

Economic Bulletin - Issue 14 – September 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 and the Self Employment Income Support Scheme (SEISS). 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

- This month we saw the **UK exceed seven million confirmed cases of COVID 19** since the start of the pandemic and the **end of self isolation for the double jabbed and under 18s**.
- We have seen cases rise earlier in the month but latest data shows that **infections** are broadly flat. This is reflected in the **R number** which stands at 0.9 to 1.1 and a growth rate range for England of -2% to 2% per day. This means that, on average, every 10 people infected will infect between 9 and 11 other people and that new infections could be shrinking by up to 2% every day or growing by up to 2% every day.
- Importantly having also seen a slower and smaller increase in **hospitalisations** latest figures show that the hospital admission rate of COVID 19 confirmed patients in England decreased to 7.02 per 100,000 people in the week ending 29 August 2021 compared to a peak of 36 per 100,000 during the previous wave. Rates decreased in six out of nine English regions.
- However, there has been a slight rise in **deaths** over recent weeks to levels not seen since March which is a concern.
- Around 4 in 5 adults are now fully **vaccinated** (80%) and 89% have had their first dose.
- The Government is concerned about cases being likely to increase sharply in England because children are **returning to school** and has signalled its intention to **renew the Coronavirus Act** later this autumn, although some temporary powers may be allowed to expire. However, the Government has said that there are **no plans for a “firebreak” lockdown in October** but has contingencies that could be introduced as a “last resort” to protect the NHS if hospital admissions rise too quickly and risk overloading the NHS.
- To aid in reducing the need for hospital care the Government is set to start **booster jabs** with ministers announcing a £1 billion deal for a further 35 million doses of the Pfizer vaccine to ensure all over 50s have access to extra jabs this year and next. This follows some reports of a study by the ZOE infection survey at Kings College London that show there is some waning of protection against COVID 19 infections in people who have received two doses of vaccine.
- It has also been confirmed that **vaccine passports** in nightclubs and other indoor venues in England will be required at the end of this month to reduce potential spikes in infections.
- It remains to be seen what effect workers return to offices and the start of school and university terms will have on cases and the requirement for healthcare. However, scientific advisors feel that due to the success of the UK’s COVID 19 vaccine roll out further lockdowns are unlikely, but the nation has a “long way to go” before returning to normal.

Economic Impact and Support

- The Chancellor has announced that the **next Budget**, along with the conclusions of the 2021 Spending Review, will be held on **27 October**. The review will set out how much money government departments can expect to get over the next three years. As part of the review, the Treasury has asked departments to identify "at least 5% of savings and efficiencies from their day to day budgets".
- **UK Gross domestic product (GDP)** is estimated to have grown for a fifth consecutive month in June 2021, by 1.0%, but remains 2.2% below its pre pandemic level (February 2020).

GDP Monthly index, January 2007 to June 2021, UK

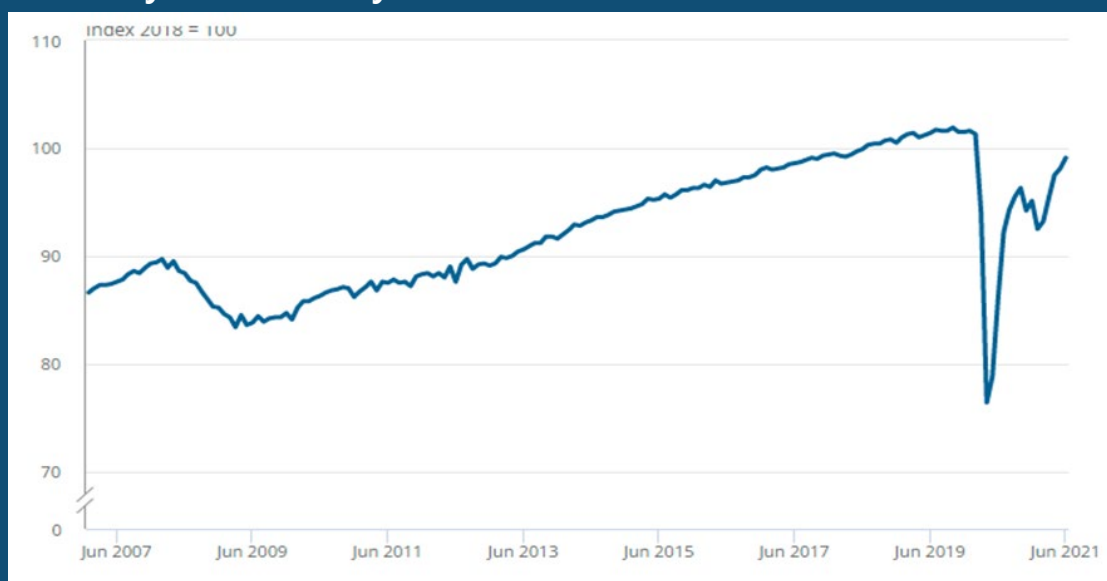


Table 1: All sectors are below their February 2020 pre-pandemic level in June 2021, as construction returned to output below its February 2020 level
Change in output, percentage change, February 2020 to June 2021, UK

