

## Economic Bulletin - Issue 13 – August 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. 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](mailto:darren.farmer@staffordshire.gov.uk).

Stay Safe,

Darryl Evers

Director for Economy, Infrastructure and Skills, Staffordshire County Council



## Key Messages

- We saw England move to **step four of the Government's COVID-19 roadmap** on Monday 19<sup>th</sup> July, with almost all legal restrictions on social contact now removed. However, the Government and scientific advisors have made it clear that it is vital to proceed with "caution", warning that the pandemic is not over.
- Following a period of increased cases as more people were tested the number of **infections** has recently declined, where for the first time since the start of the pandemic there has been a sustained fall in cases which has not coincided with a national lockdown and may be reflective of the successful vaccine programme. This follows earlier predictions from the Scientific Advisory Group for Emergencies (SAGE) that UK infections could reach 200,000 a day later in the summer.
- In Staffordshire the seven-day period to 22 July saw the number of Covid cases in the county fall by over 400 to 3,815, the first weekly drop in cases since the end of May. However, the number of people being tested also fell and this may explain some of the reduction in cases.
- It is too early to say if the peak of this wave has been reached with the **R rate** at 1.1 to 1.4 showing that the virus is still spreading, so the call is for people to continue to show personal responsibility, get a rapid lateral flow test twice a week and get vaccinated as soon as possible to help reduce the spread of the virus.
- Public Health England has also upgraded its risk assessment of the **Delta variant** after national testing data revealed it is more likely to cause reinfections than the Alpha variant, which was first identified in Kent.
- **Hospital admissions** have increased to 7 per 100,000 people week ending 25<sup>th</sup> July but remain far lower than the peak of 36 per 100,000 during the previous wave. While the number of **deaths** has also increased but thankfully levels remain far lower than during the last wave.
- SAGE have predicted that between 1,000 and 2,000 COVID-19 patients a day could be admitted to hospital in England at the peak of the third wave and there may be 100 to 200 daily deaths.
- Positively all UK adults have now been offered a **vaccine** with nearly 9 in 10 adults (88%) having received one dose of vaccine and well over two thirds of adults (72%) are now fully vaccinated, with more than 9 in 10 now having antibodies.
- **Booster COVID-19 vaccines** are to be offered to 32 million people as early as September to protect the most vulnerable before winter.
- The response to opening up has been mixed. Independent Sage has called for a long-term strategy for pandemic control and evidence-based information on how to protect the population. As well as keeping preventative measures such as masks and giving

local authorities the ability to extend test and trace. The BMJ has published a letter to the Lancet by a group of 122 scientists and doctors branding the opening up as dangerous and premature.

- It remains to be seen what impact opening up has overall and how public perceptions and behaviour unfold over the coming weeks.

### **Economic Impact and Support**

- As England has lifted nearly all of its non-pharmaceutical interventions, including legally mandated mask-wearing and social distancing measures, more than half of a million people in England have been '**pinged**' by NHS test and trace in a week. This is the highest figure recorded and is expected to get higher.
- The '**pingdemic**' is causing substantial disruption to food supplies, public services, transport networks and industry as more staff are asked to self-isolate. Food stores have seen gaps in stock on shelves; BP has closed some petrol stations; staff shortages in hospitality and health and social care; bin collections have been cancelled; and West Midlands Trains has issued a warning that trains could be cancelled at short notice following the number of staff having to isolate 'quadrupling' in recent weeks.
- To help ease the impact of self-isolation the NHS COVID-19 app has been tweaked to notify fewer contacts that they need to self-isolate and the Government has now released **a list of key workers in critical services** which will be allowed to carry on working if they have been double-jabbed, show a negative PCR test and/or take daily lateral flow tests. The Government has also expanded workplace testing in England which will allow more workers to avoid self-isolation if they are a contact of a COVID-19 case. It has also been confirmed that fully-vaccinated people will no longer have to self-isolate if a contact tests positive for coronavirus from the 16 August.
- As well as self-isolation issues, in an impact statement by the Government it is estimated that up to 70,000 **care home staff** in England could leave the workforce or lose their jobs because the Government says they must be vaccinated against COVID-19. Officials believe between three and 12 per cent of care home staff may still resist getting a coronavirus jab by the end of a 16-week grace period.
- There are fears that such issues related to the end of restrictions, alongside the **phasing out of Government support** and **business and consumer confidence** could create an uncertain business environment holding back economic recovery and growth.
- We have seen the **furlough scheme** wind down further with Government payments reducing to 60% and employers paying 60%, with a British Chamber of Commerce survey showing that nearly 1 in 5 businesses plan to make staff redundant in response to the change to furlough. A New Economic Foundation report suggest that 250,000 jobs could be at risk when the furlough scheme ends next month, these are in sectors that have had bigger economic impacts from the pandemic, such as the arts,

hospitality, and transport.

- According to Springboard, overall **retail footfall** in the week to 10th July 2021 was at 74% of its level in the equivalent week of 2019. In the same week, footfall at retail parks was at 96% of its level equivalent week in 2019, whereas it was 69% for shopping centres and 67% for high streets. Footfall was strongest in Northern Ireland (90%), the East of England (79%) and the West Midlands (78%).
- Research from the Local Data Company and the British Retail Consortium shows that more than one in seven shops are now vacant on UK high streets, retail parks and shopping centres, the highest proportion since at least 2015.
- A common issue recently is that **skills and staffing** seem to be key barriers to growth for businesses, with the candidate market of available people being scarce. This is particularly so within hospitality and transportation – where many employed EU nationals and have been furloughed and gone back home to start working in their home countries whilst still getting their 80% wages. Which has allowed them to start up again back home. In these circumstances, it is expected that they are not coming back to the UK once their furlough payments end.
- The Road Haulage Association (RHA) has estimated there is a 100,000 **shortage of HGV drivers** across the UK. The industry body has said some 30,000 HGV driving tests did not take place last year because of the coronavirus pandemic, and a "historic" shortage in drivers had been exacerbated by changes to rules following Brexit. Tesco is now offering lorry drivers a £1,000 joining bonus amid a chronic shortage of drivers in the industry. Morrisons is working on schemes to train staff to become lorry drivers.
- UK **gross domestic product (GDP)** is estimated to have grown by 0.8% in May 2021, the fourth consecutive month of growth, but remains 3.1% below the pre-COVID-19 pandemic levels seen in February 2020.
- The **service sector** grew by 0.9% in May 2021 – accommodation and food service activities grew by 37.1% as restaurants and pubs welcomed customers back indoors following the easing of coronavirus restrictions.
- Output in the **production sector** returned to growth in May 2021, at 0.8%, mainly because of adverse weather conditions in May boosting output in electricity, gas, and air supply.
- Output in the **manufacture of transport equipment** fell by 16.5%, its largest fall since April 2020 as microchip shortages disrupted car production.
- The **construction sector** contracted for a second consecutive month in May 2021, by 0.8%, but remains 0.3% above its pre-pandemic level in February 2020.
- British goods **exports** to the European Union rose to their highest since October 2019 in May 2021, reversing a slump at the start of 2021 when Britain exited the bloc's single market and customs union. But overall trade with the EU has lagged behind growth in

sales to the rest of the world, and business groups said they still faced extra red tape dealing with European customers and suppliers as a result of Brexit.

- The number of **payroll employees** showed another monthly increase, up 356,000 in June 2021 to 28.9 million. However, it remains 206,000 below pre-coronavirus (COVID-19) pandemic levels. For the first time since the beginning of the pandemic, some regions are now above pre-pandemic (February 2020) levels. These include North East, North West, East Midlands, and Northern Ireland.
- In the latest period (March to May 2021), there was an increase in the **employment rate** of 0.1 percentage points, to 74.8%, and a decrease in the **unemployment rate** of 0.2 percentage points, to 4.8%. The **economic inactivity rate** is up 0.1 percentage points on the previous quarter, to 21.3%.
- The UK **inflation rate** hit 2.5% in the year to June, the highest for nearly three years, as the unlocking of the UK economy continued. The Consumer Prices Index measure of inflation rose from 2.1% in May, driven by higher food and fuel costs. The rate is higher than the Bank of England's 2% inflation target for a second month, fuelling the debate about whether **interest rates** need to go up.
- **House prices** have reached a new high as buyers seek more space, figures from Zoopla show that the average price of a house by 7.3% over the past year, reaching a new high of £230,700. Demand for houses is twice as high as typically seen at this time of year between 2017 and 2019, accelerating away from demand for flats, creating a disparity in average price growth across the two property types. House prices are being supported in part by a severe shortage of homes for sale, with stock levels down some 25% in the first half of the year compared to 2020. This trend is expected to continue well into 2022.
- **UK borrowing** has led to record interest payments where the UK government spent a record £8.7bn in interest on repaying its debts last month which was more than three times as much as the £2.7bn in interest payments seen in June 2020. The reason was a surge in inflation, which raised the value of index-linked government bonds.
- The Public Accounts Committee has said that taxpayers will bear the costs of COVID-19 "for decades" with the estimated cost of economic measures having already hit £372 billion in May.
- Analysis from the Institute for Fiscal Studies (IFS) suggests an improvement in the **near-term economic outlook** is likely. Under Citi's latest UK forecast, they expect higher growth (and consequently higher tax revenues) to reduce borrowing this year (2021–22) by £30 billion, compared with the official forecast at the Budget in March 2021. Under Citi's forecast, the recovery is faster, but not more complete, due to permanent economic damage done by the pandemic. By the middle of the decade, the cash size of the economy is expected by Citi to be 3% smaller than official pre-COVID

forecasts. In the medium term, this would leave no headroom against the Chancellor's stated target of the current budget balance. The government's existing spending plans imply cuts to some departments and make no allowance for additional virus-related spending.

