

Economic Bulletin - Issue 10 – May 2021

Welcome to the latest edition of the Staffordshire & Stoke on Trent Economic Bulletin produced by our Economy, Skills and Insight Teams, which provides the timeliest secondary data available on what is happening with the local economy. However, this clearly only provides part of the picture and we continue to build up our softer intelligence to provide a better indication of what is happening on the ground, including the local response to the COVID 19 crisis and subsequent recovery.

Alongside information on the Claimant Count and Job Vacancies that will be a part of every Bulletin, we look in more detail at the latest Government data regarding the Coronavirus Job Retention Scheme (CJRS) Furloughed Workers. The next HMRC release of the Self Employment Income Support Scheme (SEISS) data is due on the 3rd June when we will provide further analysis. This month's issue also provides more detailed youth claimant count analysis and updated ward level analysis of the claimant count to help identify areas which have been impacted the hardest across Staffordshire & Stoke on Trent and where there may be a greater need for support. We also provide analysis of the latest business insolvency data to further understand how businesses have been impacted by COVID and the influence that Government measures have had on company and individual insolvencies.

We hope you find the Bulletin useful and welcome your comments and suggestions on further information you would like to see included in future editions. If you do have any feedback please send your comments to Darren Farmer, Economy & Skills Analyst at darren.farmer@staffordshire.gov.uk.

Stay Safe,

Darryl Evers

Director for Economy, Infrastructure and Skills, Staffordshire County Council



Key Messages

- Over recent weeks we have seen **COVID 19 infections** continue to decline to levels not seen since early September, with England's deputy chief medical officer, Professor Jonathan Van Tam stating that the UK is "at or close to the bottom" of levels of COVID 19 cases. In Staffordshire the latest rate of infection is down to around 15 per 100,000 compared to a peak during the latest wave of more than 500 per 100,000 in January and is below both the regional (20 per 100,000) and national (22 per 100,000) rates.
- We have also seen **hospitalisations and deaths** from COVID 19 reduce considerably reflecting both the success of the latest lockdown and the vaccination programme. It is clear that the vaccine rollout is 'breaking the link' between infections and deaths, with very low numbers of people that have been vaccinated becoming seriously ill and requiring hospital treatment.
- Around two thirds of the UK's total adult population have now received a first dose of a **COVID 19 vaccine** and more than a quarter are fully vaccinated. As more of the population receive their vaccination we increase protection against the virus.
- Official figures show that seven in 10 adults now have **antibodies** against COVID 19 from either natural infection or vaccination and that Britain has now passed the threshold for herd immunity.
- Given the continued success of the vaccination programme we continue to see further progress on the **Government roadmap out of lockdown** and the opening up of society and the economy through the easing of restrictions.
- We saw businesses amongst those which have been hardest hit by the pandemic start to open on 12 April, including non essential shops reopen and pubs and restaurants start serving outdoors.
- The Government also confirmed that England's next step of lockdown easing would go ahead as planned. It meant that from 12 April, non essential shops, gyms, hairdressers, and close contact services could reopen, as well as hospitality venues serving food and drink outdoors.
- The introduction of UK's first '**vaccine passport**' **pilot events** have been introduced which take into account three factors: vaccination, a recent negative test, or natural immunity determined on the basis of a positive test taken in the previous six months. If successful these could allow people to return to top level sport, theatres and other public events.
- The prime minister has stated that we remain on track and there is now a "very good chance" of ending coronavirus restrictions completely on June 21 allowing more businesses to fully reopen.
- Although modelling by SAGE suggests that there is likely be a **third wave** in the UK, it

is felt that it may be “much less significant” if the vaccination programme carries on at pace and continues to be successful.

- A particular concern remains the **emergence of new variants** such as the variants from India and South Africa, with surge testing continuing to take place in areas of concern.
- To aid the vaccination programme and prevent the spread of new variants twice weekly COVID 19 tests are now available to everyone in England, free of charge. It is hoped that regular use of the **rapid lateral flow tests** will help to identify more of the one in three asymptomatic cases and help keep cases low as the economy reopens. Tests are available to collect from pharmacies, workplaces and community space, and will be available to order to home [here](#).
- The Government has also placed further orders for vaccines including 60 million extra Pfizer BioNTech doses for a **vaccination booster programme** in the autumn aimed at the most vulnerable groups, including the over 50s, health and social care staff and the clinically vulnerable to protect them from new virus variants.

Economic Impact and Support

- **UK Gross domestic product (GDP)** fell less than previously thought in January 2021, down 2.2%, not 2.9% as had been estimated by the ONS.
- As a result of the successful vaccination programme and extended Government support the UK is expected to see a **stronger economic recovery** and the economy grow at a faster rate than previously forecast.
- For example, The International Monetary Fund has upgraded both its UK and global forecasts compared with what it projected in January, with the **UK economy forecast to grow by 5.3% in 2021 and 5.1% in 2022** but only returning to its pre pandemic level of activity in late 2022.
- There is also emerging evidence that homeworking during the pandemic has seen increasingly more businesses report **increased productivity** benefits, with a survey by CIPD of 2,000 employers showing that a third (33%) had seen productivity boosted by the shift to homeworking. Overall, more than two thirds (71%) of employers say that the increase in homeworking has either boosted or has made no difference to productivity. The **government’s flexible working taskforce** is drawing up guidance to support the emergence of new, hybrid ways of working. For example, staff might come into offices only occasionally and work at home or at a neighbourhood cafe for the rest of the week.
- There is further positive news in the UK unemployment rate falling for the second month in a row, where the **unemployment rate fell to 4.9% in the three months to February, down slightly from 5% in the three months to January**. This is despite the ongoing Covid 19 lockdown and a sign that employers have stepped up

preparations for the easing of restrictions this spring through bringing back workers and increased recruitment.

- **Public sector borrowing in the year to March reached £303.1 billion**, the highest level since records began at the end of World War Two. The furlough scheme alone has cost almost £60 billion, with Test and Trace, the health service, vaccines and support schemes adding to the total.
- **The British Retail Consortium** has released data showing that **one in seven shops were closed down by the end of March, equating to 5,000 nationwide**. The overall vacancy rate rose to 14.1 per cent in the first three months of the year as non essential stores were forced to close due to the national lockdown. The retail sector say that costs need to be brought down to allow them to stay open and continue trading now that coronavirus restrictions are beginning to ease.
- More positively, as we saw further easing of lockdown restrictions on the 12th April this led to a sharp rise in footfall on high streets and at retail parks and shopping centres across the country. Industry figures from the British Retail Consortium and separate data from research provider Springboard showed almost a **200% increase in footfall in England on the six days to Saturday 17 April compared with the week before**.
- Following the uncertainty during lockdown there is now a real opportunity for town centre businesses, shopping centres and retail parks to claw back some of their losses through the **pent up demand from consumers** that have built up saving during lockdown.
- We have also seen dozens of high street retail units across England and Wales repurposed and converted into **climate emergency centres**, after changes in shopping habits or the coronavirus pandemic left them sitting empty. Owners of vacant premises have the option to reduce their business rates payments by up to 100 per cent through leasing the property for community benefit to a not for profit or charitable organisation, such as a climate emergency centre (CEC).
- More than 2,700 organisations are being offered grants and loans as part of the Government's £400 million **Culture Recovery Fund**. The total investment across grants, capital and repayable finance from the fund so far to more than £1.2 billion across more than 5,000 individual cultural and heritage organisations and sites.
- The total number of visits in 2020 to the main tourist sites was 45.4 million, a 70 per cent decline on the 151 million in 2019, with Britain's **tourism industry** calling for a September bank holiday to help compensate for a "devastatingly hard year".
- More positively within **manufacturing**, the Government has announced a deal with British pharmaceuticals giant GlaxoSmithKline to "fill and finish" 60 million doses of COVID 19 vaccine at their Barnard Castle factory. This move means that the UK's doses no longer have to leave the country and every part of the production is completed in

the UK, boosting the resilience of the supply chain.

- Locally we have heard the very positive news that **JCB** has secured its biggest ever UK order for 2,100 machines worth £65 million. Sunbelt Rentals UK, Britain's biggest equipment rental company, has placed the order to expand and renew its fleet as the construction industry rebounds strongly from the Covid 19 pandemic. This has prompted JCB to reverse the sharp job cuts planned last year, with plans to create 850 new jobs and give 700 existing agency workers permanent contracts.

Local Picture

- Looking locally due to our strong position going into the crisis the number of people on some form of government economic support scheme (including Universal Credit, Furlough and Self employment Income Support) is estimated to be lower than the rest of the country, 19% compared to 22% nationally, and has decreased slightly over the last month as more workers on furlough have returned to work.
- The claimant count in Staffordshire saw an **increase of 30 claimants between February and March 2021 to a total of 25,520 claimants** and the **claimant rate has remained at 4.8% of the working age population in March.**
- This potentially indicates that the impact of the latest lockdown on businesses and jobs may be easing and as we progress along the Government roadmap and as restrictions are eased it is hoped that more jobs will become available in businesses that are able to operate again.
- **Universal Credit (UC) claimants have more than doubled since March (pre COVID), an increase of just under 13,500 claimants** however, not all will be out of work.
- These increases need to be viewed in the context of the move to Universal Credit. Before Universal Credit, the Claimant Count was based upon Jobseeker's Allowance claimants – people out of work but looking for a job. However, in response to COVID 19 the Government changed the criteria for Universal Credit to allow some people on low income to claim whilst in work. Therefore, there will be **a proportion of claimants currently that will still be in work but claiming Universal Credit because they are on a low income**, although from the data released by Government it is not currently possible to quantify the proportion of people that are indeed unemployed or employed but on a low income.
- It is important to recognise that although we have seen a rise in claimant numbers due to COVID given our strong position going into the pandemic we still perform comparatively well for **our claimant rate which stood at 4.8% of the working age population in March compared to 7.4% regionally and 6.6% nationally.**
- However, it is young people, women, the lowest paid (including those in manual

occupations, more routine or less skilled jobs) and part time workers who continue to feel the impact of the economic shock the most. For example, the **proportion of young people aged 18 24 that are claiming Universal Credit has increased from 3.7% in March 2020 to 7.7% in March 2021**, well above the rate of 4.8% for the working age population. Given that it is harder for these groups to find a new job it is increasingly vital that the welcomed announcements made in 'A Plan for Jobs 2020' such as the **Kickstart Scheme** are quickly and effectively put in place to support these groups and help prevent them becoming long term unemployed.