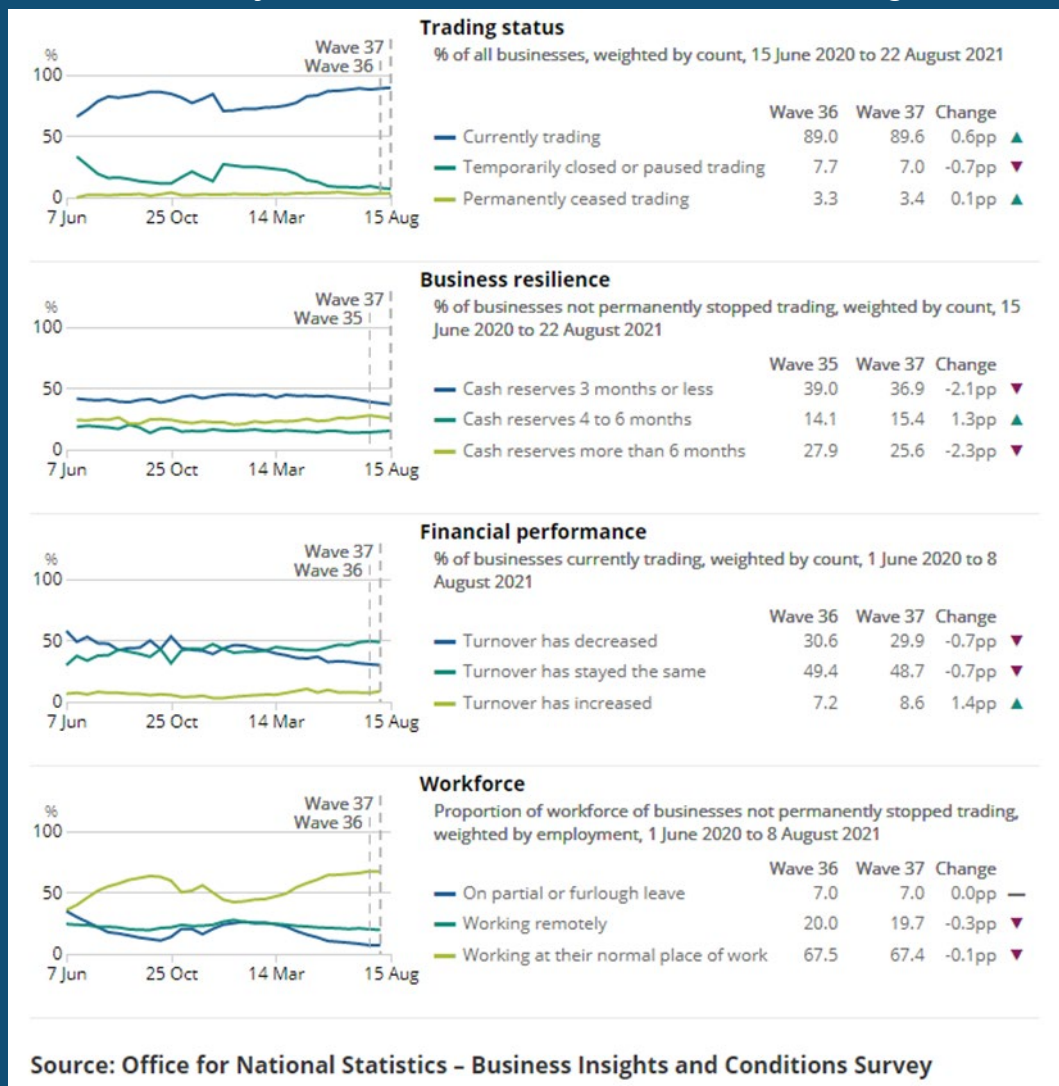
Change in Output	April to May 2021	May to June 2021	February 2020 to June 2021
GDP	0.6%	1.0%	-2.2%
Services	0.7%	1.5%	-2.1%
Production	0.6%	-0.7%	-3.2%
Manufacturing	0.1%	0.2%	-2.3%
Construction	-0.7%	-1.3%	-0.3%

Source: Office for National Statistics – GDP monthly estimate

- **Services** continued to be the main contributor to GDP's recovery in June 2021, growing by 1.5% in June 2021 following a revised 0.7% growth in May 2021.
- **Health activities** contributed the most to services output as visits to GPs increased in June 2021, while hospitality benefitted from its first full month of indoor dining since

coronavirus (COVID 19) restrictions were eased on 17 May.