- The IMF has upgraded its **UK economic forecast** with the UK economy expected to grow by 7% this year, the joint fastest of the G7 alongside the US, reflective of the successful vaccine programme allowing more parts of the economy to recover faster.
- However, although a number of economic commentators have previously suggested a strong **worldwide economic rebound** fuelled by easy access to money and vaccine rollouts, international markets have concern that the combination of price pressures with talk of tighter monetary policy to bring inflation under control and soaring infection rates raises the risk that growth could fall short of optimistic forecasts.
- Looking forward a PWC report has suggested that the switch to **online shopping** is likely to stay after the pandemic and concludes that the pandemic is resulting in a "historic and dramatic shift in consumer behaviour".
- The UK's drive to become a world leader in **electrification** is set to create a major 'reshoring' opportunity according to a new report. 'In Charge', a unique Protolabs-backed survey of 200 senior executives from the European battery industry, has revealed 84% of UK companies are looking to bring parts of their supply chain closer to their manufacturing base over the next twelve months.
- A survey by the British Chambers of Commerce has found **vaccine passports** in the workplace are being considered by nearly a third of major businesses, where staff may be asked for proof of vaccination before they can physically go back to work.

### Local Picture

- Looking locally due to our strong position going into the crisis the **number of people on some form of government job support scheme** (including Universal Credit, Furlough and Self-employment Income Support) is estimated to be lower than the rest of the country, 13% compared to 15% nationally, and has decreased further over the last month as more workers on furlough and Universal Credit have returned to work.
- The claimant count in Staffordshire saw a further **decrease of 1,295 claimants between May and June 2021 to a total of 21,700 claimants**, which is a larger proportional decline than regionally and in-line with the decline seen nationally. While the **claimant rate has also declined from 4.3% to 4.1% of the working age population in June** and continues the trend seen since February.
- This reflects the continued easing of lockdown restrictions and the announced final easing of restrictions on the 19th July, allowing more businesses to fully reopen with more workers able to return to their place of work full-time and businesses looking to recruit more staff to support their recovery and growth.

- However, **the total number of Universal Credit (UC) claimants remain just over 80% higher than the level seen in March 2020 (pre-COVID), an increase of 9,650 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 4.1% of the working age population in June compared to 6.6% regionally and 5.7% 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 currently stands at 6.3% compared to 3.7% in March 2020** and still well above the rate for the working age population. Encouragingly for the third month in a row Staffordshire has seen a decrease in the youth claimant count with a decline of 295 over the last month to a total of 4,160, reflective of more young people being able to return to work in hardest hit sectors such as retail and hospitality. However, 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 and Restart Schemes** 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 **22,200 furloughed job claims in Staffordshire up to the end of June**, showing a **further decline of 6,000 furloughed workers in Staffordshire between May and June, equivalent to 6% of eligible workers** which is lower than the regional and national averages of 7%. **Stoke-on-Trent had 5,000 jobs still furloughed, showing a decline of 1,700 between May and June and equivalent to 5% of eligible jobs**. We have seen the number of workers furloughed further decline over the last month while at the same time the claimant count has also declined, indicating that more people are returning to work, especially young people in hardest hit sectors, 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.

- HMRC have not released any further data for the Self-Employment Income Support Scheme (SEISS) this month, once we receive the next data release we will provide analysis in a future bulletin.
- Overall numbers of **company insolvencies in June 2021 increased by 63% compared to the same month last year but remain 18% 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.
- The continued easing of restrictions during July has seen a further uplift in job vacancies as more businesses in the hardest hit sectors of hospitality and retail reopened, **Staffordshire saw vacancies increase by 5% between June and July, equivalent to over 1,300 more job vacancies,** which is above the 4% rise seen nationally. **Stoke-on-Trent saw a rise of 6% with over 500 more vacancies in July compared to June.** This continued significant improvement in recruitment has seen vacancy levels rise to levels well above those seen prior to COVID and above the growth seen nationally.
- The occupations to see the most significant increases during July were roles in sectors which have been able to open up further due to reduced restrictions and sectors seen growth including hospitality, logistics, manufacturing, and sales and customer services.
- There has also been a further increase in demand for roles in health & social care and education where there are ongoing recruitment difficulties with high demand for occupations including 'care workers and home carers', 'nurses', 'residential, day and domiciliary care managers and proprietors', and 'secondary education teaching professionals'.
- It is also found that the main occupations to have grown since COVID struck are mainly found within logistics, manufacturing, hospitality, and construction. This is reflective of the growth in ecommerce, easing of restrictions and the swift recovery in construction and manufacturing.
- 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 and where there are increasing skills gaps. While in manufacturing **metal working production and maintenance fitters** remain the occupation in most demand.
- There is also increased and high demand in hospitality for roles including **chefs and kitchen and catering assistants**.
- As well as these more sector specific roles, there is continuing demand for workers which support numerous sectors including **sales and business development managers, business sales executives, programmers and software development professionals, book-keepers, admin roles, LGV drivers and cleaners**.
- It is clear that there are increasing jobs available in the local economy and the need now is to ensure that there is a strong local labour pool with skilled workers able to fill these roles to support business recovery. 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.
- There are also 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.
- Working with Staffordshire's borough and district councils, Staffordshire County Council's £5m 'Staffordshire Means Back to Business Support Scheme' is offering local businesses grants and loans to rebuild after the difficult times brought about by the pandemic. 'To Thrive' grants are still available in most parts of Staffordshire to help businesses with a plan get back on their feet. Grants of £2,000 to £5,000 are available to SME's in Staffordshire (not Stoke-on-Trent) for anything from:

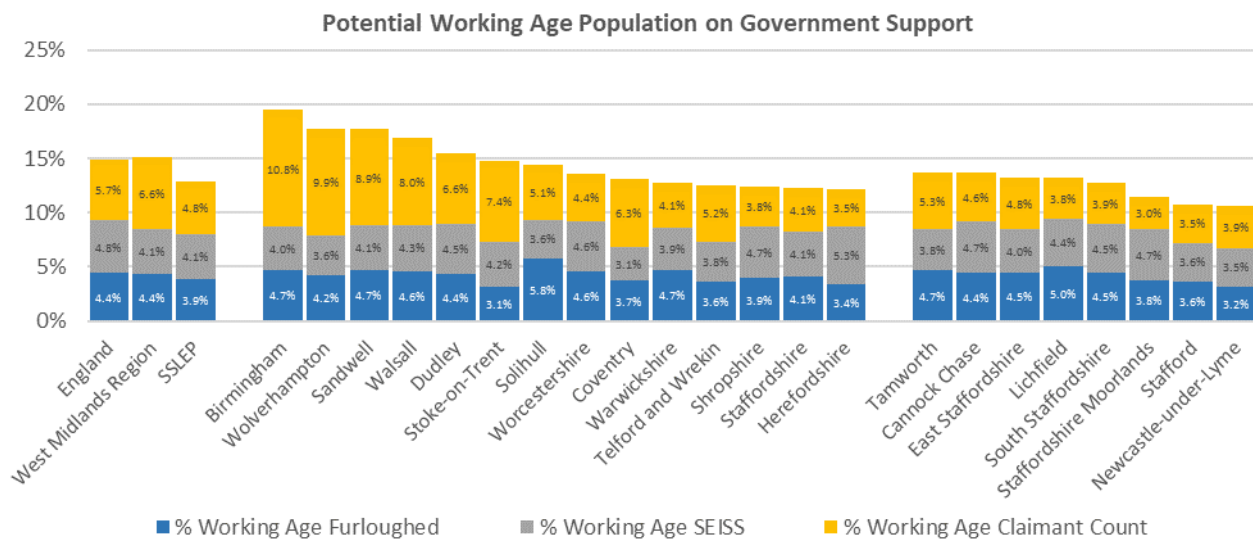
- Specialist advice
- Marketing - including website design, digital marketing experts, etc
- Purchase of equipment or machinery
- E-commerce facilities
- Computers/laptops for new starters
- and more! Email [tothrive@staffordshire.gov.uk](mailto:tothrive@staffordshire.gov.uk) to see if your plan can be funded.
- Grants are going fast but there is still funding available for businesses based in Cannock Chase district, South Staffordshire district, Staffordshire Moorlands district, Tamworth borough and Lichfield district - [READ MORE HERE.](#)
- The co-ordinated and quick response Redundancy and Recruitment Triage Service is offering free bespoke plans to any Stoke-on-Trent or Staffordshire businesses who need to restructure but want to help their staff get into other work in growth sectors as quickly as possible. Delivered by the National Careers Service, the new service offers professional, bespoke and fully-funded support. The service is entirely confidential and supported by qualified careers advisors - [WATCH MORE ABOUT THE FULL-FUNDED SUPPORT AVAILABLE .](#)
- A new university project to help Staffordshire businesses develop smarter, greener, and more efficient ways of transporting goods has got off to a flying start. **Staffordshire Connected and Intelligent Mobility Innovation Accelerator (SCIMIA)** is a project available to small and medium-sized enterprises (SMEs) through Staffordshire University's Innovation Enterprise Zone. The project is being funded by £986,000 from the Stoke-on-Trent and Staffordshire Local Enterprise Partnership (LEP) and the European Regional Development Fund.
- **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.
- Stoke-on-Trent and Staffordshire Growth Hub is conducting a business premises investigation survey to better understand the needs of businesses when seeking suitable commercial space - [COMPLETE THE SURVEY.](#)