- The latest Coronavirus Job Retention Scheme (CJRS) figures show that there were **49,400 furloughed job claims in Staffordshire up to the end of March, equivalent to 13% of eligible workers**, which is in line with the regional average but slightly lower than the national average of 14%. **Stoke on Trent had 13,100 jobs still furloughed**, equivalent to 12% of eligible jobs. We have seen the number of workers furloughed decline slightly over the last month while the claimant count has remained largely unchanged, indicating that more are returning to work as we continue to move out of lockdown. However, the concern remains as to how many of the significant number of workers still on furlough will be able to return to work between now and when the CJRS scheme ends at the end of September.
- Overall numbers of **company and individual insolvencies in March 2021 were 20% lower** compared to the same month last year and 37% lower than two years previously. This follows a similar trend seen since COVID emerged in March 2020 and will at least partly be due to government measures put in place in response to the pandemic. Concern regarding how many are viable without Government support.
- As reflected in the claimant count, the impact of the third lockdown on recruitment also eased in March with an uplift in job vacancies as parts of the economy start to reopen, **Staffordshire saw vacancies increase by 28% between February and March equivalent to 4,900 more job vacancies**, which was above the 21% rise seen nationally. **Stoke on Trent also saw a rise of 27% with just under 1,700 more vacancies** in March compared to February. This improvement in recruitment has seen vacancy levels rise above those seen prior to COVID.
- We continue to see **demand for roles in health, social care and logistics e.g. ASOS and Pets at Home with clear emerging opportunities for job creation in digital (including online retail) and the green economy (including retrofitting homes to improve energy efficiency and electric cars e.g. Jaguar Land Rover)**.
- We will also look to build on existing strengths including **advanced manufacturing** through the adoption of AI, Automation and Machine Learning, **construction** to

achieve Government house building targets and build major new infrastructure projects such as HS2 and West Midlands Freight Interchange, and **advanced logistics** with the online retail boom such as the recent announcement of ASOS's decision to build a £90million distribution centre creating 2,000 jobs close to Cannock and Tamworth were jobs will be very much needed.

Local initiatives

- We are continuing to prioritise support for small businesses and people whose jobs or employment prospects have been impacted by the pandemic.
- A loan fund for small businesses facing difficulties accessing essential finance as they look to overcome the impact of the Covid 19 pandemic has opened today. The three year **Staffordshire and Stoke on Trent Business Loan Fund** will provide loans from £10,000 to £50,000 to companies across a range of sectors. Information on the Staffordshire and Stoke on Trent Business Loan Fund and a range of other business support programmes is available through the Stoke on Trent and Staffordshire Growth Hub at www.stokestaffsgrowthhub.co.uk. Alternatively small businesses can apply direct by submitting an online initial application form at www.bcrs.org.uk.
- **Grants of between £2k to £5k are still available for businesses:**
 - For businesses in Staffordshire Moorlands, Tamworth, Cannock Chase, South Staffordshire and Newcastle districts A grant for additional expenditure for essential businesses staying open during the pandemic and/or those with a plan to recover and get back to growth. [Express an interest in a grant](#)
 - For anyone across the county A free, critically acclaimed online course to help start up your business, and then a loan of between £3,000 to £5,000. [Apply for the Staffordshire Start Up online course](#)
 - For businesses in Tamworth, South Staffordshire, Lichfield, Staffordshire Moorlands, Newcastle, Cannock Chase or East Staffordshire districts Grants to support businesses to develop apprenticeship opportunities. [More on how to express an interest and apply](#)
 - For businesses in Tamworth, South Staffordshire, Lichfield, Staffordshire Moorlands, Newcastle, Cannock Chase or East Staffordshire districts Grants of up to £5,000 to top up training or to cover up skilling costs for employees. [Find out more and express an interest](#)
 - **SEE IF THE MIDLANDS INVESTMENT FUND CAN HELP** Sign up for a clinic with the area's Investment Manager to discuss the fund and your business and growth needs. [FIND OUT MORE](#)

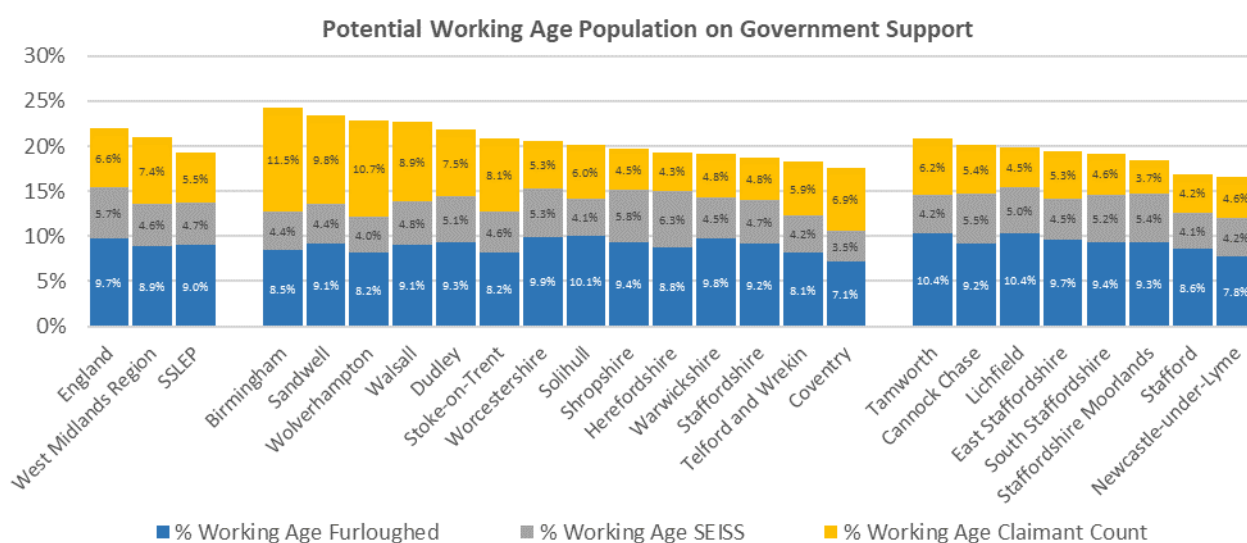
- **SHOWCASE YOUR LOCAL BUSINESS at #ThinkStaffordshireFirst** Working with partners the county council is running the #ThinkStaffordshireFirst campaign again to help local people the immediate and long term impact of supporting their local businesses as we come out of lockdown. Get involved by:
 - 1) Posting on social media using the hashtag #ThinkStaffordshireFirst and we'll share
 - 2) Share the [new #ThinkStaffordshireFirst shop local video](#)
- **Filling the widening digital skills gap in Staffordshire and Stoke on Trent #DoDigital from w/c 10th May** Recent business surveys and snapshots have revealed just how quickly local businesses need to incorporate digital approaches in their business. A fifth of businesses in Staffordshire and Stoke on Trent are now reporting a digital skills gap, but only one in ten are doing something about it. Over 85% of our businesses have said that access to digital training is really important to their business.
- From next week, the #DoDigital series of seminars, On Demand training and free webinars put together by the Growth Hub and Chambers of Commerce, will be available for businesses to access to keep up with their competitors, improve productivity, lower costs and increase profit.
- [Watch: Alun Rogers on what #DoDigital is](#) and why every single business in every sector needs to #DoDigital
- Please share social media on [Twitter](#) and [LinkedIn](#) to help create awareness about #DoDigital
- **Need some support? Contact the Growth Hub** The Stoke on Trent and Staffordshire Growth Hub is your first port of call for any business support related enquiry. It acts as the focal point for businesses that wish to grow by referring them to co-ordinated and cohesive growth programmes, business networks, growth groups and links to specialist information, advice and services. If you would like a free of charge appointment with a qualified Growth Hub Business Advisor to discuss what options are available to support the growth of your business, please contact them on 0300 111 8002.
- **Mental and physical workplace tools and support for businesses in one place** In a normal year, having an unhealthy and unhappy workforce costs businesses millions every year, now more than ever. With the added anxieties around the pandemic, this figure is expected to soar.
- In the UK, around 141 million working days are lost every year to sickness absence (ONS, 2019), costing UK businesses almost £92 billion a year, with mental health issues and musculoskeletal problems being the leading causes.

- But here in Staffordshire and Stoke on Trent, there's a wealth of support for businesses. You can save money in the long term by investing in health and wellbeing now. [FIND ALL THE INFORMATION AND TOOLS YOU NEED IN ONE PLACE](#)
- In conclusion, it is apparent that as we continue to move out of lockdown and restrictions are eased the economic impact to some businesses and jobs particularly in hardest hit sectors such as hospitality and retail has started to reduce. It continues to be clear that **Government and local support in particular the furlough scheme is playing a vital role in helping businesses to survive and stave off further job losses**. Alongside this the increasing speed and success of the vaccination programme rollout continues to be a major step in the right direction to reducing further impacts.
- As the vaccines continue to be provided to the general population it is vital that additional support such as the **Additional Restrictions Grant** is utilised to **help businesses transition to new business models including diversification and digitisation to improve their viability and sustainability**. Alongside this the **Restart Scheme** has an important role to play in **ensuring that local residents have the skills and training needed within the local economy to support increased growth, productivity and prosperity**. **Reskilling and upskilling residents from declining sectors into priority growth areas of the economy such as digital, green, advanced manufacturing, advanced logistics, construction, and health and social care will be key**.

Local Picture – Residents on Government Support Schemes

During this period it is important to be able to understand how local businesses are responding to the gradual reopening of the economy and what impact COVID-19 has had and continues to have on jobs. A key aspect of this is monitoring the number of people claiming Universal Credit (Claimant Count), and the number of people on the Coronavirus Job Retention (CJRS) and Self-Employment Income Support Schemes (SEISS), as seen below.

Overall Number of Residents on Government Support Schemes



In line with the Claimant Count rate which shows the proportion of the working age population claiming Universal Credit we have calculated the proportion of the working age population which may be on the furloughed or have accessed SEISS support.

