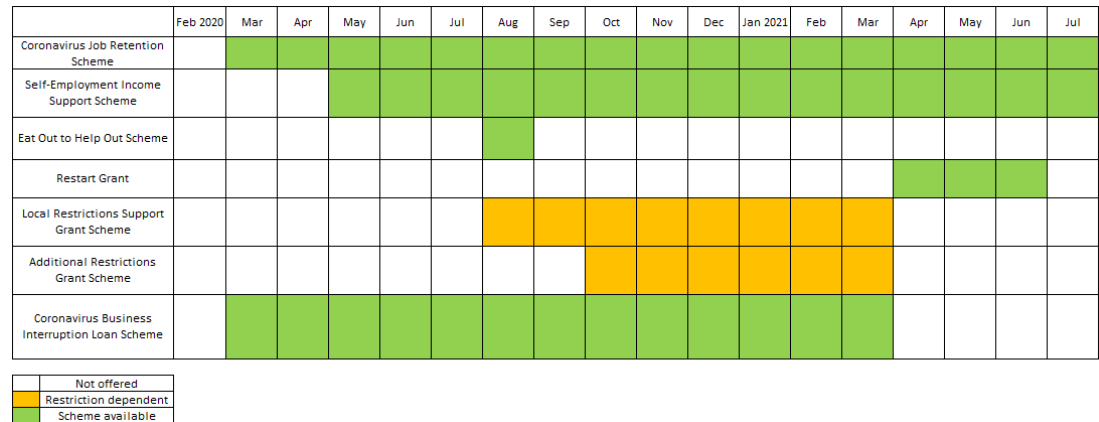
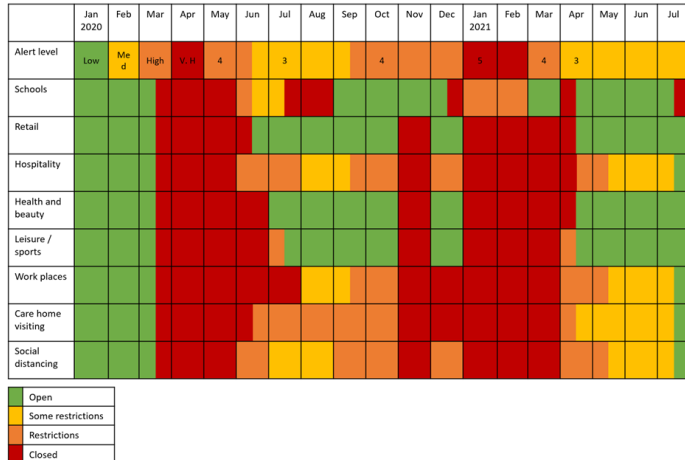


Isle of Wight Business Vulnerability Index

Produced by Hampshire and Isle of Wight
Public Health Intelligence Team

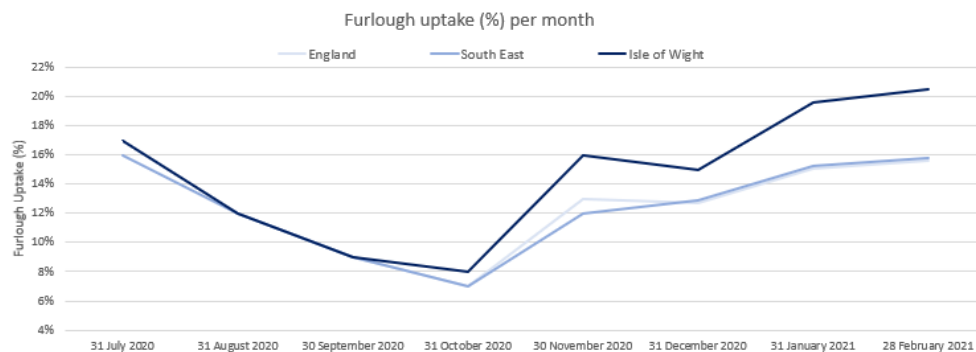
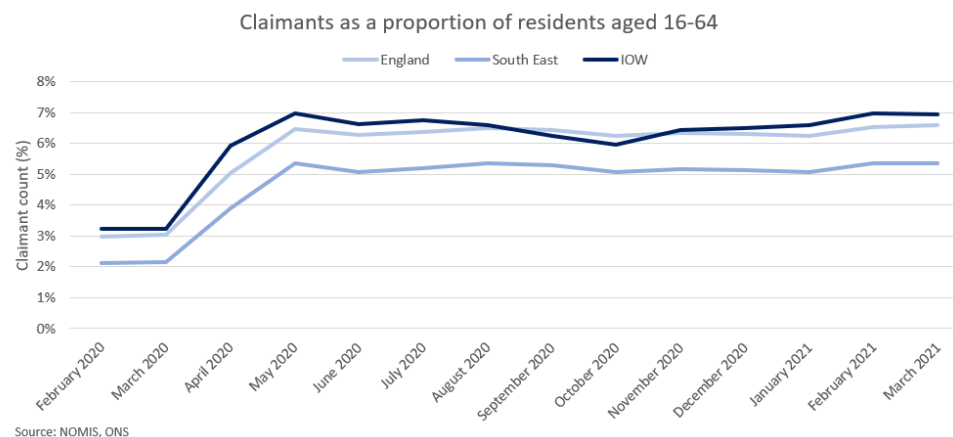
Background