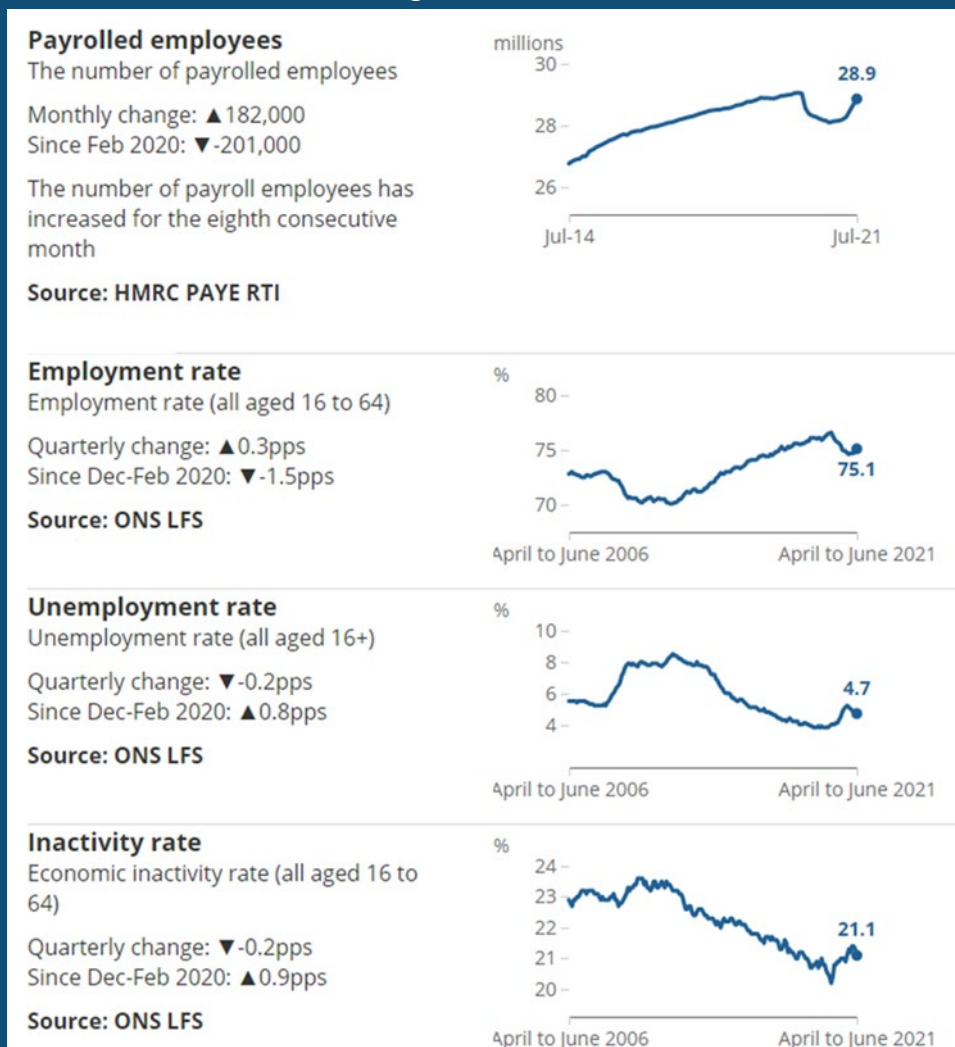
- **Food and beverage services activities** was again the main contributor to the growth in consumer facing services, growing by 10.1% in June 2021.
- **Production** output fell by 0.7% in June 2021, as planned temporary closures for maintenance of oil field production sites once again hit output.
- **Construction** contracted for a third consecutive month, with output down by 1.3% in June 2021 and now 0.3% below its pre pandemic level (February 2020).
- The latest **quarterly GDP** data shows that UK economic growth rose by 4.8% between April and June fuelled by retail, hospitality and schools reopening, but this was slightly short of Bank of England forecasts of a 5% rise in GDP over the period when most of the economy reopened from lockdown.
- The following charts show the latest results from Wave 37 of the **Business Insights and Conditions Survey (BICS)**, which covered the dates 9 to 22 August 2021.



- The percentage of **businesses currently trading** was 90% in mid August 2021. This figure has remained stable since late June 2021, following an increase from 71% in January 2021. Transportation and storage remained the industry with the lowest

percentage of businesses currently trading, at 82%, compared with 90% businesses in all industries.

- The percentage of businesses that reported less than three months **cash reserves** is 37%, which is lower than the previously published value in late July 2021.
- The percentage of businesses reporting a decrease in **turnover** compared to normal expectations was 30% while 9% have seen an increase.
- The proportion of businesses' workforce reported to be on **full or partial furlough** leave (Coronavirus Job Retention Scheme (CJRS)) remains stable at 7% in early August 2021 (representing a provisional approximate range of between 6% to 8% of businesses' workforce), the same as in late July 2021.
- More than three quarters of businesses have high or moderate confidence they will meet their **debt** obligations, while 5% had low or no confidence and 19% were unsure.
- Of businesses not permanently stopped trading, 18% intend to use increased **homeworking** as a permanent business model going forward; this percentage has remained generally stable since April 2021.
- The following charts shows the latest labour market position and the most recent data show the UK labour market continuing to recover.