- In conclusion, we continue to see **signs of recovery** in the economy with most restrictions now lifted allowing more businesses to reopen and bring back workers. However, the virus is still spreading so there remains the need to be cautious in getting back to the 'new normal' to help prevent further increases in cases. Clearly there are issues related to the end of restrictions, alongside the phasing out of Government support and business and consumer confidence which will need to be addressed in order to create a stronger business environment for economic recovery and growth. There is also the need to address increasing skills and labour supply issues which are holding back business growth and innovation. Achieving full vaccination of the population is key to being able to effectively live with the virus and preventing further disruption and damage to the economy.
- As the vaccines continue to be provided to the general population it is vital that additional support such as the **Additional Restrictions Grant** and **Staffordshire Means Back to Business Programme** 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 89,400 residents in the SSLEP area on Government support, equivalent to around 12.9% of the working age population which is lower than the regional and national averages (both 15%). Stoke-on-Trent (15%) and Tamworth and Cannock Chase (both 14%) have the highest rates while Newcastle-under-Lyme and Stafford (both 11%) have the lowest.

SSLEP Working Age Population	694,954
Jobs in High Risk Sectors	221,000
Claimant Count June 2021	33,550
Coronavirus Job Retention Scheme (CJRS) Furloughed job claims as at 30th June 2021	27,200
Self-Employment Income Support Scheme (SEISS) fourth grant claims up to 6th June 2021	28,700
<b>Potential workers on Government support</b>	<b>89,450</b>
<b>Potential % of working age population on Government support</b>	<b>12.9%</b>

*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 Count<sup>1</sup>

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: June 2021

Area	Claimant Count Rate (June 2020)	Claimant Count Rate (May 2021)	Claimant Count Rate <sup>1</sup> (June 2021)	Number of Claimants (June 2021)	Monthly Change in Claimants (Numbers)	Monthly Change in Claimants (%)	Change in Claimants since March 2020 (Numbers)	Change in Claimants since March 2020 (%)
England	6.3	6.0	5.7	1,995,710	-117,460	-5.6%	932,205	87.7%
West Midlands	7.1	6.9	6.6	242,705	-8,945	-3.6%	98,355	68.1%
SSLEP	5.5	5.1	4.8	33,550	-1,595	-4.5%	14,180	73.2%
Birmingham	10.6	11.0	10.8	78,955	-1,495	-1.9%	29,585	59.9%
Wolverhampton	10.3	10.1	9.9	16,175	-355	-2.1%	5,795	55.8%
Sandwell	9.0	9.2	8.9	18,205	-580	-3.1%	7,425	68.9%
Walsall	8.6	8.3	8.0	13,860	-450	-3.1%	5,255	61.1%
<b>Stoke-on-Trent</b>	<b>8.0</b>	<b>7.6</b>	<b>7.4</b>	<b>11,850</b>	<b>-300</b>	<b>-2.5%</b>	<b>4,530</b>	<b>61.9%</b>
Dudley	7.2	6.9	6.6	12,765	-540	-4.1%	4,250	49.9%
Coventry	6.4	6.5	6.3	15,695	-380	-2.4%	7,695	96.2%
Telford and Wrekin	6.2	5.5	5.2	5,850	-280	-4.6%	2,420	70.6%
Solihull	5.6	5.4	5.1	6,535	-375	-5.4%	2,885	79.0%
Worcestershire	5.2	4.7	4.4	15,595	-1,025	-6.2%	7,290	87.8%
<b>Staffordshire</b>	<b>4.8</b>	<b>4.3</b>	<b>4.1</b>	<b>21,700</b>	<b>-1,295</b>	<b>-5.6%</b>	<b>9,650</b>	<b>80.1%</b>
Warwickshire	4.8	4.4	4.1	14,415	-970	-6.3%	6,585	84.1%
Shropshire	4.6	4.0	3.8	7,170	-525	-6.8%	3,160	78.8%
Herefordshire, County of	4.2	3.8	3.5	3,935	-380	-8.8%	1,825	86.5%
Tamworth	6.0	5.6	5.3	2,490	-165	-6.2%	1,000	67.1%
East Staffordshire	5.3	5.0	4.8	3,545	-115	-3.1%	1,825	106.1%
Cannock Chase	5.7	4.9	4.6	2,895	-190	-6.2%	1,240	74.9%
Newcastle-under-Lyme	4.8	4.1	3.9	3,175	-205	-6.1%	1,195	60.4%
South Staffordshire	4.5	4.1	3.9	2,590	-130	-4.8%	1,280	97.7%
Lichfield	4.8	4.1	3.8	2,325	-195	-7.7%	1,005	76.1%
Stafford	4.2	3.8	3.5	2,925	-190	-6.1%	1,270	76.7%
Staffordshire Moorlands	3.6	3.2	3.0	1,755	-100	-5.4%	835	90.8%

<sup>1</sup> The claimant rate is the proportion of the working age population claiming benefits

- The Claimant Count in Staffordshire saw a further decrease of 1,295 between May and June 2021 to a total of 21,700 claimants, which represented a 5.6% decline over the period which was a larger proportional decline than regionally and in-line with the decline seen nationally. While the claimant rate has also declined from 4.3% to 4.1% of the working age population in June and continues the trend seen since February.
- While Stoke-on-Trent saw a decrease of 300 over the same period with a total of 11,850 claimants in June, with the rate dropping from 7.6% to 7.4%.
- This reflects the continued easing of lockdown restrictions and the announced final easing of restrictions on the 19th July, allowing more businesses to fully reopen with more workers able to return to their place of work full-time and businesses looking to recruit more staff to support their recovery and growth.

- Although there has been some improvement over recent months it is important to look at the change in the Claimant Count seen since March 2020 (pre-COVID) where the number of claimants in Staffordshire remains just over 80% higher than with an increase of 9,650 claimants and in Stoke-on-Trent there has been an increase of 4,530.
- 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 4.1% in June compared to 6.6% regionally and 5.7% nationally. In Stoke-on-Trent the Claimant Count rate remains above both the regional and national averages at 7.4%.
- Again, this month all Staffordshire Districts have seen a decline in the number of claimants. Newcastle-under-Lyme saw the largest decrease with 205 fewer claimants followed by Lichfield (decrease of 195 claimants).
- Tamworth, East Staffordshire, and Cannock Chase 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.

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

## Youth Claimant Count (Universal Credit) Statistics: June 2021

Area	Youth Claimant Count Rate (June 2020)	Youth Claimant Count Rate (May 2021)	Youth Claimant Count Rate <sup>1</sup> (June 2021)	Number of Youth Claimants (June 2021)	Monthly Change in Youth Claimants (Numbers)	Monthly Change in Youth Claimants (%)	Change in Youth Claimants since March 2020 (Numbers)	Change in Youth Claimants since March 2020 (%)
England	9.0	8.2	7.7	364,085	-25,635	-6.6%	166,355	84.1%
West Midlands	10.0	9.2	8.8	46,540	-2,290	-4.7%	18,635	66.8%
SSLEP	8.9	7.5	7.1	6,335	-370	-5.5%	2,515	65.8%
Wolverhampton	15.1	14.5	14.2	3,025	-75	-2.4%	1,115	58.4%
Sandwell	14.1	14.1	13.5	3,580	-165	-4.4%	1,465	69.3%
Walsall	14.4	13.4	12.7	2,910	-145	-4.7%	995	52.0%
Dudley	12.6	11.6	10.9	2,600	-160	-5.8%	850	48.6%
Birmingham	11.0	10.9	10.6	14,990	-410	-2.7%	5,885	64.6%
<b>Stoke-on-Trent</b>	<b>10.9</b>	<b>9.5</b>	<b>9.2</b>	<b>2,175</b>	<b>-75</b>	<b>-3.3%</b>	<b>770</b>	<b>54.8%</b>
Solihull	10.6	9.9	9.2	1,395	-110	-7.3%	570	69.1%
Telford and Wrekin	10.2	8.9	8.5	1,280	-65	-4.8%	520	68.4%
Worcestershire	8.9	7.6	7.0	2,925	-225	-7.1%	1,330	83.4%
<b>Staffordshire</b>	<b>8.2</b>	<b>6.7</b>	<b>6.3</b>	<b>4,160</b>	<b>-295</b>	<b>-6.6%</b>	<b>1,745</b>	<b>72.3%</b>
Shropshire	8.6	6.7	6.0	1,250	-160	-11.3%	425	51.5%
Herefordshire, County of	7.8	6.3	5.8	715	-55	-7.1%	300	72.3%
Warwickshire	7.2	6.1	5.6	2,570	-200	-7.2%	1,235	92.5%
Coventry	5.9	5.8	5.6	2,975	-135	-4.3%	1,440	93.8%
Tamworth	10.8	10.0	9.5	545	-30	-5.2%	250	84.7%
Cannock Chase	10.7	8.9	8.2	600	-55	-8.4%	235	64.4%
East Staffordshire	9.2	7.6	7.4	630	-10	-1.6%	310	96.9%
South Staffordshire	8.2	7.0	6.4	510	-50	-8.9%	260	104.0%
Lichfield	8.5	6.4	6.0	420	-35	-7.7%	150	55.6%
Stafford	7.2	6.0	5.6	510	-35	-6.4%	195	61.9%
Newcastle-under-Lyme	6.5	5.1	4.6	645	-70	-9.8%	220	51.8%
Staffordshire Moorlands	6.8	4.8	4.6	295	-15	-4.8%	120	68.6%

<sup>1</sup> 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 is now 6.3% compared to 4.1% for all working-age residents, while in Stoke-on-Trent the rate is now at 9.2% in June 2021.
- Encouragingly for the third month in a row Staffordshire has seen a decrease in the youth claimant count with a decline of 295 over the last month to a total of 4,160, reflective of more young people being able to return to work in hardest hit sectors such as retail and hospitality.
- Despite these declines youth claimants still remain well above pre-COVID levels.
- All of Staffordshire Districts have seen decreases in youth claimants this month, with Newcastle-under-Lyme and Cannock Chase seeing the largest declines. Tamworth and Cannock Chase continue to record the highest rates in Staffordshire, both above the national average.
- However, 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 and Restart Schemes are quickly and effectively put in place to support these groups and help prevent them becoming long-term unemployed.

