources

Indicator	Output	Why include?	Source
EU born residents	Bar chart showing proportion of residents that are born in the EU compared to other authorities in the region and the Welsh average.	EU migrants form a crucial part of the economy. In order to understand the potential impacts of changes in migration, it is important to have an overview of what proportion of the current population is made up of EU born residents.	ONS, Population of the UK by country of birth and nationality (Dec 2019)
No qualifications, NVQ 1 only	Factoid showing the proportion of working age residents with no qualifications and the proportion of working age residents qualified to NVQ 1 only.	A study by the Institute of Fiscal Studies found that those with fewer formal qualifications are more likely to be employed in the most exposed industries.	Annual Population Survey (Dec 2019)
Community Vulnerability Index	Thematic map showing overall performance on the 'Community Vulnerability Index' relative to the rest of Wales. Spider chart showing how the area performs on the individual measures, relative to the national median. All figures have been converted into percentiles to display in this way.	Our 'Community Vulnerability Index' takes into account factors which are most likely to impact on a place's ability to adapt in a post-Brexit world, including unemployment, low skills, low level occupations, no qualifications, income and deprivation. NB: Income has been inversed in the spider chart so that a point towards the outer edge of chart indicates lower income levels.	Annual Population Survey (June 2020, Dec 2019); Survey of Personal Incomes (2018); Welsh Index of Multiple Deprivation (2019);
Long-term International migration	Factoid showing net long-term international migration	Changes to the free movement of people could have significant impacts on international migration into areas.	ONS, Local area migration indicators, UK (2019)
National Insurance Number (NINo) registrations	Bar chart showing how the proportion and number of new EU registrations has changed between the referendum and now.	NINo numbers are often used an indicator for the number of migrants moving into a geographical area for work. This is an important consideration given the contribution that EU workers make to the economy.	NINo registrations to adult overseas nationals entering the UK by Region / Local Authority and world region - registrations year to June 2020, DWP (June 2020)
Employment sectors	Spider chart showing employment levels in each of the Broad Industrial Groups (18 sectors in total). Percentage figures are converted to percentiles in order to be display on the spider chart. The performance of a local authority is therefore relative to all other Welsh local authorities, with the 50 line representing the Welsh median. A point towards the outer edge of the chart indicates that the local authority has a high proportion of employment in this sector relative to other Welsh authorities. This helps to highlight sector specialism. Sectors have also been colour coded to show whether they are 'at risk' in relation to either Brexit, COVID-19 or both.	Some employment sectors are more vulnerable to the impacts of Brexit and COVID-19, therefore it is important to understand which sectors are most prominent and whether these are any of these are high risk.	Business Register and Employment Survey (2019)
Foreign Owned businesses	Map showing the proportion of businesses that are foreign owned.	High dependence on foreign owned businesses could pose a risk as there is uncertainty as whether some of these businesses will remain within the UK or relocate.	FAME, Bureau Van Djik (2019)
GVA per filled job	Factoid showing GVA per job compared to the Welsh and UK average along with a rank to show how the local authority performs relative to all other Welsh authorities.	GVA per filled job provides a direct comparison between the level of economic output and the direct labour input of those who produced that output. The level of productivity is useful to consider as it is a current weakness in the UK economy and may be further hindered post-Brexit.	Nominal (smoothed) GVA (B) per filled job (£); Local Authority District (2018)
Trade impacts	Bar charting showing the total Export Annualised Impact in a Deal and No deal scenario by Welsh NUTS 3 Regions (£m), NUTS 3 Regions	It is important to consider the scale and nature of the trade impacts that could results under both a 'Deal' and 'No Deal' scenario. This will vary by region, which is reflective of both the exporting intensity difference between areas as well as the differences in their sectorial composition.	HMRC & Grant Thornton Analysis. Note: The data doesn't include the impact on WA BTTA, WA Energy exports & WA Other

Data sources (cont.)

Indicator	Output	Why include?	Source
Employment in COVID-19 'at risk' sectors	Bar chart showing percentage of employment in COVID-19 'at risk' sectors compared to the Welsh average.	The sectoral make-up of areas will have a strong influence on the economic impacts of COVID-19. For example areas with a high proportion of the workforce employed in accommodation and food services will be more heavily impacted than area with high levels of professional and technical workers. .	GT calculation based on: Business Register and Employment Survey (2019)
Businesses in COVID-19 'at risk' sectors	Bar chart showing percentage of businesses in COVID-19 'at risk' sectors compared to the Welsh average.	The sectoral make-up of areas will have a strong influence on the economic impacts of COVID-19. For example areas with a high proportion of the workforce employed in accommodation and food services will be more heavily impacted than area with high levels of professional and technical workers.	GT calculation based on: UK Business Counts (2020)
Estimated decline in total annual GVA resulting from COVID-19	Bar chart showing estimated percentage reduction in annual GVA under COVID-19 scenario. The modelled GVA data is based on OBR output losses by sector in 2nd quarter of 2020. A higher figure indicates greater vulnerability.	The level of productivity is useful to consider as it is a current weakness in the UK economy and may be further hindered post-Brexit. The economic productivity of sectors will vary between areas and therefore it is important to consider the knock on impacts of COVID-19 on GVA alongside employment risks.	GT calculation based on: ONS, Regional gross value added (balanced) local authority by NUTS 1 region: UKL Wales (2018) and OBR output losses table
Coronavirus Job Retention Scheme (CJRS) take up rate	Factoid showing take up rate relative to Welsh and UK average.	Certain sectors have been more heavily impacted by COVID-19 than others and as a result a high level of employees have had to be put on furlough. This measure therefore gives an indication of the immediate impacts that COVID-19 is having on local areas.	ONS, Coronavirus Job Retention Scheme (CJRS) Statistics: August 2020
Self-Employment Income Support Scheme (SEISS) take up rate	Factoid showing take up rate relative to Welsh and UK average.	Research has shown that self-employed people are more at risk to the economic impacts of COVID-19. This new dataset gives an early indication of the level of self-employed people in an area who are requiring support.	ONS, Self-Employment Income Support Scheme (SEISS) Statistics: August 2020
Claimant count rate	Line chart showing the change in claimant count rate for the local authority compare to the Welsh and UK average. The rate is expressed as a proportion of the total resident working age population.	Claimant count data is a timely dataset that can be used to see how COVID-19 is impacting unemployment levels in different areas.	Claimant count (Sept 2020)

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