- COVID-19 lockdown restrictions throughout 2020 and 2021 had a significant impact of businesses across the UK, with GDP shrinking by a record 19.8% in the second quarter of 2020.
- The Government introduced several schemes to support the loss of income businesses experienced, including the Coronavirus Job Retention Scheme (CJRS) and the Self-Employment Income Support Scheme (SEISS).
- The Isle of Wight Council area is home to 4,545 business enterprises, with 1,165 enterprises operating in the construction and accommodation & food service sectors
- This index aims to assess how businesses were impacted by the COVID-19 policies across the IOW.



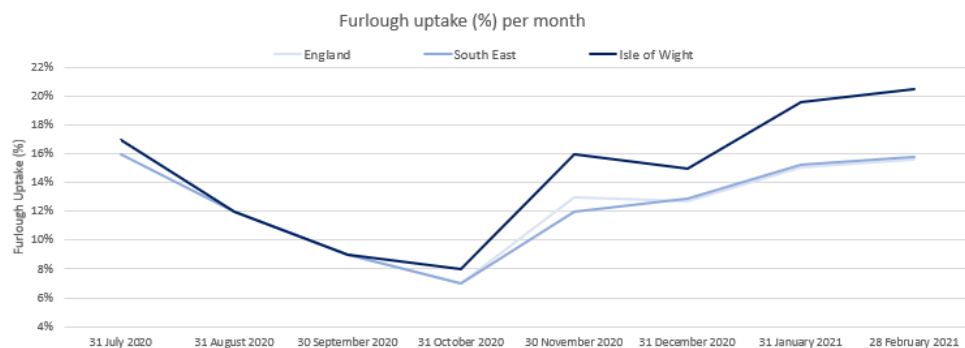
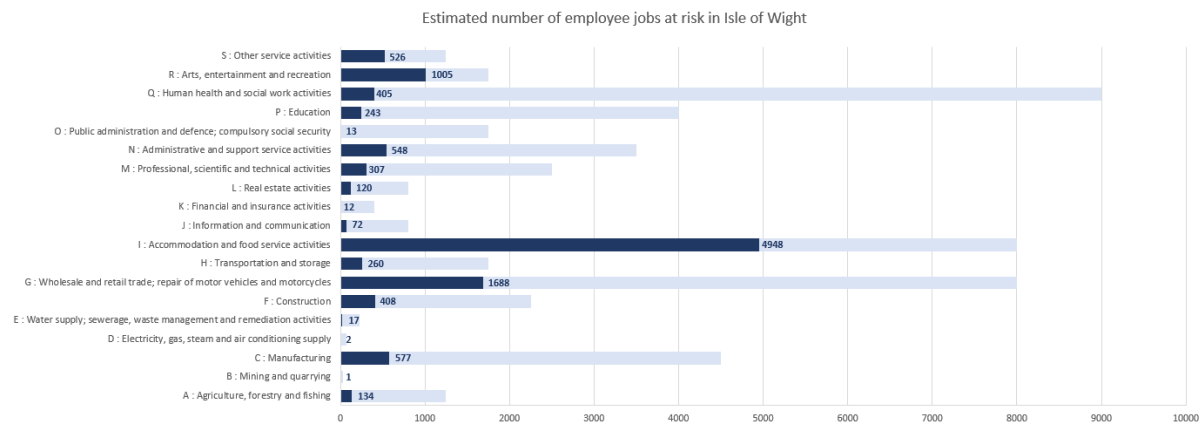
Isle of Wight vs England