In total there are potentially just over 133,500 residents in the SSLEP area on Government support, equivalent to around 19.2% of the working age population which is lower than the regional (21%) and national (22%) averages. Tamworth (21%) and Cannock Chase (20%) have the highest rates while Newcastle-under-Lyme and Stafford (both 17%) have the lowest.

SSLEP Working Age Population	694,954
Jobs in High Risk Sectors	221,000
Claimant Count Mar 2021	38,475
Coronavirus Job Retention Scheme (CJRS) Furloughed job claims as at 31st Mar 2021	62,500
Self-Employment Income Support Scheme (SEISS) claims up to 31st Jan	32,600
Potential workers on Government support	133,575
Potential % of working age population on Government support	19.2%

Note: Important to recognise that there may be some workers which are accessing more than one support scheme and there may be some double counting due to jobs moving on and off the furlough scheme

Detailed Breakdown

Claimant Count¹

The following table highlights the level of claimant unemployment in the Staffordshire Districts and each of the Strategic Authorities in the West Midlands Region:

Claimant Count (Universal Credit) Statistics: March 2021

Area	Claimant Count Rate (March 2020)	Claimant Count Rate (February 2021)	Claimant Count Rate ¹ (March 2021)	Number of Claimants (March 2021)	Monthly Change in Claimants (Numbers)	Monthly Change in Claimants (%)	Change in Claimants since March (Numbers)	Change in Claimants since March (%)
England	3.0	6.5	6.6	2,309,230	13,800	0.6%	1,245,725	117.1%
West Midlands	3.9	7.4	7.4	271,130	1,145	0.4%	126,780	87.8%
SSLEP	2.8	5.5	5.5	38,475	0	0.0%	19,105	98.6%
Birmingham	6.7	11.4	11.5	84,435	780	0.9%	35,065	71.0%
Wolverhampton	6.4	10.6	10.7	17,485	215	1.2%	7,105	68.4%
Sandwell	5.3	9.7	9.8	20,025	95	0.5%	9,245	85.8%
Walsall	5.0	8.8	8.9	15,380	60	0.4%	6,775	78.7%
Stoke on Trent	4.6	8.1	8.1	12,955	30	0.2%	5,635	77.0%
Dudley	4.4	7.5	7.5	14,485	-55	-0.4%	5,970	70.1%
Coventry	3.2	6.9	7.0	17,380	280	1.6%	9,380	117.3%
Solihull	2.8	6.0	6.0	7,640	-10	-0.1%	3,990	109.3%
Telford and Wrekin	3.1	6.0	6.0	6,645	-35	-0.5%	3,215	93.7%
Worcestershire	2.3	5.3	5.3	18,705	-125	-0.7%	10,400	125.2%
Staffordshire	2.3	4.8	4.8	25,520	30	0.1%	13,470	111.8%
Warwickshire	2.2	4.8	4.8	17,040	-20	-0.1%	9,210	117.6%
Shropshire	2.1	4.6	4.5	8,640	-55	-0.6%	4,630	115.5%
Herefordshire, County of	1.9	4.2	4.3	4,800	25	0.5%	2,690	127.5%
Tamworth	3.2	6.1	6.2	2,920	30	1.0%	1,430	96.0%
Cannock Chase	2.6	5.5	5.4	3,445	-20	-0.6%	1,790	108.2%
East Staffordshire	2.3	5.3	5.4	3,945	90	2.3%	2,225	129.4%
Newcastle-under-Lyme	2.4	4.7	4.6	3,760	-50	-1.3%	1,780	89.9%
South Staffordshire	2.0	4.6	4.6	3,105	30	1.0%	1,795	137.0%
Lichfield	2.1	4.5	4.5	2,780	30	1.1%	1,460	110.6%
Stafford	2.0	4.2	4.1	3,405	-40	-1.2%	1,750	105.7%
Staffordshire Moorlands	1.6	3.8	3.7	2,150	-50	-2.3%	1,230	133.7%

¹ The claimant rate is the proportion of the working age population claiming benefits

- The Claimant Count in Staffordshire saw an increase of 30 between February and March 2021 to a total of 25,520 claimants. While Stoke-on-Trent saw a decrease of 30 over the same period with a total of 12,955 claimants in March.
- At the national and regional level there have been slightly higher increases between February and March. This potentially indicates that the impact of the latest lockdown on businesses and jobs may be easing following the larger rises in the claimant count seen during the previous month. As we progress along the Government roadmap and as restrictions are eased it is hoped that more jobs will become available in businesses that are able to operate again.

- It is also important to look at the change in the Claimant Count seen since March 2020 (pre-COVID) where the number of claimants in Staffordshire has more than doubled with an increase of 13,470 claimants and in Stoke-on-Trent there has been an increase of 5,635.
- Ultimately, the full effect of COVID-19 on employment will not be felt until the furlough and SEISS schemes and further Government support comes to an end.
- The increases in the Claimant Count also need to be viewed in the context of the move to Universal Credit. Before Universal Credit, the Claimant Count was based upon Jobseeker's Allowance claimants, i.e. people out of work but looking for a job. A proportion of claimants currently will have a job but claiming Universal Credit due to having a low income.
- Unfortunately, due to Government data limitations it is not currently possible to quantify the proportion of people that fall into these cohorts at a local level.
- Given the comparatively strong position of Staffordshire going into the pandemic and the fact that COVID-19 has impacted much of the economy during lockdown, even with the significant increase in claimants the proportion of working age residents on such benefits remains comparatively low in Staffordshire with a rate of 4.8% in February compared to 7.4% regionally and 6.6% nationally. In Stoke-on-Trent the Claimant Count rate remains above both the regional and national averages at 8.1%.
- This month it has been a mixed picture for Staffordshire Districts with East Staffordshire (increase of 90 claimants), Tamworth, South Staffordshire and Lichfield (all seeing an increase of 30 claimants) see increases in UC claimants, while Newcastle-under-Lyme and Staffordshire Moorlands (both seen a decrease of 50 claimants), Stafford (decrease of 40 claimants) and Cannock Chase (decrease of 20 claimants) have seen a decline in UC claimants.
- Tamworth, Cannock Chase and East Staffordshire record the highest rates in Staffordshire, while East Staffordshire and Newcastle-under-Lyme have the largest caseloads. However, it's important to note all Districts and Boroughs remain lower than the current national and regional rates.
- As well as workers across sectors being impacted differently, there are also signs that it is the lowest paid, young people (particularly apprentices), women, and part-time workers that are being hardest hit. These groups are more likely to work in sectors that have shut down or reduced activity, such as hospitality and non-essential retail. They are also less likely to be able to work from home.

¹ Source: <https://www.nomisweb.co.uk/>

Youth Claimant Count (Universal Credit) Statistics: March 2021

Area	Youth Claimant Count Rate (March 2020)	Youth Claimant Count Rate (February 2021)	Youth Claimant Count Rate ¹ (March 2021)	Number of Youth Claimants (March 2021)	Monthly Change in Youth Claimants (Numbers)	Monthly Change in Youth Claimants (%)	Change in Youth Claimants since March (Numbers)	Change in Youth Claimants since March (%)
England	4.2	9.1	9.2	435,020	5,055	1.2%	237,290	120.0%
West Midlands	5.3	10.0	10.1	53,505	790	1.5%	25,600	91.7%
Stoke-on-Trent and Staffordshire	4.3	8.3	8.5	7,605	115	1.5%	3,785	99.1%
Wolverhampton	9.0	15.1	15.3	3,270	50	1.6%	1,360	71.2%
Sandwell	8.0	15.0	15.3	4,045	70	1.8%	1,930	91.3%
Walsall	8.4	14.0	14.3	3,270	60	1.9%	1,355	70.8%
Dudley	7.3	12.8	12.8	3,065	5	0.2%	1,315	75.1%
Birmingham	6.4	11.4	11.6	16,390	305	1.9%	7,285	80.0%
Solihull	5.4	11.1	11.2	1,705	10	0.6%	880	106.7%
Stoke on Trent	5.9	10.5	10.7	2,525	45	1.8%	1,120	79.7%
Telford and Wrekin	5.0	9.6	9.6	1,455	10	0.7%	695	91.4%
Worcestershire	3.8	8.6	8.6	3,595	25	0.7%	2,000	125.4%
Shropshire	3.9	8.1	8.2	1,715	15	0.9%	890	107.9%
Staffordshire	3.7	7.6	7.7	5,085	75	1.5%	2,670	110.6%
Herefordshire, County of	3.4	7.2	7.3	895	15	1.7%	480	115.7%
Warwickshire	2.9	6.8	6.9	3,125	35	1.1%	1,790	134.1%
Coventry	2.9	6.2	6.3	3,365	60	1.8%	1,830	119.2%
Tamworth	5.1	10.7	10.8	625	10	1.6%	330	111.9%
Cannock Chase	5.0	10.0	10.0	730	0	0.0%	365	100.0%
East Staffordshire	3.8	8.5	8.6	725	5	0.7%	405	126.6%
South Staffordshire	3.1	7.6	8.1	650	40	6.6%	400	160.0%
Lichfield	3.8	7.2	7.5	530	25	5.0%	260	96.3%
Stafford	3.4	6.7	6.7	610	0	0.0%	295	93.7%
Staffordshire Moorlands	2.7	6.3	6.3	405	0	0.0%	230	131.4%
Newcastle-under-Lyme	3.1	5.8	5.8	805	-5	-0.6%	380	89.4%

¹ The claimant rate is the proportion of the working age population claiming benefits

- Young people aged 18-24 continue to be disproportionately impacted by unemployment where the claimant rate for young people in Staffordshire has increased from 3.7% in March 2020 to 7.7% in March 2021 compared to a rise from 2.3% to 4.8% for all working-age residents, while in Stoke-on-Trent the rate has risen from 5.9% in March to 10.7% in March.
- Staffordshire has seen an increase of 75 in the youth claimant count over the latest month to a total of 5,085, while Stoke-on-Trent has seen a rise of 45 to 2,525 youth claimants.
- This month all Staffordshire Districts with the exception of Newcastle-under-Lyme saw increases in youth claimants with South Staffordshire seeing the largest rise compared to Newcastle-under-Lyme seeing a slight decrease. Tamworth and Cannock Chase continue to record the highest rates in Staffordshire, both above the national average.