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

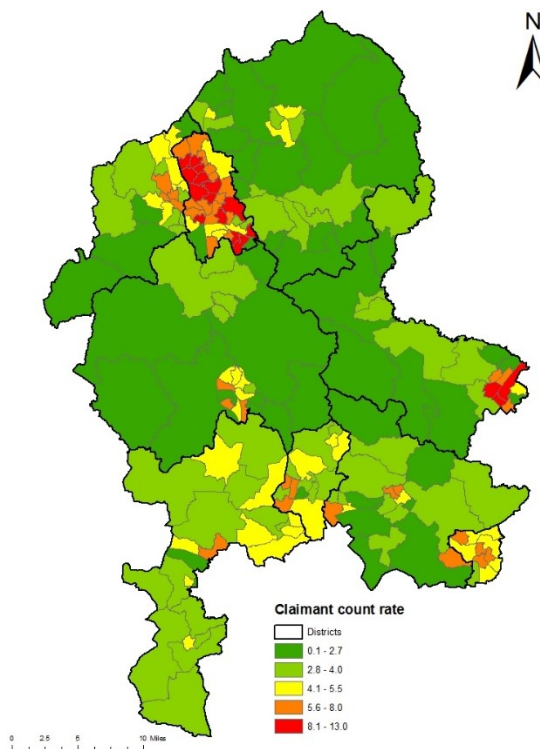
- The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

### Claimant Count Rate June 2021

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 53 were above the England average of 5.7% for the number of claimants as a proportion of the working age population.

Of the top 10 wards with the highest claimant count rate 8 were in Stoke-on-Trent with Etruria and Hanley (13.0% or 675 claimants), Joiner’s Square (12.7% or 575 claimants), and Moorcroft (12.2% or 450) having the highest rates.

In Staffordshire the 4 wards with the highest claimant count rates were all in East Staffordshire, Anglesey (9.1% or 485), Burton (8.7% or 260), Shobnall (8.3% or 445) and Eton Park (8.0% or 385).

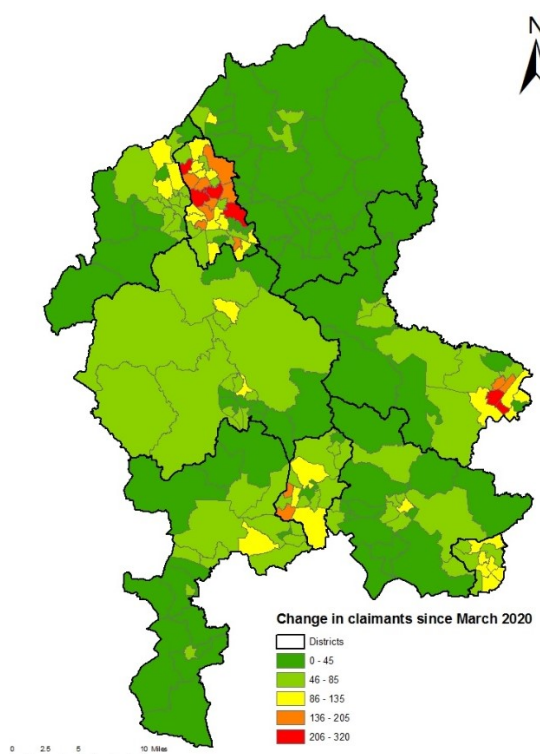


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### Change in Claimant Count since March 2020

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 (320 increase to 675), Bentilee and Ubberley (270 increase to 670) and Birches Head and Central Forest Park (245 rise to 635 in total).

The remaining 3 wards in the top 10 were all in East Staffordshire the highest increases were seen in Anglesey (295 rise to 485), Shobnall (235 increase to 445) and Eton Park (205 rise to 385).



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

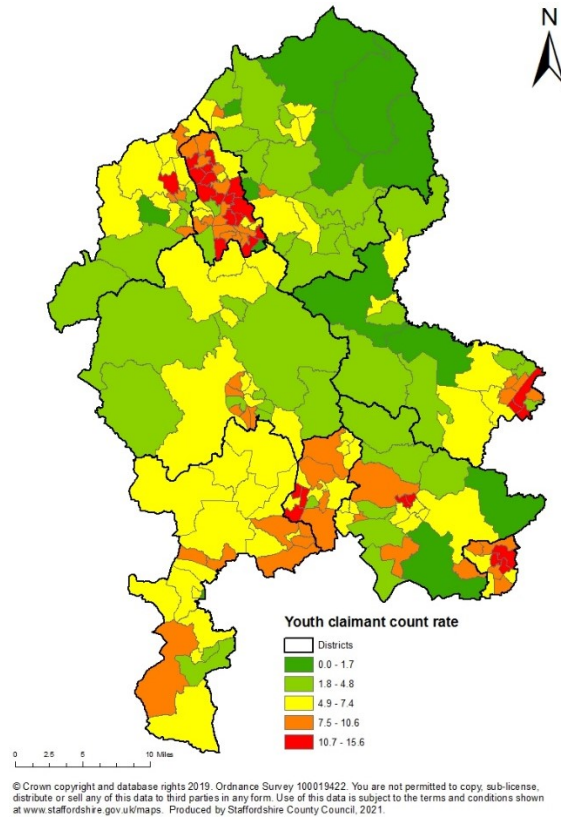
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

### Youth Claimant Count Rate June 2021

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 70 were at or above the England average of 7.7% 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 7 were in Stoke-on-Trent with Joiner's Square (15.7% or 120), Bentilee and Ubberley (15.5% or 140) and Moorcroft (14.9% or 80) having the highest rates.

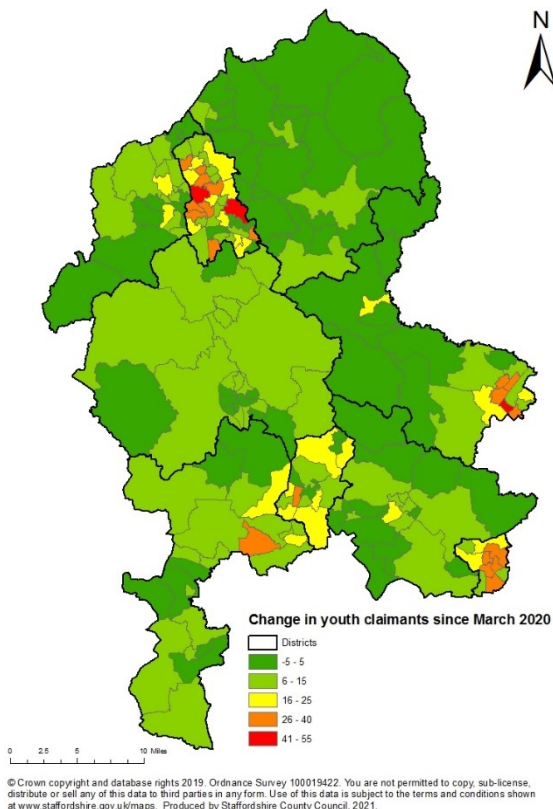
In Staffordshire, the highest rate was Glascote in Tamworth with 15.5% or 90, followed by Holditch & Chesterton in Newcastle-under-Lyme with 14.1% or 60 claimants and Cannock North in Cannock Chase with 13.1% or 70 youth claimants.



### 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 (55 rise to 100), Bentilee and Ubberley (50 rise to 140), and Burslem Park (40 rise to 60) with the highest rises since March 2020.

In Staffordshire, the highest increases were seen in Anglesey in East Staffordshire (50 rise to 80 claimants), Horninglow in East Staffordshire (40 rise to 70), and Glascote in Tamworth (35 rise to 90).