- Businesses on the Isle of Wight were impacted more severely by the COVID-19 pandemic than the average across to the South East based on claimant and furlough uptake rates.
- The proportion of working aged adults claiming out of work benefits increased by 3.71% between February 2020 and March 2021 on the Isle of Wight compared to an increase of 3.6% in England.
- The effects of the two lockdowns, in the summer of 2020 and early 2021, were similar in magnitude as measured by furlough uptake and claimant rate.
- Between July 2020 and February 2021, Isle of Wight experienced an average furlough uptake rate of 14.6% per month, which is higher than the England average of 12.7%.



Impact on Isle of Wight businesses

- In January 2021, using national furlough by sector data, it is estimated that 11,286 jobs located on the Isle of Wight were furloughed.



- Furlough uptake varied between July 2020 and February 2021, with increase in furlough uptake coinciding with lockdown periods. The peak of furlough occurred in February 2021 with 10,750 employments on furlough on the Isle of Wight, equating to an uptake rate of 20.5%.
- 34% of eligible jobs were furloughed between March 2020 and June 2020.

Vulnerability risk factors

- The identified factors included the industry the business was operating in, the mobility of consumers, the location and type of business, and the size of the business.
- Due to the lack of available data on business income and sales over the COVID-19 pandemic, data on out of work benefits claimants and furlough uptake was used as a proxies.

Factors	Indicator (Source)
Furlough	Coronavirus Job Retention Scheme (CJRS, HMRC)
Mobility of consumers	Retail and recreation movements (Google Mobility data)
Self-Employment support	Self-Employment Income Support Scheme (SEISS, HMRC)
Industry sector	Business Register and Employment Survey (NOMIS)
Size of business	Business Register and Employment Survey (NOMIS)
Unemployment	Claimant Count (NOMIS)

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	Coronavirus Job Retention Scheme (Furlough) - Average monthly uptake (%)	Mobility of consumers	Self-Employment Income Support Scheme (Average takeup rate by grant)	Vulnerable Industry Sector (Rate per 1,000 business)	Vulnerable Business Size (Rate per 1,000 business)	Claimant Count Rate Increase as a proportion of residents aged 16-64
	July 2020 - January 2021	16th Mar 2020 - 5th Feb 2021	Grants 1 to 3	2020	2020	Feb 2020 - Feb 2021
South East	12.15%	N/A	68.70%	110.31	902.50	3.22%
Hampshire	11.24%	-44.03975535	67.55%	98.56	893.27	2.72%
Isle of Wight	13.95%	-35.82	68.22%	205.72	863.59	3.75%

Less vulnerable compared to the South East average

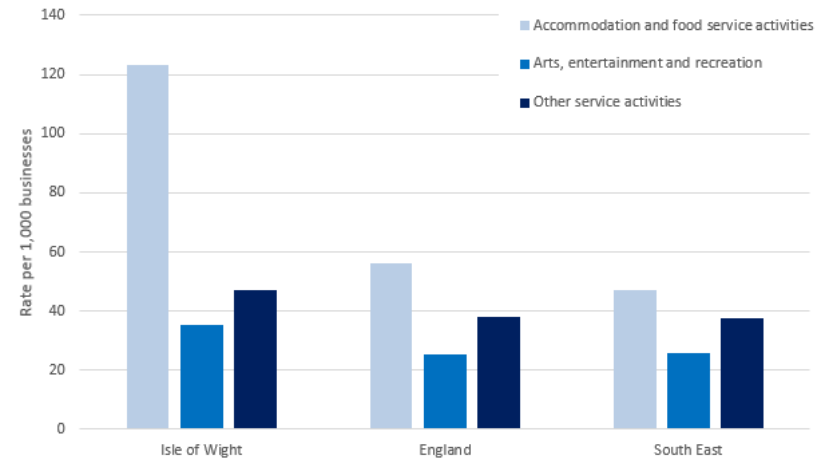
Similar vulnerability compared to the South East average

More vulnerable compared to South East average

- Businesses on the Isle of Wight are more likely to be vulnerable to the impacts of the COVID-19 pandemic compared to Hampshire.
- The Isle of Wight had a higher furlough uptake rate, claimant rate increase and rate of businesses operating in the identified vulnerable sectors than all districts in Hampshire.