Claimant Counts and Rates in Staffordshire & Stoke-on-Trent Wards

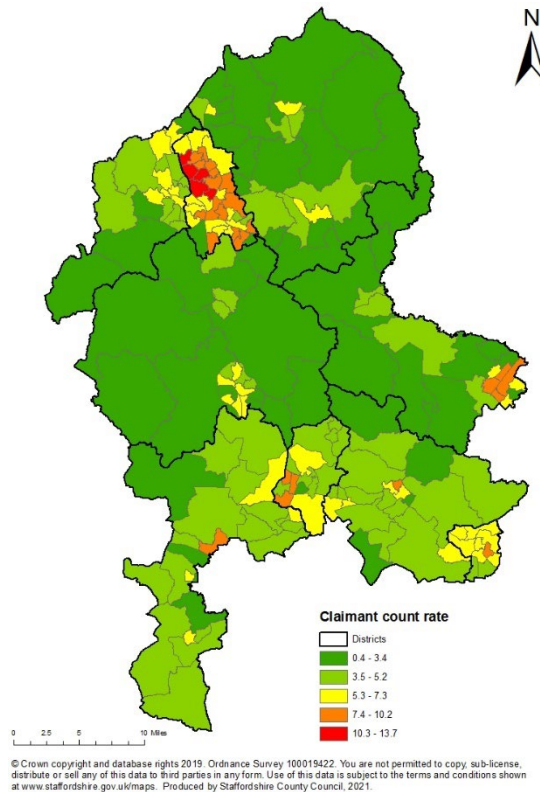
- The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

Claimant Count Rate March 2021

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 48 were above the England average of 6.6% for the number of claimants as a proportion of the working age population.

The top 10 wards with the highest claimant count rate were all in Stoke-on-Trent with Joiner's Square (13.7% or 620 claimants), Etruria and Hanley (13.2% or 685 claimants), and Moorcroft (12.5% or 460) having the highest rates.

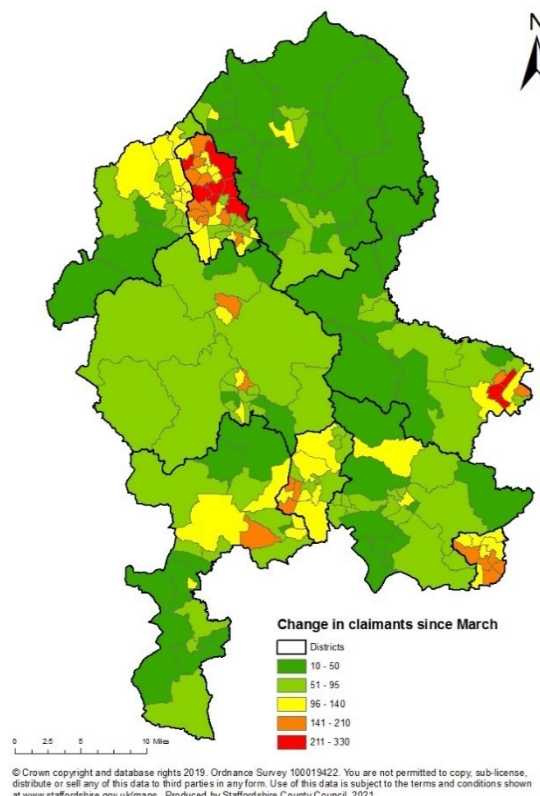
In Staffordshire the 4 wards with the highest claimant count rates were all in East Staffordshire, Anglesey (9.3% or 495), Shobnall (8.9% or 475), Burton (8.8% or 265) and Eton Park (8.8% or 425).



Change in Claimant Count since March 2020

Out of the top 10 wards with the highest change in the number of claimants since March 2020 there were 7 in Stoke-on-Trent and included Etruria and Hanley (330 increase to 685 in total), Birches Head and Central Forest Park (315 rise to 705), and Bentilee and Ubbertley (290 increase to 690).

The remaining 3 wards in the top 10 were all in East Staffordshire the highest increases were seen in Anglesey (305 rise to 495), Shobnall (265 increase to 475) and Eton Park (245 rise to 425).



Youth Claimant Counts and Rates in Staffordshire & Stoke-on-Trent Wards

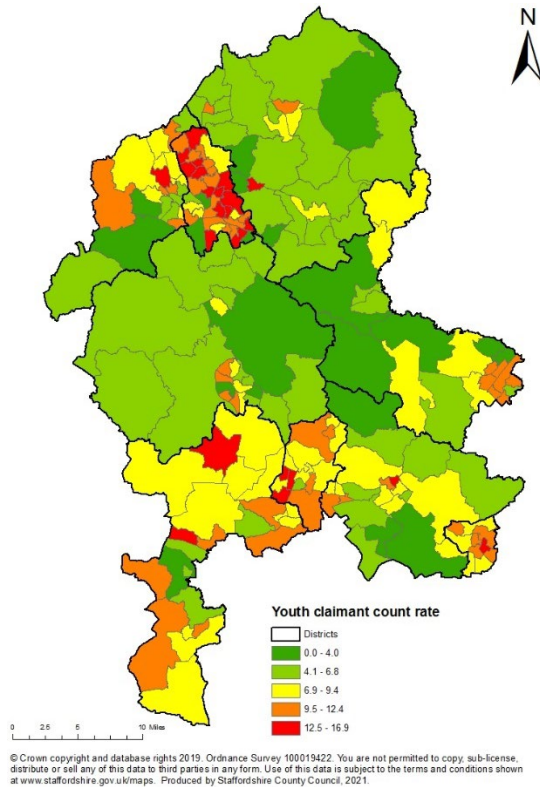
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

Youth Claimant Count Rate March 2021

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 78 were at or above the England average of 9.2% for the number of claimants aged 18-24 as a proportion of the 18-24 population.

Of the top 10 wards with the highest youth claimant count rate 8 were in Stoke-on-Trent with Joiner's Square (17.0% or 130), Moorcroft (16.8% or 90), and Bentilee and Ubberley (15.5% or 140) having the highest rates.

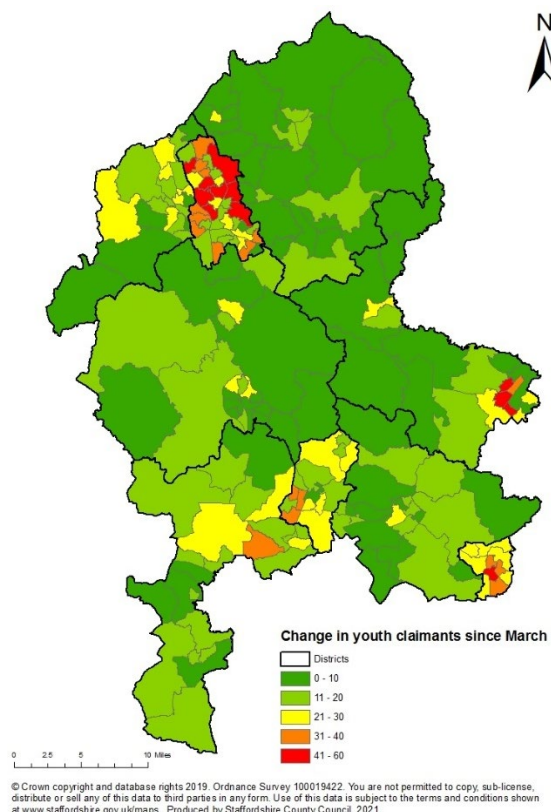
In Staffordshire, the highest rate was Glascote in Tamworth with 16.4% or 95 claimants, followed by Cannock North in Cannock Chase with 15.0% or 80 claimants.



Change in Youth Claimant Count since March 2020

Out of the top 10 wards with the highest change in the number of youth claimants since March 2020 6 were in Stoke-on-Trent including Etruria and Hanley (60 rise to 105), Tunstall (55 rise to 95), and Bentilee and Ubberley (50 rise to 140) with the highest rises since March 2020.

In Staffordshire, the highest increases were seen in Horninglow in East Staffordshire (50 rise to 80), Anglesey in East Staffordshire (50 rise to 80), and Belgrave in Tamworth (50 rise to 80).



Coronavirus Job Retention Scheme (CJRS) Furloughed Jobs²

- HMRC have released local authority level breakdowns of the CJRS scheme for claims submitted to HMRC by 14th April 2021 for the period up to 31st March 2021.
- The data for March 2021 is not yet fully complete as while claims relating to March 2021 should have been filed by 14 April 2021, employers could file claims later with the agreement of HMRC if they had a reasonable excuse. Claims for March 2021 can also be amended until 28 April 2021. Together these factors are likely to have a small effect on the statistics, with a potential increase for March of around 2%. The March figures should therefore be considered as provisional and will be revised in a future release.
- Based on the provisional figures, **Staffordshire had the 2nd highest number of furloughed job claims up to the end of March in the WM with 49,400**, behind only Birmingham and equivalent to 13% of eligible workers. This is to be expected given Staffordshire is the 2nd largest strategic authority area in the region but shows the potential size of the challenge as furlough ends.
- Between February and March Staffordshire has seen **a further decrease of 6,900 furloughed jobs. This 12% decrease in furloughed jobs reflects the further easing of restrictions we have seen over the last months allowing more businesses to reopen and bring back their workers. However, numbers still remain high reflecting the ongoing impact of the remaining restrictions for many businesses.**
- This decrease has seen **Staffordshire's rate of furlough decrease from 15% to 13% which is in-line with the regional average and slightly lower than the national average (14%).**
- **Stoke-on-Trent has seen the number of furloughed jobs decrease from 14,900 to 13,100**, equivalent to 12% of eligible jobs.
- Across the SSLEP area of those on furlough 55% are female and 45% male.
- Although we have seen a decrease in the number of workers on furlough during the last month, there remain concerns as to how many of those workers which are still on furlough are to return to work between now and when furlough ends at the end of September.