## Coronavirus Job Retention Scheme (CJRS) Furloughed Jobs<sup>2</sup>

- HMRC have released local authority level breakdowns of the CJRS scheme for claims submitted to HMRC by 14<sup>th</sup> July 2021 for the period up to 30<sup>th</sup> June 2021.
- Figures for June 2021 are provisional and subject to revision as additional claims for the period are received.
- Based on the provisional figures, **Staffordshire had the 2nd highest number of furloughed job claims up to the end of June in the WM with 22,200**, behind only Birmingham and equivalent to 6% of eligible workers. This is to be expected given Staffordshire is the 2<sup>nd</sup> largest strategic authority area in the region but shows the potential size of the challenge as furlough ends.
- Between May and June Staffordshire has seen a **further decrease of 6,000 furloughed jobs. This 21% decrease in furloughed jobs reflects the further easing of restrictions we have seen over the last month allowing more businesses to reopen and bring back their workers.** However, there are still significant numbers on furlough reflecting the ongoing impact of the pandemic for many businesses.
- This decrease has seen **Staffordshire's rate of furlough decrease from 7% to 6% which is just below the regional and national averages of 7%.**
- **Stoke-on-Trent has seen the number of furloughed jobs decrease by 1,700 to 5,000 in June, equivalent to 5% of eligible jobs and the joint lowest rate in the West Midlands.**
- Across the SSLEP area of those on furlough 51% are male and 49% female.
- Although we have seen a further decrease in the number of workers on furlough during the last month, there remain concerns as to how many of the significant number of workers which are still on furlough are to return to work between now and when furlough ends at the end of September.

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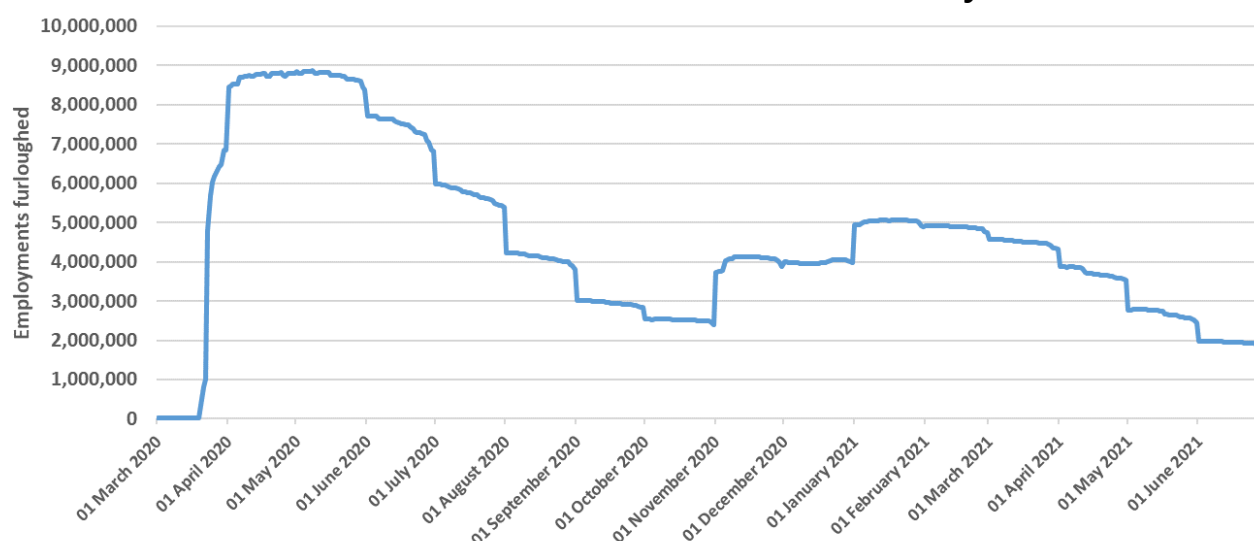
<sup>2</sup> Source: HMRC – <https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-29-july-2021>

## Coronavirus Job Retention Scheme (CJRS) Statistics: 29 July 2021

County and district / unitary authority	Total employments on furlough at Total employments eligible for furlough		Total take-up rate at 30 June (provisional)
	30 June (provisional)	30 June (provisional)	
Lichfield	3,100	45,300	7%
South Staffordshire	3,000	46,200	7%
<b>England</b>	<b>1,554,000</b>	<b>23,881,800</b>	<b>7%</b>
<b>West Midlands</b>	<b>159,400</b>	<b>2,424,300</b>	<b>7%</b>
Cannock Chase	2,800	44,400	6%
East Staffordshire	3,300	55,300	6%
Tamworth	2,200	36,100	6%
<b>Staffordshire County</b>	<b>22,200</b>	<b>379,200</b>	<b>6%</b>
SSLEP	27,200	484,300	6%
Newcastle-under-Lyme	2,600	52,200	5%
Stafford	3,000	59,600	5%
Staffordshire Moorlands	2,200	40,100	5%
<b>Stoke-on-Trent UA</b>	<b>5,000</b>	<b>105,100</b>	<b>5%</b>

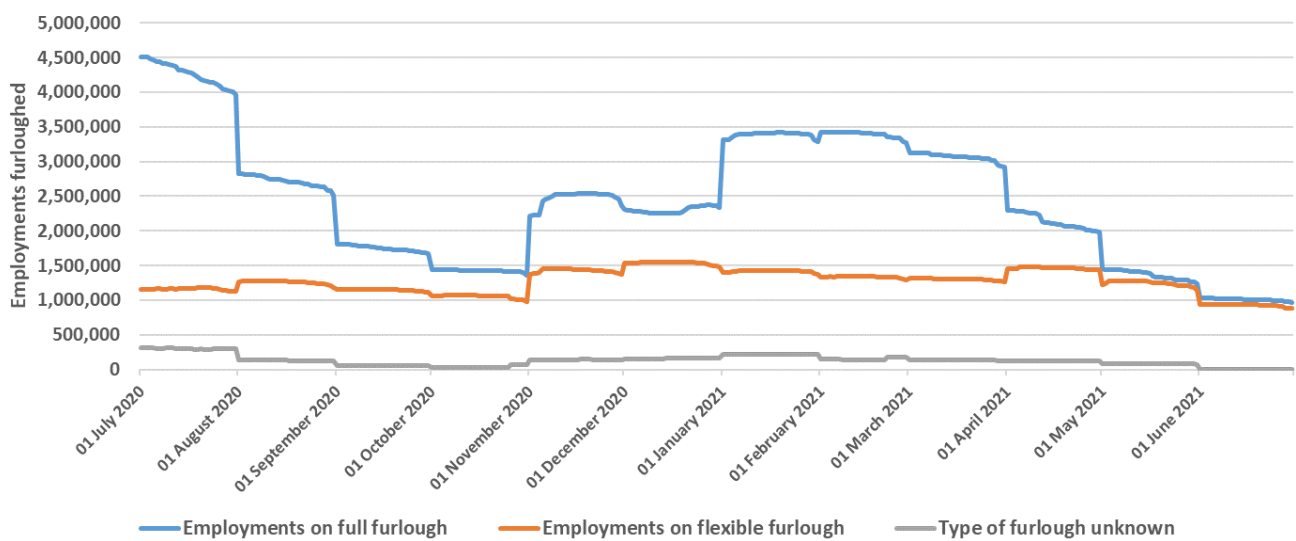
- The national data provides more detailed breakdowns than available for local authorities and looking at the national picture allows for greater insight into the extent of furlough support and who is currently being supported by the furlough scheme.
- **Nationally there were 539,800 (a decrease of over 45,000 since May 2021) employers making 1,857,400 (a decrease of 590,000 or 24% since May 2021) furloughed job claims up to the end of June.**
- The following chart shows the trend in furloughed job claims nationally, it shows that following the steady decline seen since the latest lockdown began at the start of January there has been a more significant drop in furloughed workers over the last few months reflecting the opening up of more parts of the economy in particular non-essential retail and hospitality.

### Coronavirus Job Retention Scheme (CJRS) Statistics: 29 July 2021 Time Series



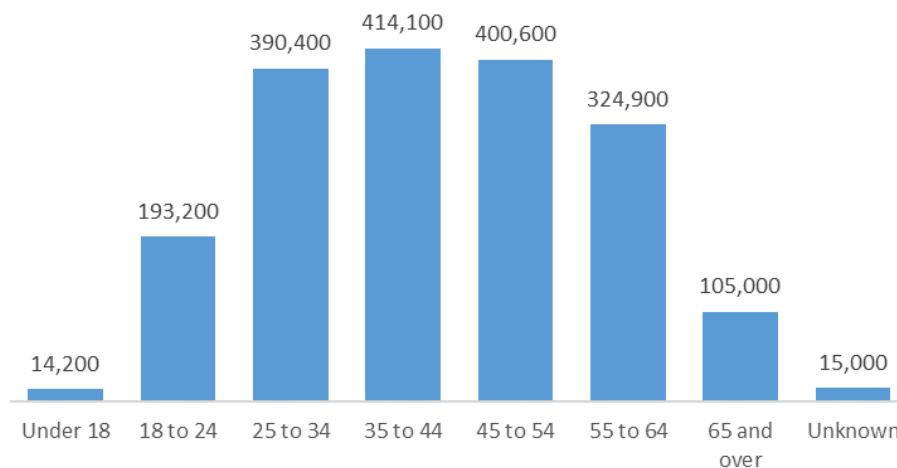
- **Employer Size** – As at 30 June 2021, over four fifths (81%) of claims were made by SMEs with 18% in large businesses with 250+ employees with 1% unknown.
- **Furlough Type** - Of those workers furloughed, just over half (52%) were fully furloughed and 48% on flexible furlough. **The chart below shows that the number that are fully furloughed has declined by just over 264,000 since May showing a 21% decline, while those on flexible furlough have also decreased by 259,000 or 23%.** Given that we have seen a decline in both fully and partially furloughed, this would indicate that people are returning to work rather than there being movement between full and part furlough.