- The number of **payroll employees** showed another monthly increase, up 182,000 to 28.9 million in July 2021. However, it remains 201,000 below pre coronavirus (COVID 19) pandemic levels.
- In the latest period (April to June 2021), there was a quarterly increase in the **employment** rate of 0.3 percentage points, to 75.1%, and a decrease in the **unemployment** rate of 0.2 percentage points, to 4.7%. The **economic inactivity** rate is down 0.2 percentage points on the previous quarter, to 21.1%.
- With the relaxation of many coronavirus restrictions, **total hours worked** increased on the quarter, however, it is still below pre pandemic levels. The **redundancy** rate decreased on the quarter and has returned to pre pandemic levels.
- In May to July 2021, there were an estimated 953,000 **job vacancies**, a record high, having grown by 43.8% (290,000) compared with the previous quarter. The number of job vacancies in May to July 2021 was 21.4% (168,000) above its pre coronavirus (COVID 19) pandemic level (January to March 2020), with only one industry, wholesale and retail trade and repair of motor vehicles, remaining below its pre pandemic level.
- **Exports** from Ireland to Great Britain increased in the first six months after Brexit, as imports into Ireland declined. Imports into Britain from Ireland increased by 22% compared to the previous year, whilst exports decreased by 32 per cent, according to data from the Irish Central Statistics Office.
- The UK **inflation rate** rose by 2.1% in the 12 months to July 2021, down from 2.4% in the 12 months to June 2021. Even with this fall caused by clothing and footwear sales, inflation remains above the Bank of England's target of 2% and if this remains persistent then interest rates could rise next year.
- We continue to hear reports of businesses having **supply chain issues** due to raw material shortages impacting turnover, particularly in manufacturing and construction, and **recruitment challenges**.
- There are increasing calls from businesses and unions that the **furlough scheme** should be extended to protect workers in industries that continue to be damaged by the pandemic.
- A report by the Resolution Foundation finds that the **current shortage of lorry drivers and care staff** is unlikely to be solved by furloughed workers being made redundant when the scheme ends at the end of the month. Stating that a mismatch between the types of jobs that are no longer needed and the vacancies in industries facing a significant lack of skilled staff will persist into next year without government intervention. With huge uncertainty around what will happen to many of those still furloughed that do not possess the skills to find work in areas of demand.
- On 20 July 2021, the Secretary of State announced a package of support measures which are intended to help address the HGV driver shortage of 100,000 impacting both

the private and public sector. Some of those would need changes to legislation. A public consultation has been published and explores those options which are intended to support an increase in the availability of DVSA large vehicle testing capacity and help encourage new drivers into the profession.

- **Care home operators** say they are preparing for staff shortages as a result of rules for all workers to be fully vaccinated by November 11, unless exempt, with an estimated 40,000 staff not double jabbed by that date.
- In **retail** research by Local Data Company on behalf of accountancy firm PwC shows more than 8,700 chain stores closed in British High Streets, shopping centres and retail parks in the first six months of this year. This is an average of nearly 50 outlets a day and reflects the difficult operating environment for bricks and mortar retailing amid signs of a permanent shift to online shopping.
- In **hospitality** street markets and pub marquees could become permanent under an extension of licensing regulations by the Government. Additional seating for cafes and restaurants would form part of a new Government consultation about the extension of changes introduced earlier in the pandemic to allow more outdoor dining.
- The Government is being urged to publish a full assessment of removing the **£20 per week universal credit uplift**, following concerns about the **impact on renters**. A coalition of charities and housing organisations says removing the extra support risks pushing households into **poverty and problem debt**. Citizens Advice has warned that a third of people on Universal Credit (UC), or at least 2.3 million people, will end up in debt when the £20 a week UC uplift ends in October. The Joseph Rowntree Foundation said a third of working age families would be affected in more than 400 constituencies across Britain.
- A study by Generation Rent predicts that there may be an **'evictions crisis'** at the end of September with 686,000 furloughed workers who are privately renting and 445,000 in private rental arrears could be at risk of losing their homes as pandemic support measures are withdrawn.
- The "slow lane" on motorways could be converted so that lorries can switch from diesel to electricity using overhead power lines, according to a proposal being considered to speed up the **decarbonisation of transport**. HGVs would operate like a tram or trolley bus, but would instantly switch to battery power, diesel or other fuels when overtaking or on roads without overhead lines, under a £5.7 billion scheme being considered by government to adapt some of the country's busiest freight routes, covering 2,000 miles by 2030.
- About three million households in the UK could start using **low carbon hydrogen to heat their homes and cook** rather than fossil fuel gas under government proposals to attract at least £4 billion of investment to the hydrogen economy by 2030. The

Government has published its plans for a UK wide hydrogen economy, which it says could be worth £900 million and create more than 9,000 high quality jobs by the end of the decade, rising to £13 billion and 100,000 new jobs by 2050.

- Business Secretary Kwasi Kwarteng says that providing incentives to firms to invest in the **UK production of heat pumps and hydrogen** will help the Government meet its target of reducing net greenhouse gas emissions to zero, as well as drive economic growth and create jobs.
- **Keele University** has secured £1 million in funding to implement a radical decarbonisation plan across its campus. The establishment will use the money from **the Public Sector Decarbonisation Scheme** to put in a three step plan which is expected to save 241 of tonnes of carbon every year.

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, 10% compared to 11% 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 slight **decrease of 75 claimants between June and July 2021 to a total of 21,140 claimants**, which is a similar proportional decline seen regionally and nationally. While the **claimant rate has also declined from 4.0% to 3.9% of the working age population in July** 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 remains just over 75% higher than the level seen in March 2020 (pre COVID), an increase of 9,090 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 3.9% of the working age population in July compared to 6.5% regionally and 5.5% 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 6.0% compared to 3.7% in March 2020** and still well above the rate for the working age population. Encouragingly for the fourth month in a row Staffordshire has seen a decrease in the youth claimant count with a decline of 155 over the last month to a total of 3,895, 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 **19,300 furloughed job claims in Staffordshire up to the end of July**, showing a **further decline of 3,100 furloughed workers in Staffordshire between June and July, equivalent to 5% of eligible workers** which is lower than the regional and national averages of 6%. **Stoke on Trent had 4,400 jobs still furloughed, showing a decline of 600 between June and July and equivalent to 4% 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. 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.
- **Staffordshire has seen 8,600 self employed workers claim for the fifth SEISS grant up to 15th August 2021** and a take up rate of 22% for those eligible through the scheme, which is below the regional (23%) and national (24%) average take up rates. **Stoke on Trent had 2,800 SEISS claims up to 15th August 2021**, equivalent to 27% of those eligible. There are concerns as to how many of these businesses will be viable and able to continue to operate after Government support is withdrawn.
- Overall numbers of **company insolvencies in July 2021 increased by 13% compared to the same month last year but remain 24% 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.