² Source: HMRC <https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-6-may-2021>

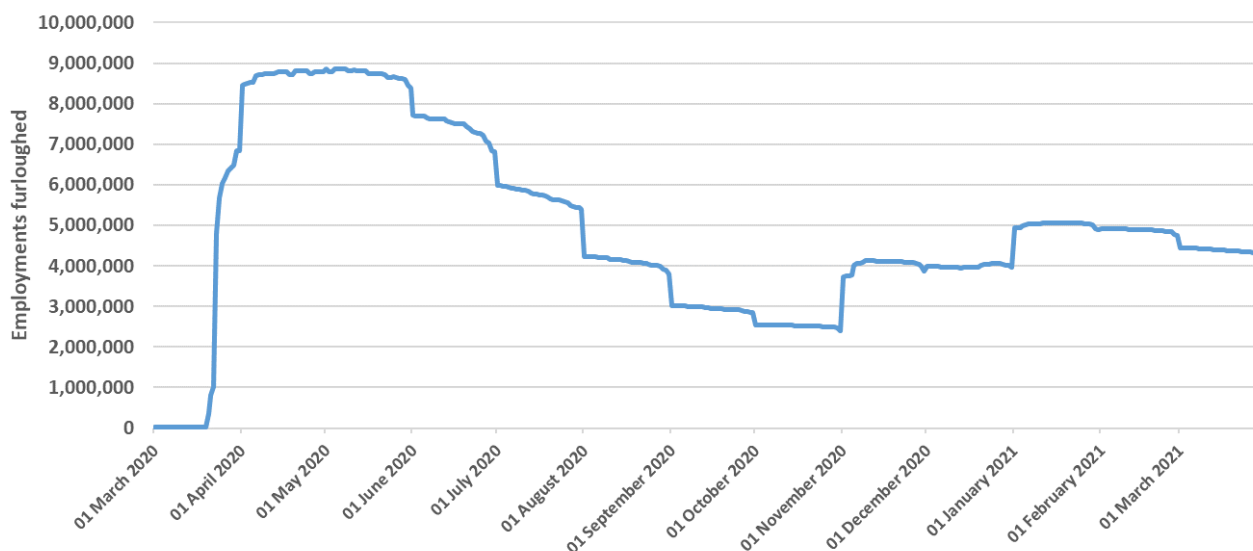
Coronavirus Job Retention Scheme (CJRS) Statistics: May 2021

	Total employments eligible for furlough	Total employments on furlough at 31 March (provisional)	Total take up- rate at 31 March (provisional)
Lichfield	45,700	6,400	14%
England	24,356,400	3,406,300	14%
South Staffordshire	46,700	6,300	14%
Staffordshire Moorlands	40,700	5,400	13%
Tamworth	36,800	4,900	13%
West Midlands	2,471,100	327,300	13%
Cannock Chase	45,000	5,800	13%
Staffordshire County	384,600	49,400	13%
SSLEP	492,600	62,500	13%
East Staffordshire	56,500	7,100	13%
Newcastle-under-Lyme	52,900	6,400	12%
Stoke-on-Trent UA	108,000	13,100	12%
Stafford	60,300	7,100	12%

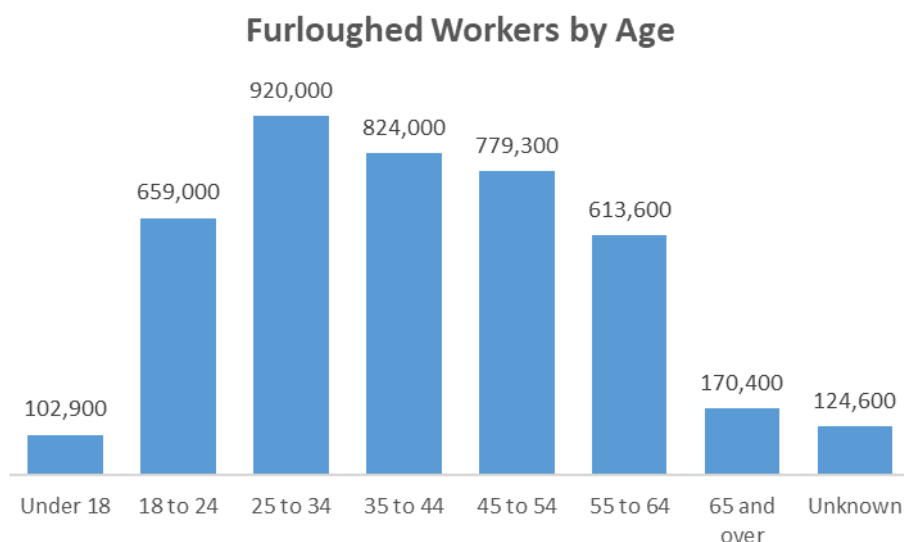
Source: HMRC CJRS and PAYE Real Time Information

- The national data provides more detailed breakdowns than available for local authorities and looking at the national picture allows for greater insight into the extent of furlough support and who is currently being supported by the furlough scheme.
- Nationally there were 759,700 (a decrease of nearly 50,000 since February) employers making 4,193,900 (a decrease of just over 550,000 since February) furloughed job claims up to the end of March.
- The following chart shows the trend in furloughed job claims nationally, it shows that over the last few months there has only been a steady slight decline in furloughed workers reflecting the slower easing of restrictions we have seen thus far during the third lockdown compared to the lockdowns last year.

Coronavirus Job Retention Scheme (CJRS) Statistics: May 2021 Time Series



- Since the furlough scheme was introduced there have been a total of 11.5 million claims worth £61.3 billion, on average this equates to each claim being for £5,330. In Staffordshire the cumulative total is 157,600 claims, so based on the average per claim for the UK potentially £840 million has been paid out in Staffordshire. There are obvious caveats to the Staffordshire figure given that each claim will vary from relatively low-cost part-time workers to higher cost full-time workers being supported by furlough, therefore if Staffordshire has more of either than on average the total support will be higher or lower.
- **Employer Size** – As at 31 March 2021, over two thirds (69%) of claims were made by SMEs with 31% in large businesses with 250+ employees.
- **Furlough Type** - Of those workers furloughed, over two thirds (68%) were fully furloughed and 29% partially furloughed with 2% unknown. The number that are fully furloughed has declined by over 410,000 since February showing a 13% decline, while those partially furloughed has declined by just over 66,000 or 5%. Given that we have seen the number of workers furloughed for both types decline slightly over the last month and at the same time the claimant count has remained largely unchanged, this indicates that more are returning to work as we continue to move out of lockdown.
- **Furlough by Age** – the following chart shows the number of workers furloughed by employee age group with the larger numbers generally found within the younger age groups reflecting the disproportional economic impact of the pandemic and associated restrictions.



- Nationally, the identified high-risk sectors of 'Accommodation and Food services' and 'Arts, entertainment and recreation' have by far the highest furlough take-up rates.
- While it is 'Accommodation and Food services' and 'Wholesale and retail including the repair of motor vehicles' which have the highest number of jobs that are still furloughed, however it is these two sectors which have seen the largest decline in furloughed workers during the last month as restrictions impacting such sectors have started to be eased.

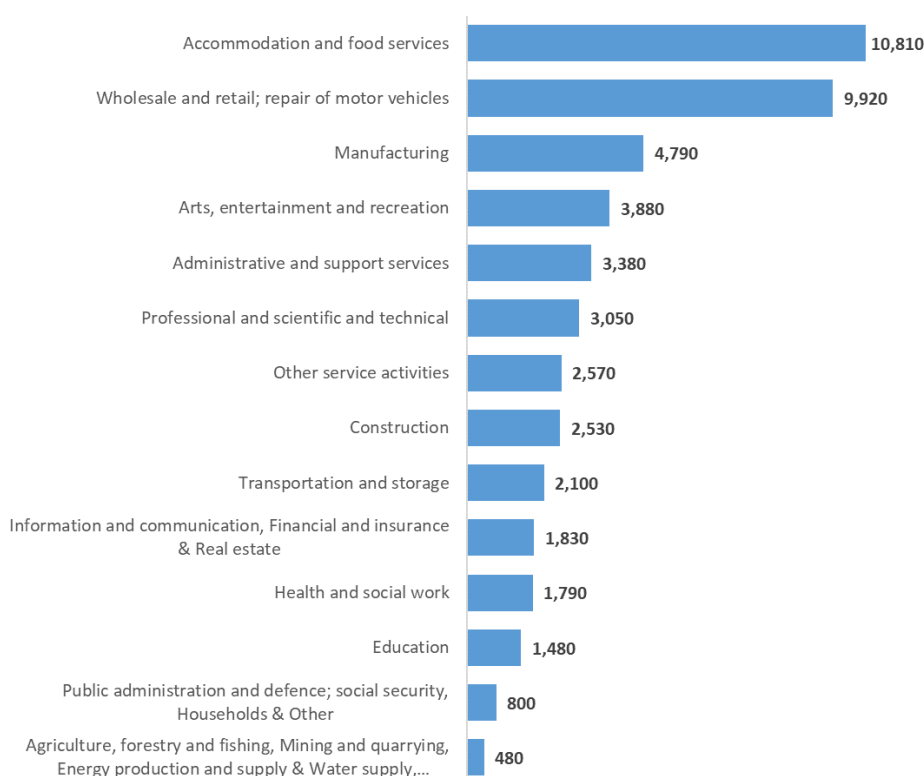
Coronavirus Job Retention Scheme (CJRS) Statistics: May 2021 by Sector