### Coronavirus Job Retention Scheme (CJRS) Statistics: 29 July 2021 Time Series by Type



- **Furlough by Age** – the following chart shows the number of workers furloughed by employee age group, as we have seen since April those aged 24 and under have seen the largest declines (36% decline compared to 24% overall) in June reflecting the continued opening up of sectors in which many young people work.

### Furloughed Workers by Age



- Nationally, the sectors of 'Arts, entertainment and recreation' and 'Accommodation and Food services' 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 again seen the largest decline in furloughed workers during the last month as restrictions impacting such sectors have started to be eased.
- We have also seen a decline in workers furloughed in the 'Arts, entertainment and recreation' sector this month and the sector now has fewer furloughed workers than 'Manufacturing', 'transport and storage' and 'construction'.

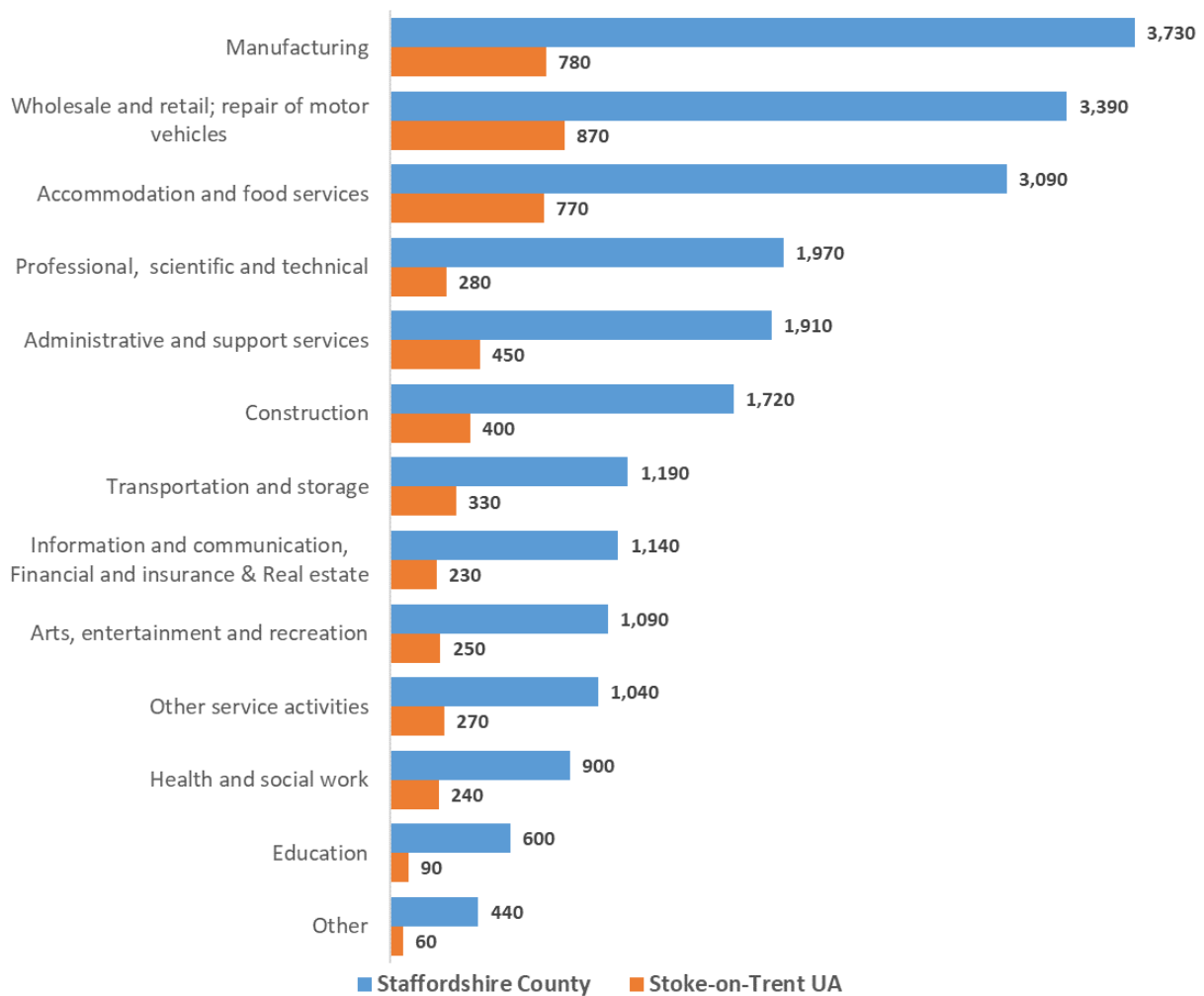
### Coronavirus Job Retention Scheme (CJRS) Statistics: 29 July 2021 by Sector

Sector	Employers			Employments			Employments change between May 2021 and June 2021
	Employers (PAYE schemes) with staff eligible for furlough	Employers furloughing at 30 June (provisional)	Take-up rate at 30 June (provisional)	Employments eligible for furlough	Employments on furlough at 30 June (provisional)	Take-up rate at 30 June (provisional)	
Arts, entertainment and recreation	41,700	16,500	40%	501,600	99,400	20%	-49,300
Accommodation and food services	133,000	58,800	44%	1,733,300	337,800	19%	-291,900
Other service activities	94,200	31,100	33%	521,000	84,400	16%	-15,400
Construction	243,800	60,100	25%	1,279,900	129,600	10%	-10,900
Transportation and storage	78,600	26,100	33%	1,311,800	133,500	10%	-21,400
Manufacturing	102,000	34,400	34%	2,293,200	179,500	8%	-18,000
Real estate	50,400	14,500	29%	428,300	33,100	8%	-4,800
Administrative and support services	164,000	52,600	32%	2,367,900	189,400	8%	-36,500
Professional, scientific and technical	306,600	76,500	25%	2,180,200	160,700	7%	-24,600
Wholesale and retail; repair of motor vehicles	253,400	86,100	34%	4,337,800	269,300	6%	-64,200
Information and communication	143,900	30,300	21%	1,218,200	66,300	5%	-16,100
Agriculture, forestry and fishing	33,500	3,000	9%	174,200	6,800	4%	-2,200
Water supply, sewerage and waste	5,900	1,700	29%	172,600	5,500	3%	-1,200
Mining and quarrying	1,100	200	19%	47,900	900	2%	-200
Finance and insurance	34,900	6,700	19%	1,068,100	18,000	2%	-3,300
Education	39,900	12,300	31%	3,176,600	55,100	2%	-10,000
Health and social work	101,700	22,000	22%	4,112,200	71,700	2%	-11,800
Energy production and supply	1,400	300	22%	128,400	1,000	1%	-200
Households	71,100	1,100	2%	119,300	1,400	1%	-300
Public administration and defence; social security	7,800	200	3%	1,373,600	2,800	<0.5%	-1,400
Unknown and other	48,300	5,300	-	146,100	11,100	-	-6,200
<b>Total</b>	<b>1,957,200</b>	<b>539,800</b>	<b>28%</b>	<b>28,692,200</b>	<b>1,857,400</b>	<b>6%</b>	<b>-590,000</b>

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 and Stoke-on-Trent with 'Manufacturing', 'Wholesale and retail including the repair of motor vehicles' and 'Accommodation and Food services' by far the highest.
- 'Accommodation and Food services' has seen by far the highest decline in furloughed workers over the last month as more businesses have been able to open up again.

## Furloughed workers by sector in Stoke-on-Trent & Staffordshire



- It is clear that there are certain sectors which continue to be the hardest hit by the restrictions that remain in place and the effects of the pandemic, but we expect that future releases will show further declines in furloughed workers as a result of more restrictions being lifted as we move forwards on the Government's roadmap out of lockdown.
- 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 statistics<sup>3</sup> for June 2021, which show the number of new companies and individuals who are unable to pay debts and enter a formal insolvency procedure.

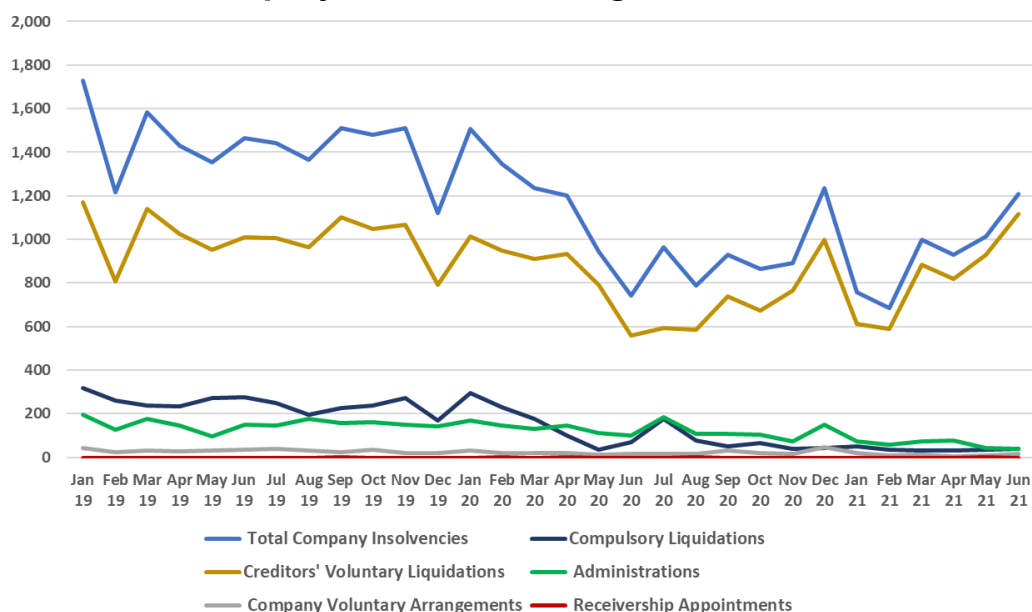
### Company Insolvencies

**In June 2021 there were a total of 1,207 company insolvencies in England and Wales**, comprised of 1,116 creditors' voluntary liquidations (CVLs), 39 administrations, 38 compulsory liquidations, and 14 company voluntary arrangements (CVAs).