- Following the significant increase in job vacancies witnessed over recent months the latest data for August shows a slight decrease on the previous month, potentially reflective of the vacancies being successfully filled at least in some sectors. **Staffordshire saw vacancies decline by 2% between July and August equivalent to over 500 fewer job vacancies, this was slightly higher than the decline of 1% seen nationally. Stoke on Trent saw a drop of 4% with over 400 fewer vacancies in August compared to July.**
- The **occupations** to see the most significant increases during August were roles in sectors experiencing recruitment difficulties and sectors which have been able to open up further due to reduced restrictions and occupations which support them including social care, retail, hospitality, manufacturing, construction, and logistics.
- 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 where 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.
- **Grants of up to £5k can pay for more than you think** The pandemic has been really tough on most small and medium businesses but there is cash ready and waiting to

help you if you're looking to dust yourself down and commit to rebuilding your business and grow. It's time to thrive, not just survive.

- Got a plan to grow but need professional expertise to guide you and get you there? Need some extra finance to make your workforce more agile and help you get to the next level? Looking to diversify into other business areas but need the know how and the equipment to do it? Need to get set up in e commerce but don't have the funds or know where to start?
- Staffordshire County Council has joined with all the district and borough councils in Staffordshire to pool resources to offer you a grant of £2k to £5k to help you regroup and grow to buy in equipment, expertise or get on the e commerce wave that now needs to be a part of everyone's business.
- This grant has already given many businesses the solid base they need to stop crossing their fingers and get on with realising their business's full potential.
- Examples of support we have already given are:
 - Small piece of machinery for a steel fabrication company to eliminate the need for outsourcing work thus reducing operation costs.
 - Video and photography equipment for a supplier of PPE to create a virtual showroom on their website.
 - Small piece of machinery for a signage manufacture to facilitate diversification of the business and introduce more products.
 - Website development for a range of different businesses to improve their SEO.
 - Equipment for a café to enable them to offer a wider range of products.
 - Equipment to help open up new markets for an electrical contractor.
 - Professional help to get set up in e commerce.
- It's easy to get started by expressing an interest, and we'll take you through the process. Not sure if what you've got in mind can be paid for using this grant? Email us to find out tothrive@staffordshire.gov.uk
- **Digital technology experts available to support SME employees in manufacturing and engineering** digital technology specialists have been appointed across the West Midlands to boost productivity and growth as part of the £1.9 million Made Smarter programme.
- The five experienced digital experts will be sharing their knowledge to improve the digital skills of employees to make a difference to the day to day operations of small

and medium sized manufacturing and engineering businesses through a variety of ways including reducing costs, improving manufacturing times or helping to win more overseas contracts. [READ MORE](#)

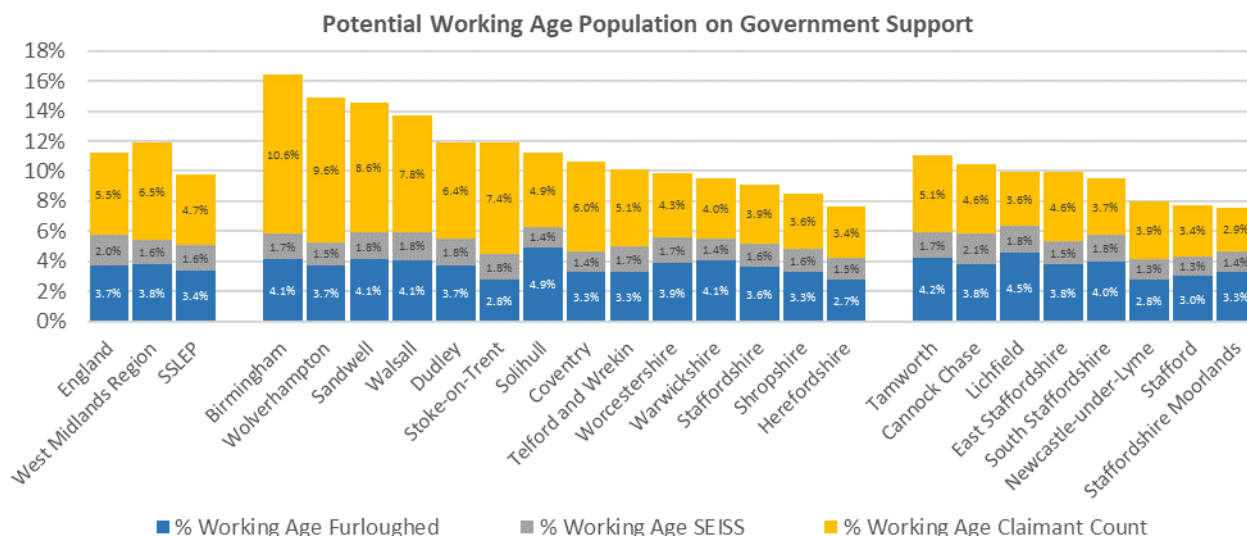
- The co-ordinated and quick response **Redundancy and Recruitment Triage Service** is offering free bespoke plans to any Stoke on Trent or Staffordshire businesses who need to restructure but want to help their staff get into other work in growth sectors as quickly as possible. Delivered by the National 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](#).
- Staffordshire County Council has committed to a scheme to keep and attract talented people and develop skills for now and the future. **Cornerstone Employers** work with local schools and colleges to improve careers education, make sure key skills for their sector are understood by teachers and education leaders, inspire students, champion jobs in their local area, and have a direct route into potential new employees living on their doorstep. It's a national government initiative by **The Careers & Enterprise Company**.
- **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.
- 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 also concerns regarding the imminent phasing out of Government support such as furlough and ongoing issues regarding 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 under 68,000 residents in the SSLEP area on Government support, equivalent to around 10% of the working age population which is lower than the regional (12%) and national averages (11%). Stoke-on-Trent (12%) and Tamworth (11%) have the highest rates while Staffordshire Moorlands and Stafford (both 8%) have the lowest.