Sector	Employers			Employments			Employments change between February 2021 and March 2021
	Employers (PAYE schemes) with staff eligible for furlough	Employers furloughing at 31 March (provisional)	Take-up rate at 31 March (provisional)	Employments eligible for furlough	Employments on furlough at 31 March (provisional)	Take-up rate at 31 March (provisional)	
Accommodation and food services	132,300	88,000	67%	1,924,900	1,060,800	55%	-129,800
Wholesale and retail; repair of motor vehicles	248,800	125,000	50%	4,418,500	825,600	19%	-106,900
Administrative and support services	164,100	67,700	41%	2,495,600	332,700	13%	-57,600
Arts, entertainment and recreation	40,900	25,300	62%	551,100	298,000	54%	-18,500
Manufacturing	101,100	46,900	46%	2,313,900	273,100	12%	-23,600
Professional, scientific and technical	307,600	96,600	31%	2,191,900	243,200	11%	-26,200
Other service activities	93,200	58,500	63%	536,600	211,700	39%	-14,400
Construction	239,100	83,000	35%	1,276,400	196,500	15%	-34,600
Transportation and storage	76,200	29,400	39%	1,330,400	176,200	13%	-21,100
Health and social work	101,100	32,700	32%	4,103,800	154,300	4%	-30,600
Education	39,400	17,800	45%	3,187,200	145,600	5%	-48,300
Information and communication	145,600	36,700	25%	1,217,600	100,600	8%	-8,800
Real estate	48,100	19,300	40%	430,700	57,600	13%	-6,800
Unknown and other	52,600	13,500	-	186,400	45,900	-	-13,800
Finance and insurance	34,200	8,800	26%	1,065,900	28,800	3%	-2,400
Agriculture, forestry and fishing	33,700	5,100	15%	190,900	17,200	9%	-3,300
Water supply, sewerage and waste	5,800	2,400	42%	174,100	11,200	6%	-2,300
Public administration and defence; social security	7,800	300	4%	1,363,900	8,300	1%	-1,500
Households	76,400	2,000	3%	128,500	2,700	2%	-700
Energy production and supply	1,300	400	30%	131,600	2,400	2%	-600
Mining and quarrying	1,000	300	28%	48,100	1,600	3%	-400
Total	1,950,400	759,700	39%	29,268,000	4,193,900	14%	-552,100

Source: HMRC CJRS and PAYE Real Time Information

- HMRC have also now released local authority breakdowns by sector, the following chart shows the number of workers furloughed by sector in Staffordshire with 'Accommodation and Food services' and 'Wholesale and retail including the repair of motor vehicles' by far the highest.

Furloughed workers by sector in Staffordshire



- It is clear that there are certain sectors which continue to be the hardest hit by the restrictions that remain in place, but as we continue to move forward on the Government's roadmap out of lockdown it is hoped that restrictions will continue to be lifted and more businesses can reopen at or near to full capacity.
- Although in the longer-term, specific industrial sectors and the associated labour market may continue to be adversely affected, particularly due to reduced economic support measures and challenging market conditions.
- A particular risk is the end of the Government's Job Retention Scheme (JRS) at the end of September. The JRS has been successful in enabling many people to remain in employment but furloughed during the crisis but once this comes to an end there are concerns that many furloughed workers may find themselves out of work.

Business Insolvencies during the pandemic

This section covers the latest Insolvency Service monthly insolvency statistics³ for March 2021, which show the number of new companies and individuals who are unable to pay debts and enter a formal insolvency procedure.

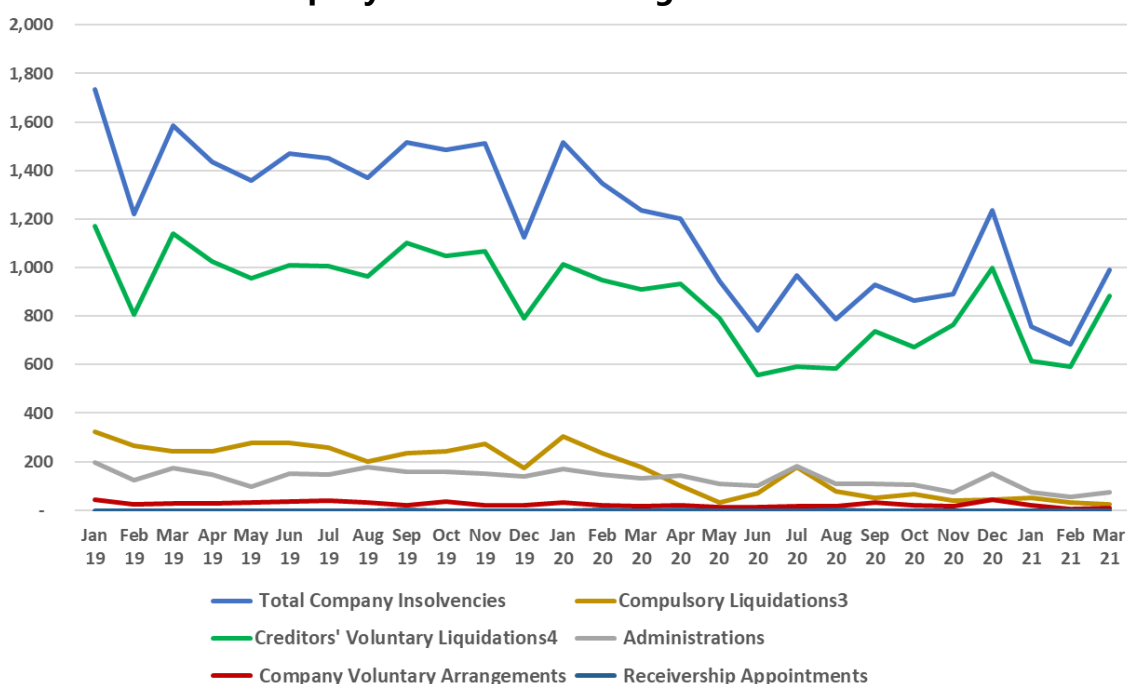
Company Insolvencies

In March 2021 there were a total of 992 company insolvencies in England and Wales, comprised of 883 creditors' voluntary liquidations (CVLs), 74 administrations, 25 compulsory liquidations and 10 company voluntary arrangements (CVAs).

The overall number of **company insolvencies decreased by 20% in March 2021 when compared to the same month last year and 37% lower than two years previously**. Please note that due to the volatility of the underlying data the Insolvency Service recommends comparisons are made with the same month in the previous two years rather than with the previous month.

Company insolvencies between April 2020 and March 2021 have declined by 35% compared to a year earlier, representing just over 5,800 fewer businesses.

Company Insolvencies in England and Wales



Sources: Insolvency Service (compulsory liquidations only); Companies House (all other insolvency types)
Figures are provisional.

The sectors to have seen the largest number of company insolvencies between April 2020 and February 2021 are construction (1,584), wholesale and retail (1,306), and accommodation and food (1,283). However, levels are far lower than those seen for the same period the previous year, with construction 45% lower, wholesale and retail 41% lower and accommodation and food 40% below levels seen a year earlier.

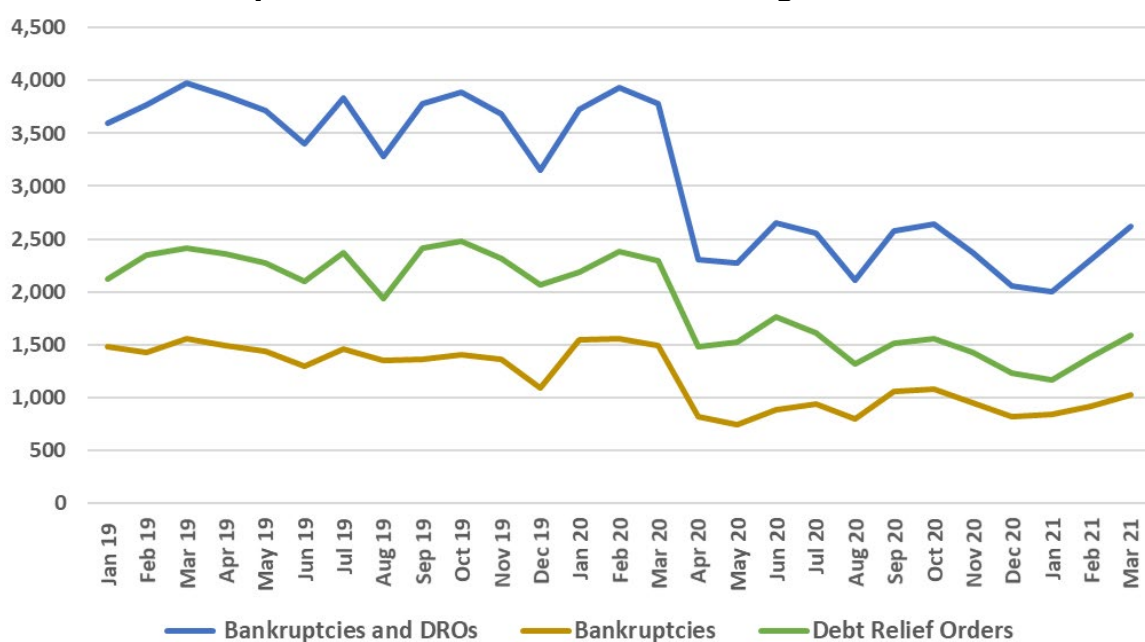
Individual Insolvencies

For individual insolvencies, the number of **bankruptcies in March 2021 was 1,028** (made up of 937 debtor applications and 91 creditor petitions), while the number of **Debt Relief Orders (DROs) was 1,591**.

Both bankruptcies and DROs were 31% lower than in March 2020 and 34% lower than in March 2019.

Total bankruptcies and DROs between April 2020 and March 2021 have declined by 35% representing over 15,500 fewer compared to the same period a year earlier.

Bankruptcies and Debt Relief Orders in England and Wales



Individual Voluntary Arrangements (IVAs) is a formal debt solution to pay back debts over a period of time. There were, **on average, 6,388 IVAs registered per month in the three-month period ending March 2021:**

- 24% higher than for the three-month period ending March 2020, and
- 2% higher than the three-months ending March 2019.

Overall numbers of company and individual insolvencies have remained low since the start of the first UK lockdown in March 2020, when compared with pre-pandemic levels. This is likely to be partly driven by government measures put in place in response to the coronavirus (COVID 19) pandemic, including:

- Temporary restrictions on the use of statutory demands and certain winding-up petitions (leading to company compulsory liquidations).
- Enhanced government financial support for companies and individuals.