The overall number of **company insolvencies increased by 63% in June 2021 when compared to the same month last year but remain 18% 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 July 2020 and June 2021 are 36% lower compared to a year earlier, representing just over 6,398 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 June 2020 and May 2021 are construction (1,705), accommodation and food (1,404), and wholesale and retail (1,362).** However, levels are far lower than those seen for the same period the previous year, with construction 42% lower, wholesale and retail 40% lower and accommodation and food 35% below levels seen a year earlier.

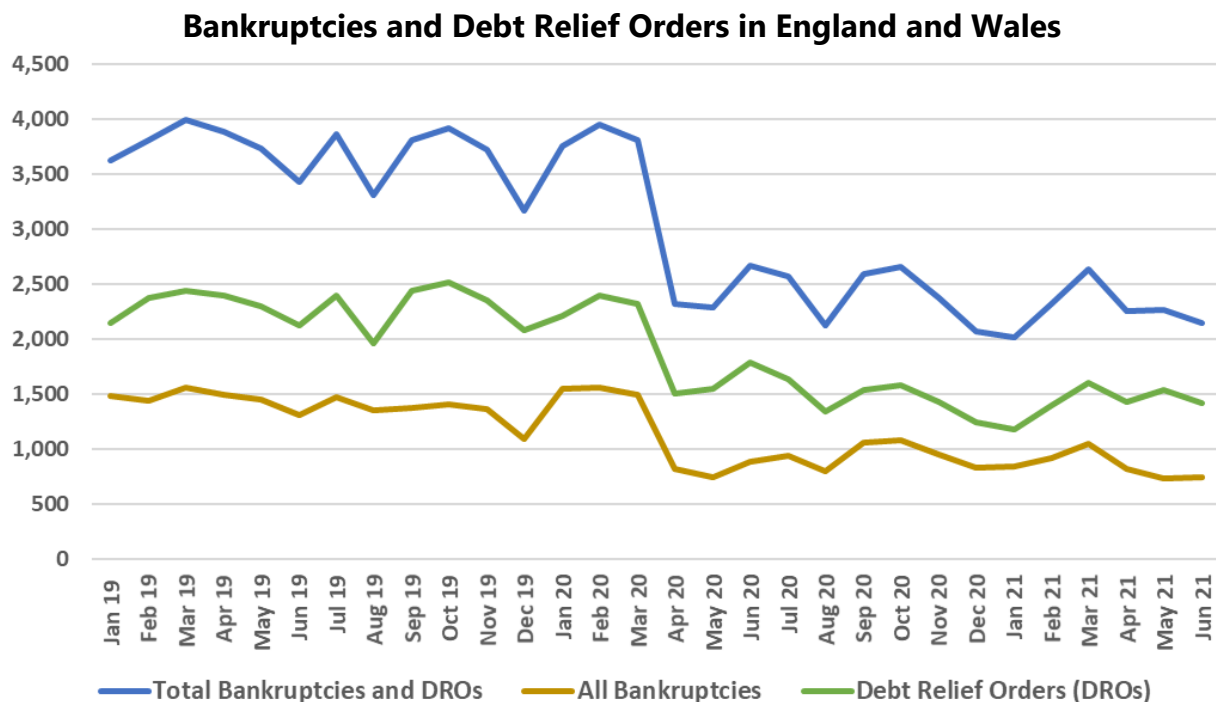
<sup>3</sup> Source: The Insolvency Service – <https://www.gov.uk/government/statistics/monthly-insolvency-statistics-june-2021>

## Individual Insolvencies

For individual insolvencies, the number of **bankruptcies in June 2021 was 735** (made up of 645 debtor applications and 90 creditor petitions), while the number of **Debt Relief Orders (DROs) was 1,410**.

**Bankruptcies were 17% lower than a year earlier and 44% lower than in June 2019, while DROs were 21% lower than in June 2020 and 33% lower than two years earlier.**

**Total bankruptcies and DROs between July 2020 and June 2021 have declined by 39% representing just over 18,000 fewer compared to the same period a year earlier.**



Individual Voluntary Arrangements (IVAs) is a formal debt solution to pay back debts over a period of time. There were, **on average, 7,184 IVAs registered per month in the three-month period ending June 2021**, which is 15% lower than the three-month period ending June 2020 but 11% higher than the three-month period ending June 2019.

Between the launch of the Breathing Space scheme on 4 May 2021, and 30 June 2021, there were 11,747 registrations, comprised of 11,636 Standard breathing space registrations and 111 Mental Health breathing space registrations.

Since the start of the first UK lockdown, as a response to the coronavirus (COVID-19) pandemic in March 2020, overall numbers of company and individual insolvencies have remained low when compared with pre-pandemic levels. This is likely to be partly driven by government measures put in place to support businesses and individuals during the 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.

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.

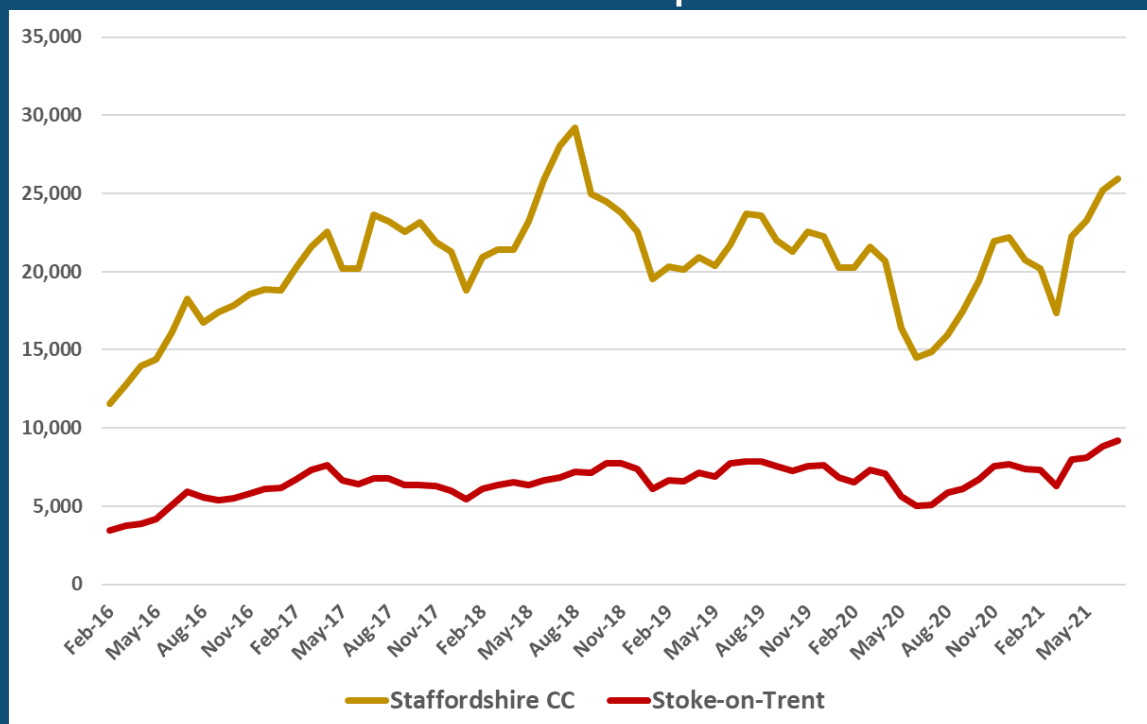
The main concern is a potential spike in company and individual insolvencies once Government support has been withdrawn. However, it is also important to note that the Government has extended some of the temporary COVID-19 relief measures under the UK Corporate Insolvency and Governance Act 2020, with winding up petitions restricted until 30<sup>th</sup> September 2021 - although further extensions to this deadline have not been ruled out.

The restrictions provide that a creditor may not present a winding up petition during the relevant period unless it has reasonable grounds to believe that coronavirus has not had a financial effect on the debtor or the debtor would have been unable to pay its debts even if coronavirus had not had a financial effect on the debtor.