SSLEP Working Age Population	694,954
Jobs in High Risk Sectors	221,000
Claimant Count July 2021	32,875
Coronavirus Job Retention Scheme (CJRS) Furloughed job claims as at 31st July 2021	23,700
Self-Employment Income Support Scheme (SEISS) fifth grant claims up to 15th Aug 2021	11,400
Potential workers on Government support	67,975
Potential % of working age population on Government support	9.8%

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: July 2021

Area	Claimant Count Rate (July 2020)	Claimant Count Rate (June 2021)	Claimant Count Rate ¹ (July 2021)	Number of Claimants (July 2021)	Monthly Change in Claimants (Numbers)	Monthly Change in Claimants (%)	Change in Claimants since March 2020 (Numbers)	Change in Claimants since March 2020 (%)
England	6.4	5.6	5.5	1,946,790	-14,510	-0.7%	883,285	83.1%
West Midlands	7.2	6.5	6.5	237,380	-1,440	-0.6%	93,030	64.4%
SSLEP	5.6	4.7	4.7	32,875	0	0.0%	13,505	69.7%
Birmingham	10.8	10.6	10.6	77,565	-320	-0.4%	28,195	57.1%
Wolverhampton	10.3	9.7	9.6	15,780	-150	-0.9%	5,400	52.0%
Sandwell	9.1	8.7	8.6	17,635	-195	-1.1%	6,855	63.6%
Walsall	8.6	7.8	7.8	13,590	-5	0.0%	4,985	57.9%
Stoke on Trent	8.0	7.3	7.4	11,735	80	0.7%	4,415	60.3%
Dudley	7.4	6.5	6.4	12,515	-65	-0.5%	4,000	47.0%
Coventry	6.3	6.0	6.0	15,320	-155	-1.0%	7,320	91.5%
Telford and Wrekin	6.3	5.1	5.1	5,730	-30	-0.5%	2,300	67.1%
Solihull	5.7	5.0	4.9	6,315	-120	-1.9%	2,665	73.0%
Worcestershire	5.3	4.3	4.3	15,220	-125	-0.8%	6,915	83.3%
Warwickshire	4.9	4.0	4.0	14,065	-120	-0.8%	6,235	79.6%
Staffordshire	4.9	4.0	3.9	21,140	75	0.4%	9,090	75.4%
Shropshire	4.7	3.7	3.6	6,945	-100	-1.4%	2,935	73.2%
Herefordshire, County of	4.3	3.4	3.4	3,815	-65	-1.7%	1,705	80.8%
Tamworth	6.2	5.2	5.1	2,415	-20	-0.8%	925	62.1%
Cannock Chase	5.7	4.4	4.6	2,910	80	2.8%	1,255	75.8%
East Staffordshire	5.2	4.7	4.6	3,380	-90	-2.6%	1,660	96.5%
Newcastle-under-Lyme	4.8	3.8	3.9	3,160	45	1.4%	1,180	59.6%
South Staffordshire	4.6	3.8	3.7	2,485	-30	-1.2%	1,175	89.7%
Lichfield	4.8	3.7	3.6	2,265	-15	-0.7%	945	71.6%
Stafford	4.3	3.4	3.4	2,825	-35	-1.2%	1,170	70.7%
Staffordshire Moorlands	3.7	3.0	2.9	1,700	-10	-0.6%	780	84.8%

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

- The claimant count in Staffordshire saw a further slight decrease of 75 claimants between June and July 2021 to a total of 21,140 claimants, which is a similar proportional decline seen regionally and nationally. While the claimant rate has also declined from 4.0% to 3.9% of the working age population in July and continues the trend seen since February.
- While Stoke-on-Trent saw a slight increase of 80 over the same period with a total of 11,735 claimants in July, with the rate rising from 7.3% to 7.4%.
- This may reflect that following the more significant declines in claimants witnessed over recent months as we have come out of lockdown, there have been fewer claimants finding work now that all restrictions have been eased.