³ Source: The Insolvency Service <https://www.gov.uk/government/collections/monthly-insolvency-statistics>

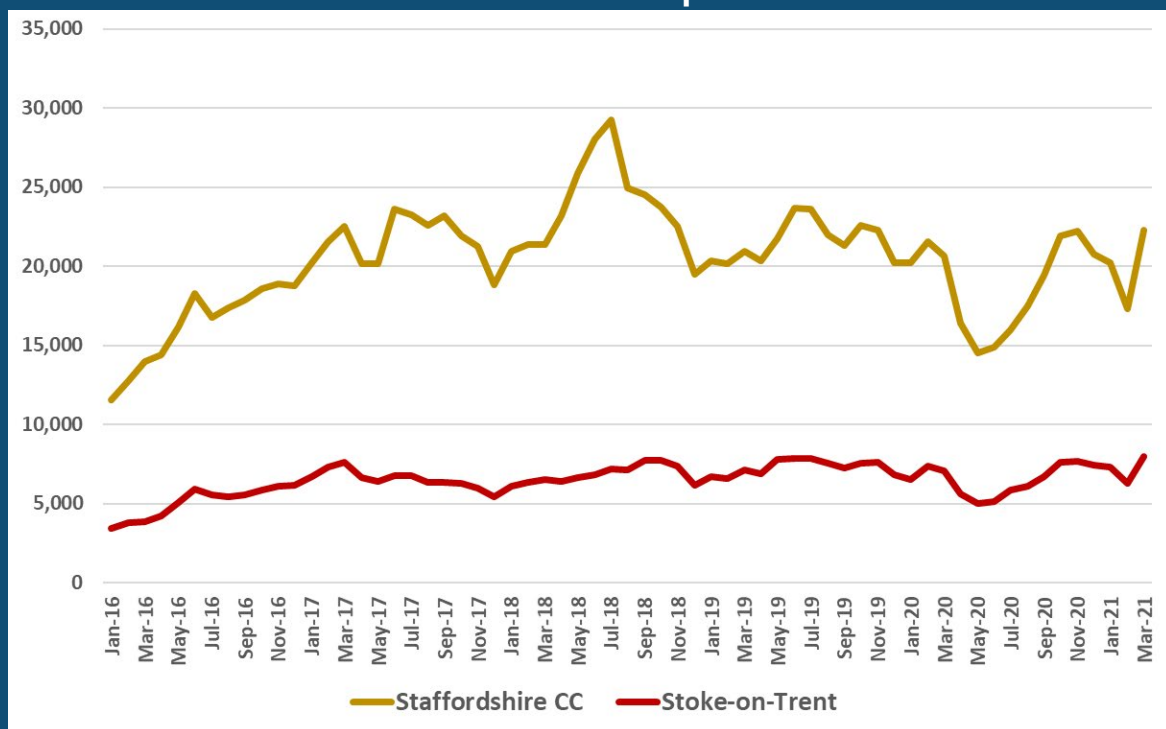
As the Insolvency Service does not record whether an insolvency is directly related to the coronavirus pandemic, it is not possible to state the direct effect of the pandemic on insolvency volumes.

The main concern is a potential spike in company and individual insolvencies once Government support has been withdrawn. However, it is also important to note that the Government has extended some of the temporary COVID-19 relief measures under the UK Corporate Insolvency and Governance Act 2020, with winding up petitions restricted until 30th June 2021.

Job Vacancies⁴

- As reflected in the claimant count, the impact of the third lockdown on recruitment also eased in March with an uplift in job vacancies as parts of the economy start to reopen, **Staffordshire saw vacancies increase by 28% between February and March equivalent to 4,900 more job vacancies, which was above the 21% rise seen nationally.**
- **Stoke on Trent also saw a rise of 27% with just under 1,700 more vacancies in March compared to February.**
- This improvement in recruitment has **seen vacancy levels rise above those seen prior to COVID.**

Staffordshire & Stoke on Trent Unique Job Vacancies Trend

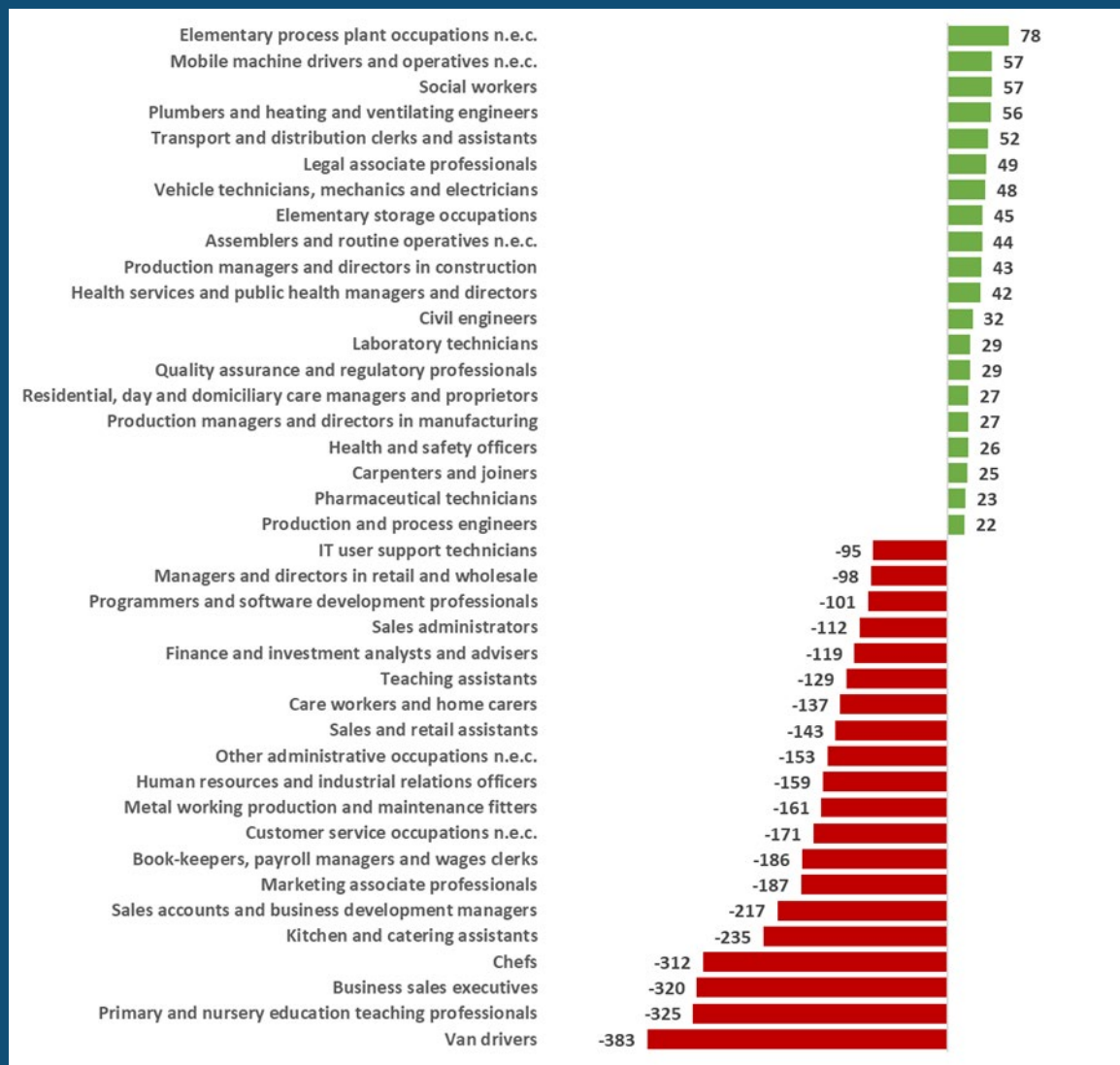


- The bounce in recruitment that we have seen as we come out of lockdown has been seen in all occupational groups with 'sales and customer service occupations' (51% increase) and 'skilled trades occupations' (41%) seeing the largest increases over the last month.
- The occupations to see the most significant increases during March were associated to the sectors which have been allowed to start to open up again including chefs and kitchen and catering assistants in the hospitality sector and sales and retail assistants in the retail sector.

⁴ Source: EMSI

- There continues to be high and growing demand for roles in health & social care including nurses and residential, day and domiciliary care managers and proprietors, the same is true for roles in logistics such as elementary storage occupations and transport and distribution clerks and assistants. There is also increasing demand for manufacturing roles such as production managers and directors in manufacturing, engineering technicians and elementary process plant occupations n.e.c. reflecting the recovery we have seen in the sector over recent months.

Top 20 occupations declining and top 20 increasing between Feb 2020 (Pre COVID) and Mar 2021 in SSLEP

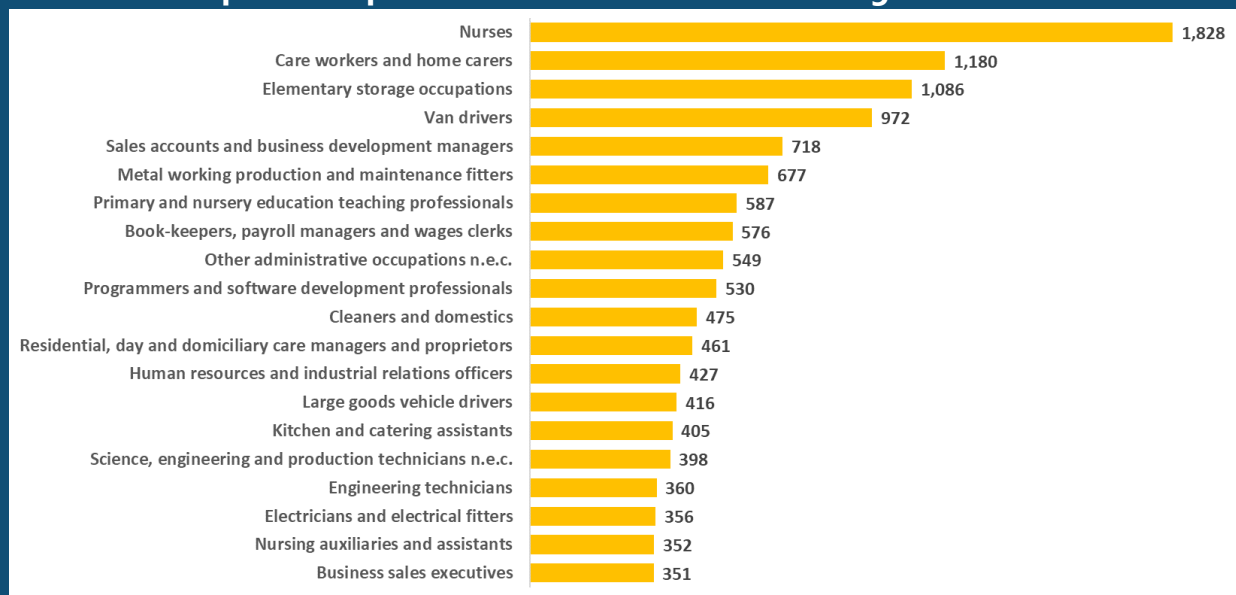


- However, even with these changes in recruitment during the last month, demand for roles in health and social care including **nurses and social care workers and home carers** alongside roles in logistics such as **elementary storage occupations and van drivers** remain by far the strongest of all occupations.
- There also remains demand for **primary and nursery education teaching professionals**, which is an area which was badly impacted during lockdown. While in

manufacturing **metal working production and maintenance fitters** remain the occupation in most demand.