## Job Vacancies<sup>4</sup>

- The latest job vacancies data continues to show more signs of economic recovery with a further uplift in recruitment in July, reflective of the further easing of restrictions enabling more businesses to reopen.
- However, as job vacancies soar there are increasing reports of labour and skills shortages with not enough workers to fill the vacant jobs, especially in digital/IT roles, social care (both adults and children), hospitality such as chefs and waiting staff, haulage HGV drivers, and engineering. This has the potential to slow down the recovery unless the skills gap is quickly and effectively addressed, clearly the Government's Plan for Jobs including the Kickstart and Restart schemes has a vital role in upskilling and reskilling jobseekers into areas of demand.
- **Staffordshire saw vacancies increase by 5% between June and July equivalent to over 1,300 more job vacancies, this was slightly higher than the rise of 4% seen nationally.**
- **Stoke-on-Trent saw a rise of 6% with over 500 more vacancies in July compared to June.**
- This continued significant improvement in recruitment has **seen vacancy levels rise to levels well above those seen prior to COVID and above the growth seen nationally.**

Staffordshire & Stoke-on-Trent Unique Job Vacancies Trend



<sup>4</sup> Source: EMSI

## Monthly Trends in recruitment

- The occupational groups to have seen the largest growth between June and July included 'sales and customer service occupations' (13% rise), 'administrative and secretarial occupations' (8% increase), and 'managers, directors and senior officials' (7% rise).
- The occupations to see the most significant increases during July were roles in sectors which have been able to open up further due to reduced restrictions and the sectors and occupations which support them including:
  - **Logistics** including elementary storage occupations', 'van drivers', 'LGV drivers', 'transport and distribution clerks and assistants' and 'managers and directors in storage and warehousing';
  - **Manufacturing** including 'metal working production and maintenance fitters', 'electrical engineers', 'engineering technicians', 'science, engineering and production technicians' and 'mobile machine drivers and operatives';
  - **Sales and customer services** including 'sales accounts and business development managers', 'sales and retail assistants', 'business sales executives' and 'customer service occupations'.
- There has also been a further increase in demand for roles in health and social care and education where there are ongoing recruitment difficulties with high demand for occupations including 'care workers and home carers', 'nurses', 'residential, day and domiciliary care managers and proprietors', and 'secondary education teaching professionals'.

## Pre-COVID baseline trends in job vacancies

- It is also found that the main occupations to have grown since before COVID struck are mainly found within:
  - **Logistics** including 'elementary storage occupations', 'LGV drivers', 'van drivers', 'transport and distribution clerks and assistants', and 'managers and directors in storage and warehousing';
  - **Manufacturing** including 'metal working production and maintenance fitters', 'science, engineering and production technicians' and 'engineering technicians';
  - **Hospitality** including 'kitchen and catering assistants' and 'chefs';
  - **Construction** including 'electricians and electrical fitters' and 'plumbers and heating and ventilating engineers'.

This is reflective of the growth in ecommerce alongside the swift recovery in construction and manufacturing.

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

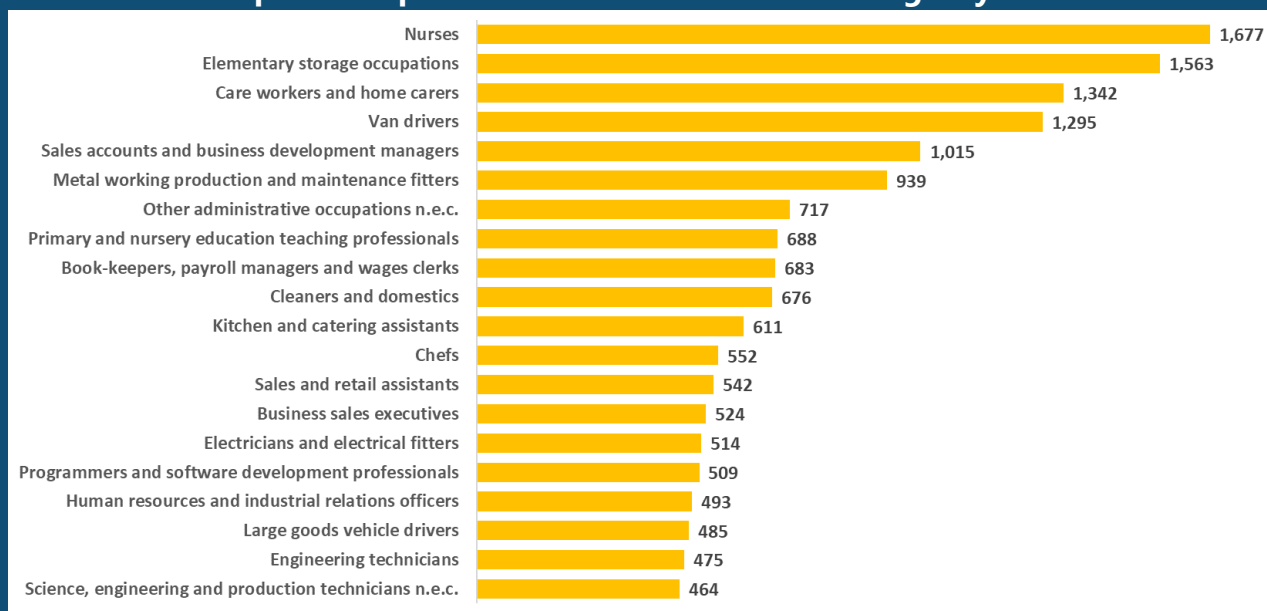


### Top Occupations in Demand

- 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 and where there are increasing skills gaps. While in manufacturing **metal working production and maintenance fitters** remain the occupation in most demand.
- There is also increased and high demand in hospitality for roles including **chefs and kitchen and catering assistants**.

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

### Top 20 occupations in demand in SSLEP during July 2021



- It is clear that there are increasing jobs available in the local economy and the need now is to ensure that there is a strong local labour pool with skilled workers able to fill these roles to support business recovery. 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	Jul 2020 Unique Postings	May 2021 Unique Postings	Jun 2021 Unique Postings	Jul 2021 Unique Postings	Jun 2021-Jul 2021 (Month on Month Change)	Jun 2021-Jul 2021 Monthly % Change	Feb 2020-Jul 2021 (Month on Month Change)	Feb 2020-Jul 2021 Monthly % Change	Jul 2020-Jul 2021 (Year on Year Change)	Jul 2020-Jul 2021 Annual % Change
Staffordshire CC	21,572	15,974	25,232	25,952	27,267	1,315	5%	5,695	26%	11,293	71%
Stoke-on-Trent	7,345	5,875	8,822	9,211	9,782	571	6%	2,437	33%	3,907	67%
SSLEP	28,917	21,849	34,054	35,163	37,049	1,886	5%	8,132	28%	15,200	70%
West Midlands	195,018	144,437	212,940	222,189	232,529	10,340	5%	37,511	19%	88,092	61%
England	2,226,108	1,765,403	2,308,694	2,387,303	2,493,138	105,835	4%	267,030	12%	727,735	41%
Stafford	4,890	3,847	6,404	6,427	6,711	284	4%	1,821	37%	2,864	74%
East Staffordshire	3,678	2,721	4,448	4,680	4,962	282	6%	1,284	35%	2,241	82%
Lichfield	2,533	2,088	3,347	3,511	3,680	169	5%	1,147	45%	1,592	76%
Newcastle-under-Lyme	1,676	1,286	2,137	2,286	2,547	261	11%	871	52%	1,261	98%
South Staffordshire	655	614	1,255	1,156	1,264	108	9%	609	93%	650	106%
Cannock Chase	2,657	2,097	3,093	3,126	3,217	91	3%	560	21%	1,120	53%
Tamworth	3,392	2,204	3,296	3,459	3,511	52	2%	119	4%	1,307	59%
Staffordshire Moorlands	2,091	1,114	1,248	1,303	1,368	65	5%	-723	-35%	254	23%
Elementary Occupations	2,469	2,076	3,500	3,853	3,983	130	3%	1,514	61%	1,907	92%
Skilled Trades Occupations	2,632	1,670	3,913	3,912	3,997	85	2%	1,365	52%	2,327	139%
Associate Professional and Technical Occupations	5,626	3,735	6,444	6,569	6,983	414	6%	1,357	24%	3,248	87%
Professional Occupations	7,087	6,251	7,671	7,745	8,228	483	6%	1,141	16%	1,977	32%
Administrative and Secretarial Occupations	2,987	1,800	3,251	3,487	3,767	280	8%	780	26%	1,967	109%
Process, Plant and Machine Operatives	2,234	1,461	2,785	2,911	2,970	59	2%	736	33%	1,509	103%
Managers, Directors and Senior Officials	1,950	1,703	2,325	2,363	2,521	158	7%	571	29%	818	48%
Sales and Customer Service Occupations	1,247	733	1,333	1,412	1,592	180	13%	345	28%	859	117%
Caring, Leisure and Other Service Occupations	2,685	2,420	2,832	2,911	3,008	97	3%	323	12%	588	24%

## 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 under-stating 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	<b>New Job Starters/PT employees/Self-employed with no income claiming Universal Credit not supported by JRS</b>	<b>In Employment</b> - 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	<b>Self-employed ceased trading or have very low income claiming Universal Credit</b> (and are either not eligible for, or not yet been paid, income under the SEISS)	<b>Economically inactive</b> - people out of work but are not looking for work - majority people previously self-employed
18%	190,000	<b>Working part-time low income workers claiming Universal Credit</b>	<b>In Employment</b>
10%	100,000	<b>Potential Redundancies</b>	
<b>100%</b>	<b>1,032,500</b>	<b>Claimant Count Increase Mar-20 to Apr-20</b>	

- 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.