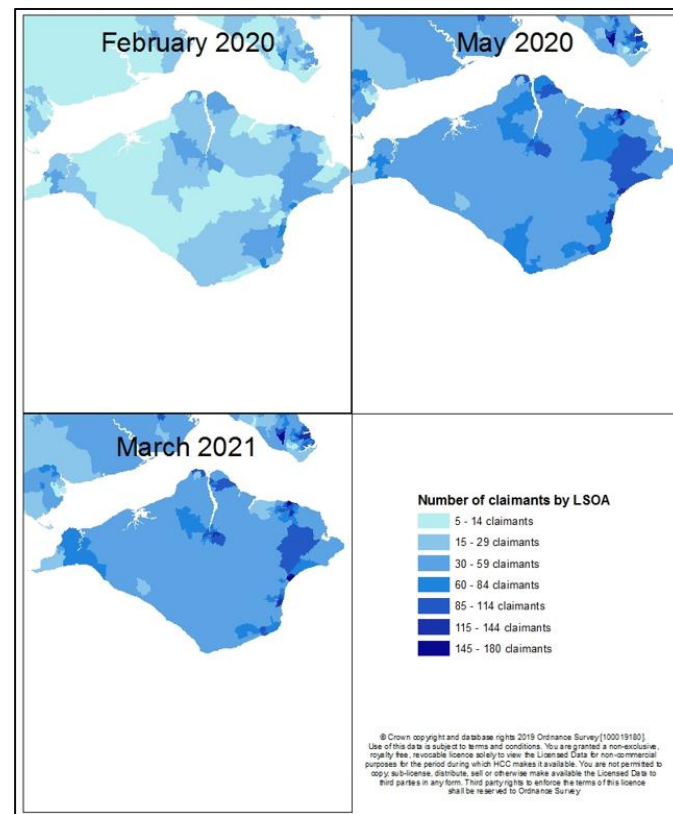
Vulnerability on the Isle of Wight

- Self-employed construction businesses on the Isle of Wight were particularly vulnerable, with these businesses being likely to account for a large proportion of the first three Self-Employment Income Support Scheme grant claims across the Isle of Wight.
- Businesses in the accommodation and food services sector on the Isle of Wight were severely impacted by the COVID-19 restrictions., with the closure of establishments and reduction mobility during the lockdown restrictions.
- The number of furlough claims on the Isle of Wight nearly doubled from the October levels from 4,200 to 8,100 in November 2020. Many of these claims likely to have come from the accommodation and food service activities sector, with this sector being the most prominent sector on the Isle of Wight.



Small area analysis – Claimant Count

- All LSOAs experienced an increase in the number of people claiming out of work benefits between February 2020 and May 2020, however, between May 2020 and March 2021 36% of LSOAs experienced a decrease in the number of claimants.
- A slight correlation was found between where the businesses which operate in the identified vulnerable sectors are located and the areas which experienced the greatest increase of people claiming out of work benefits. This correlation was typically seen on the east coast around the towns of Ryde, Sandown and Shanklin.
- Urban areas tended to experience the greatest increase in the number of people claiming out of work benefits, with the 4 of the 5 MSOAs experiencing the greatest claimant rate increase being located in urban areas.



Future Projections

- It is expected that there will be a gradual recovery in domestic tourism as restrictions are eased through 2021. This gradual recovery is expected to be similar to the recovery seen during August and September 2020 but will still remain below the 2019 levels. Businesses which operate in the food and beverage serving activities sector will be the quickest sector to rebound as the restrictions eased, with the other identified vulnerable sectors recovering more gradually.
- Businesses on the Isle of Wight are likely to quickly rebound as the Isle of Wight is likely to be a popular destination for holiday trips, with 608,000 holiday trips taken to the Isle of Wight between 2017 and 2019.
- If any future lockdown restrictions are put in place, businesses which operate in the identified vulnerable sectors will be significantly negatively impacted.



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