- As well as these more sector specific roles, there is continuing demand for workers which support numerous sectors including **sales and business development mangers, programmers and software development professionals, book keepers, admin roles and cleaners.**

Top 20 occupations in demand in SSLEP during March 2021



- It is clear that there are jobs available in the local economy but clearly there will be increasing competition for those roles. The national and local support which is in place to support those that have been unfortunate enough to lose their jobs is vital in both reskilling and upskilling as well as enabling them to access the opportunities available.

Job Vacancies Summary Table

Area / SSLEP Occupational Group	Feb 2020 Unique Postings	Mar 2020 Unique Postings	Jan 2021 Unique Postings	Feb 2021 Unique Postings	Mar 2021 Unique Postings	Feb 2021-Mar 2021 (Month on Month Change)	Feb 2021-Mar 2021 Monthly % Change	Feb 2020-Mar 2021 (Month on Month Change)	Feb 2020-Mar 2021 Monthly % Change	Mar 2020-Mar 2021 (Year on Year Change)	Mar 2020-Mar 2021 Annual % Change
Staffordshire CC	21,569	20,669	20,218	17,335	22,261	4,926	28%	692	3%	1,592	8%
Stoke-on-Trent	7,346	7,065	7,314	6,303	8,000	1,697	27%	654	9%	935	13%
SSLEP	28,915	27,734	27,532	23,638	30,261	6,623	28%	1,346	5%	2,527	9%
West Midlands	194,986	188,683	176,683	153,012	190,086	37,074	24%	-4,900	-3%	1,403	1%
England	2,229,894	2,185,953	2,050,774	1,733,982	2,095,694	361,712	21%	-134,200	-6%	-90,259	-4%
South Staffordshire	655	579	786	792	1,097	305	39%	442	67%	518	89%
Newcastle-under-Lyme	1,676	1,531	1,659	1,521	1,976	455	30%	300	18%	445	29%
East Staffordshire	3,678	3,511	3,795	3,252	4,205	953	29%	527	14%	694	20%
Stafford	4,887	4,654	5,124	4,279	5,465	1,186	28%	578	12%	811	17%
Lichfield	2,533	2,464	2,527	2,138	2,767	629	29%	234	9%	303	12%
Cannock Chase	2,657	2,591	2,509	2,082	2,664	582	28%	7	0%	73	3%
Tamworth	3,392	3,256	2,548	2,134	2,717	583	27%	-675	-20%	-539	-17%
Staffordshire Moorlands	2,091	2,083	1,270	1,137	1,370	233	20%	-721	-34%	-713	-34%
Skilled Trades Occupations	2,632	2,513	2,356	2,246	3,162	916	41%	530	20%	649	26%
Managers, Directors and Senior Officials	1,951	1,881	2,033	1,799	2,327	528	29%	376	19%	446	24%
Elementary Occupations	2,469	2,440	2,576	2,108	2,934	826	39%	465	19%	494	20%
Process, Plant and Machine Operatives	2,234	1,950	2,087	1,857	2,421	564	30%	187	8%	471	24%
Professional Occupations	7,086	6,997	7,600	6,358	7,296	938	15%	210	3%	299	4%
Associate Professional and Technical Occupations	5,625	5,363	4,899	4,228	5,665	1,437	34%	40	1%	302	6%
Administrative and Secretarial Occupations	2,986	2,726	2,545	2,222	2,899	677	30%	-87	-3%	173	6%
Caring, Leisure and Other Service Occupations	2,685	2,728	2,610	2,156	2,553	397	18%	-132	-5%	-175	-6%
Sales and Customer Service Occupations	1,247	1,136	826	664	1,004	340	51%	-243	-19%	-132	-12%

Notes

Claimant Count and ILO Unemployment Definitions

The Claimant Count is a measure of the number of working age people claiming benefits principally for the reason of being unemployed, including those claiming Jobseeker's Allowance plus those who claim Universal Credit and are required to seek work and be available for work.

ILO unemployment data is obtained from the national Labour Force Survey. The definition for unemployment is those without a job, want a job, have actively sought work in the last four weeks and are available to start work in the next two weeks, or; are out of work, have found a job and are waiting to start work in the next two weeks.

Understanding the differences between the Claimant Count and ILO Unemployment

According to the UK Claimant Count for May, claimant unemployment increased to 2.8 million and a rate of 7.8% – a rise of 125% in just two months, the fastest rate of growth on record. However, the ILO measure shows that unemployment has remained largely unchanged at around 1.3 million and a rate of 3.9%. Understanding the reasons why there is this difference is important for policymakers trying to determine whether we are currently in the middle of an unemployment crisis or whether this is to come as the Job Retention Scheme (JRS) is gradually withdrawn.

The following section tries to explain this incredibly confusing, complicated and often contradictory data.

The main reasons for the difference between the Claimant Count and ILO measures include:

- **The two measures describe different periods** – for claimant unemployment, the numbers refer to claimants on a specific 'count date' with the last three being 12 March, 9 April and 14 May. Therefore, these are point in time estimates, and handily we can compare what the situation was about a week before the crisis (12 March) with how things were two months later (14 May).

The ILO measure is a three month average of survey responses between early February and late April 2020. This means that two months pre date the crisis, while one month (April) is since the crisis began. However, ONS does release [single month estimates](#) (latest available April 2020) which show a drop in employment in April of 320,000 explained almost entirely by fewer people self employed but only slight increase of 40,000 unemployed. Instead there is a steep rise in 'economic inactivity' which is those who are out of work but are not looking and/ or available for work.

- **Difference in measuring economic inactivity/worklessness** the Claimant Count measures those who are required to look/be available for work as a condition of benefit, while the ILO measure is those who say that they actually are actively seeking and available for work. The Labour Force Survey is recording a single month increase in the number of people out of work (unemployed and economically inactive) of 330,000, but nearly 290,000 of these people are not looking for work (economically inactive). The majority of this rise is people previously self employed and are either not eligible for, or not yet been paid, income under the Self Employed Income Support Scheme (SEISS).
- **Claimant Count now includes more workers on low income** In the Claimant Count, people with earned income can be counted as claimant unemployed if their earnings in the reference month are below a set threshold (£338 per month for a single person, or £541 per month for a couple). Before Universal Credit (UC), short hours working was penalised and so these numbers were generally low. However, UC incentivises short hours work, and so we've seen a growth in recent years in the number of people treated as being unemployed but who have some earnings. The detailed data for UC suggests that 190,000 of the 1 million increase between March and April was accounted for by working claimants so around one fifth of the rise.
- **Difference in recording people who are 'in work'** in the Labour Force Survey you are recorded as in employment even if you have not done any work that week but 'have a job or business that you were away from... (and that you expect to return to)". Obviously this category of workers 'away' from work now captures about 9 million people furloughed under the Job Retention Scheme (JRS) who are continuing to earn, but it also includes people who consider themselves to be employees or self employed but who have no earnings. 'Real time' Pay As You Earn data suggests that this may be mainly employees, with the number of paid employees falling by 450,000 between March and April. This 450,000 could include a large number of people who may have been due to start a job in March or April but have been told that their job isn't available yet and may also be people who had very few or irregular hours before the JRS was introduced and whom employers have not submitted a JRS claim. These people may be describing themselves as being workers with a job that they are away from, rather than as being actively seeking a new job.
- **Benefit take up/eligibility impact on the Claimant Count** given that the claimant count only counts those who claim benefit it may be understating the growth in worklessness. We know that many unemployed people do not claim, and particularly young people (usually due to eligibility). Under UC, there have been on average 450,000 more ILO unemployed young people than claimant unemployed and even if that gap narrows in the crisis, as tends to happen in recessions, it's possible that ILO youth unemployment will remain significantly higher than the claimant measure.

Summary table outlining the potential estimates for the Claimant Count rise in April

Potential Proportion of Claimant Count Change Mar 20 to Apr-20	Potential Number of Claimants	Potential Reasons for being a Claimant	Labour Force Survey Categorisation
44%	450,000	New Job Starters/PT employees/Self-employed with no income claiming Universal Credit not supported by JRS	In Employment - even if not done any work that week but 'have a job or business that were away from... (and that expect to return to)' – rather than unemployed
28%	292,500	Self-employed ceased trading or have very low income claiming Universal Credit (and are either not eligible for, or not yet been paid, income under the SEISS)	Economically inactive - people out of work but are not looking for work - majority people previously self-employed
18%	190,000	Working part-time low income workers claiming Universal Credit	In Employment
10%	100,000	Potential Redundancies	
100%	1,032,500	Claimant Count Increase Mar-20 to Apr-20	

- It is hoped that this analysis has provided further clarity as to why we have seen such a spike in the number of claimants early in the crisis. What is clear is that we have seen a record fall between March and April in the number of people working and not being supported by JRS. We have also seen worklessness rising at a faster rate than at any time before. Although very few of the decline in the numbers 'working' had translated into higher unemployment in April, it is envisaged that this may be the case if people are unable to get back into work quickly.
- Looking forward, the growth in claims for UC is slowing and so the growth in the Claimant Count is also likely to slow as well. That said claimant unemployment is currently at the highest level on record. The main concern now is what happens to many workers as JRS is gradually withdrawn and it is important that we are thinking now about how to support people that are made redundant and what policy interventions are needed.