

Study warns of huge jobs losses in retail in England after pandemic

[theguardian.com/business/2021/jan/14/study-warns-of-huge-jobs-losses-in-retail-in-england-after-pandemic-south-work-from-home-shop-online](https://www.theguardian.com/business/2021/jan/14/study-warns-of-huge-jobs-losses-in-retail-in-england-after-pandemic-south-work-from-home-shop-online)

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England's high streets could lose up to 400,000 retail jobs as a result of more people working from home and shopping online after the coronavirus pandemic, according to a report, with affluent towns in the south among the most vulnerable.

Out of the 109 towns and cities studied by the accountancy firm KPMG, Bracknell in the London commuter belt was judged to be most at risk of having the greatest declines in retail employment as a share of local economic activity.

An increase in remote working and online shopping is expected to be one of the lasting legacies of the pandemic. However, the report said some places would record a bigger decline in commuter footfall than others, and that this would accelerate the hollowing-out of high street shopping in these locations.

According to the research, up to 27.4% of jobs in Bracknell – home to big technology firms including Fujitsu and Dell, and a popular base for London office workers – were expected to be still done from home, even after physical-distancing measures have been relaxed.

KPMG said this would deliver a heavy blow to retailers in the Berkshire town because it would reduce commuter footfall, leading to the loss of as many as 1,505 jobs, or about 38% of the local retail sector.

The percentages were similar in towns including Basingstoke, Hemel Hempstead, Warrington and Guildford, which KPMG ranked among the most vulnerable locations in England for high street job losses.

In a warning to the government, KPMG said the shifting trends caused by the pandemic would have far-reaching consequences for Boris Johnson's levelling-up agenda, which has so far focused on historically weaker local economies in the Midlands and northern England.

Finding that some of the most vulnerable places in the Covid recession were in the traditionally affluent south-east, the company said the balance was shifting so that these areas would need to do more to refocus their local economies in future.

However, more people typically work from home in these locations because there are more jobs in higher-paying sectors of the economy in which remote work is easier, such as in IT and finance.

According to KPMG, towns such as Burnley, Bradford and Huddersfield rank within the least affected by the crisis, in part because fewer jobs in these places can be done remotely.

While this could protect retail employment, many towns central to the levelling-up agenda were struggling before the pandemic and would, therefore, still need additional support coming out of the crisis.

Some commentators have also suggested that the rise of home working could help smaller towns and cities to emerge stronger from the pandemic, as fewer people may need to travel to big cities such as London, Birmingham and Manchester.

So far during the pandemic, central London has experienced the biggest hit to jobs owing to the dramatic decline in commuter footfall. The population of the capital is expected to fall for the first time since 1988 this year as a consequence, as more people move out to the suburbs.

However, KPMG said the retail sector in big cities such as London would remain resilient, because its cultural amenities would continue to attract visitors after the relaxation of Covid restrictions, helping to cushion the blow from fewer commuters.

The most vulnerable locations, it said, had the highest number of home workers and fewest cultural assets – such as sports centres, museums and arts venues, as well as pubs, cafes and restaurants.

According to the report, London, Liverpool, Burnley and Birmingham were the most resilient to the economic impact of further home working and online shopping.

Yael Selfin, the chief economist at KPMG in the UK, said: “As people travel less for work or to shop, town and city centres will need alternative offerings to fill vacant space and to attract people to the area as we hopefully leave the pandemic behind sometime this year.

“High streets will need to be reimagined as cultural and recreational hubs that will act as magnets for businesses and jobs able to transform less prosperous areas.”

The 10 most vulnerable places post-Covid

- 1 Bracknell
- 2 Hemel Hempstead
- 3 Basingstoke
- 4 Warrington
- 5 Guildford
- 6 Swindon
- 7 Watford
- 8 Slough
- 9 Stockport
- 10 Basildon