- 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 75% higher than representing 9,090 more claimants and in Stoke-on-Trent there are 4,415 more claimants than in March 2020.
- 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 3.9% in July compared to 6.5% regionally and 5.5% nationally. In Stoke-on-Trent the Claimant Count rate remains above both the regional and national averages at 7.4%.
- This month the majority of Staffordshire Districts have seen a decline in the number of claimants, with the exception of Cannock Chase and Newcastle-under-Lyme which both saw increases. East Staffordshire saw the largest decrease with 90 fewer claimants while Cannock Chase saw the largest increase with 80 more 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: July 2021

Area	Youth Claimant Count Rate (July 2020)	Youth Claimant Count Rate (June 2021)	Youth Claimant Count Rate ¹ (July 2021)	Number of Youth Claimants (July 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	9.3	7.6	7.3	343,035	-14,700	-4.1%	145,305	73.5%
West Midlands	10.2	8.7	8.5	44,420	-1,320	-2.9%	16,515	59.2%
SSLEP	9.1	7.0	6.8	6,010	-180	-2.9%	2,190	57.3%
Wolverhampton	15.7	14.4	14.0	2,900	-85	-2.8%	990	51.8%
Sandwell	14.4	13.3	13.0	3,420	-90	-2.6%	1,305	61.7%
Walsall	14.4	12.5	12.3	2,815	-35	-1.2%	900	47.0%
Dudley	13.0	10.7	10.4	2,470	-85	-3.3%	720	41.1%
Birmingham	11.3	10.6	10.3	14,475	-325	-2.2%	5,370	59.0%
Stoke on Trent	11.1	9.2	9.1	2,110	30	1.4%	705	50.2%
Solihull	11.0	8.9	8.6	1,315	-55	-4.0%	490	59.4%
Telford and Wrekin	10.7	8.6	8.4	1,240	-30	-2.4%	480	63.2%
Worcestershire	9.3	7.0	6.8	2,770	-100	-3.5%	1,175	73.7%
Staffordshire	8.4	6.2	6.0	3,895	155	3.8%	1,480	61.3%
Shropshire	9.0	6.0	5.8	1,180	-50	-4.1%	355	43.0%
Herefordshire, County of	8.3	5.8	5.4	645	-50	-7.2%	230	55.4%
Warwickshire	7.4	5.5	5.4	2,455	-55	-2.2%	1,120	83.9%
Coventry	6.0	5.4	5.0	2,725	-185	-6.4%	1,190	77.5%
Tamworth	11.3	9.6	9.1	510	-30	-5.6%	215	72.9%
Cannock Chase	11.2	8.1	8.1	585	0	0.0%	220	60.3%
East Staffordshire	8.6	7.2	7.1	605	-10	-1.6%	285	89.1%
South Staffordshire	8.8	6.3	6.1	475	-20	-4.0%	225	90.0%
Lichfield	8.8	5.8	5.6	390	-15	-3.7%	120	44.4%
Stafford	7.7	5.6	5.2	460	-35	-7.1%	145	46.0%
Newcastle-under-Lyme	6.4	4.6	4.4	605	-25	-4.0%	180	42.4%
Staffordshire Moorlands	6.6	4.6	4.3	270	-15	-5.3%	95	54.3%

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 is now 6.0% compared to 3.9% for all working-age residents, while in Stoke-on-Trent the rate is now at 9.1% in July 2021.
- Encouragingly for the fourth month in a row Staffordshire has seen a decrease in the youth claimant count with a decline of 155 over the last month to a total of 3,895, 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 the exception of Cannock Chase which remained the same. Stafford and Tamworth have seen 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

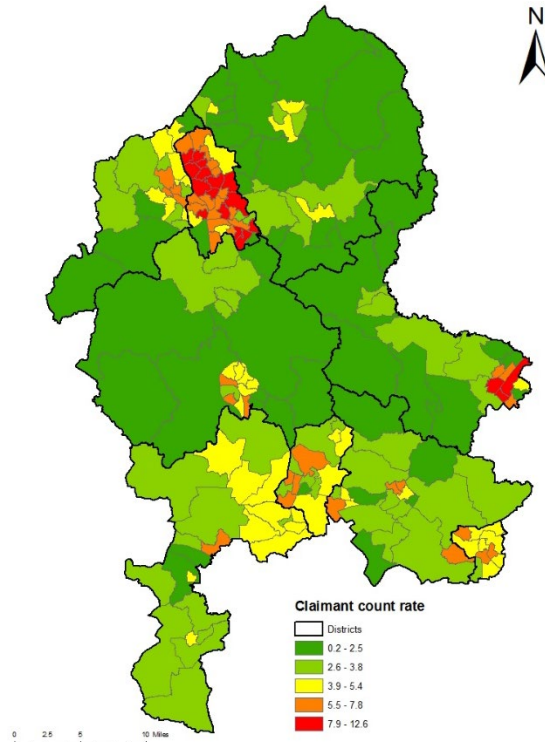
- The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

Claimant Count Rate July 2021

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 55 were above the England average of 5.5% 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 (12.6% or 655 claimants), Joiner's Square (12.3% or 555 claimants), and Moorcroft (11.9% or 435) having the highest rates.

In Staffordshire the 3 wards with the highest claimant count rates were all in East Staffordshire, Anglesey (9.0% or 480), Burton (8.8% or 260), and Shobnall (8.1% or 430).

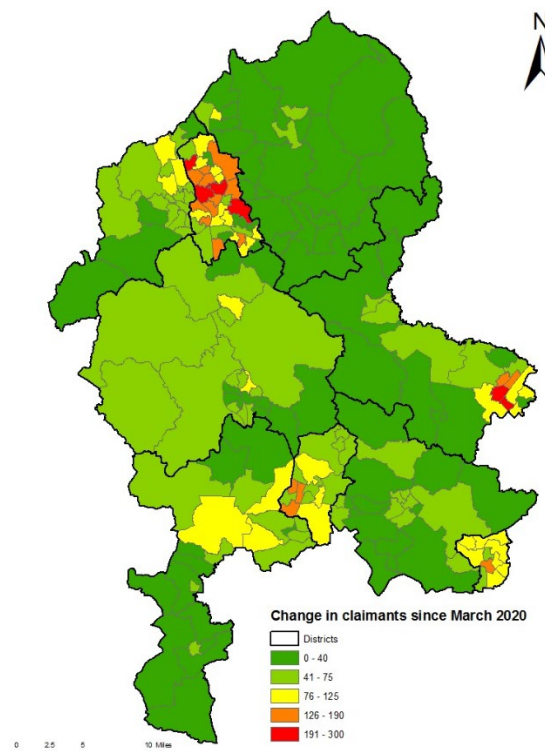


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Change in Claimant Count since March 2020

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 (300 increase to 655), Anglesey (290 rise to 480), and Birches Head and Central Forest Park (260 increase to 650 in total).

The remaining 3 wards in the top 10 were all in East Staffordshire the highest increases were seen in Anglesey (290 rise to 480), Shobnall (220 increase to 430) and Eton Park (180 rise to 360).



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

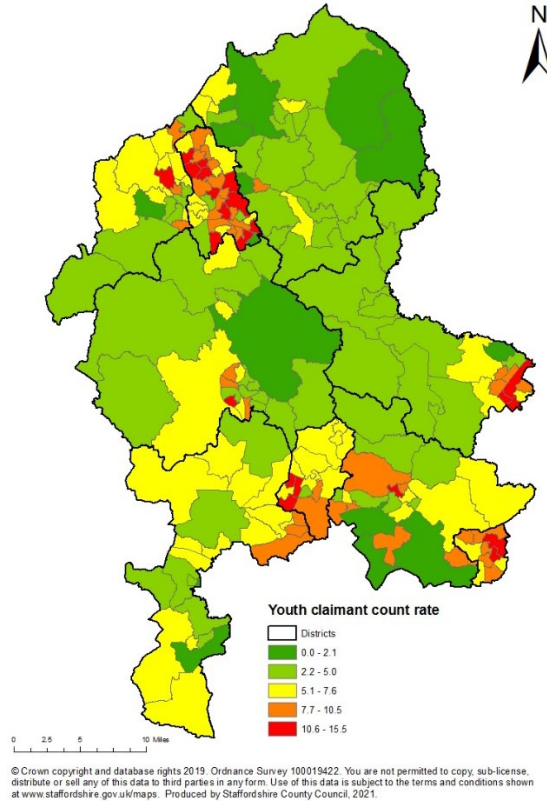
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

Youth Claimant Count Rate July 2021

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 68 were at or above the England average of 7.3% 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 5 were in Stoke-on-Trent with Bentilee and Ubberley (15.5% or 140), Joiner's Square (14.4% or 110), and Meir North (13.5% or 75) having the highest rates.

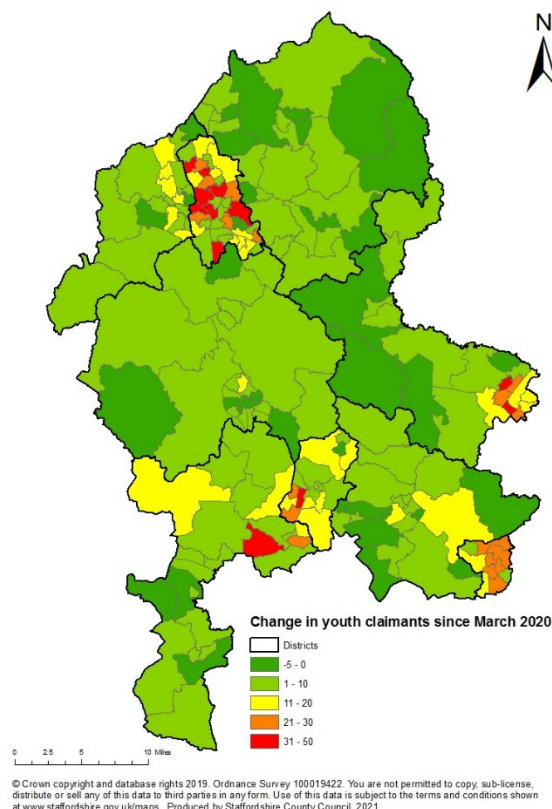
In Staffordshire, the highest rate was Cannock North in Cannock Chase with 14.1% or 75, followed by Glascote in Tamworth with 13.8% or 80, and Cannock East in Cannock Chase with 13.0% or 705 youth claimants.



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 7 were in Stoke-on-Trent including Bentilee and Ubberley (50 rise to 140), Etruria and Hanley (40 rise to 85), and Hartshill and Basford (40 rise to 65) with the highest rises since March 2020.

In Staffordshire, the highest increases were seen in Anglesey in East Staffordshire (45 rise to 75 claimants), Cannock East (35 rise to 75 claimants) and Horninglow in East Staffordshire (35 rise to 65).



Coronavirus Job Retention Scheme (CJRS) Furloughed Jobs²

- HMRC have released local authority level breakdowns of the CJRS scheme for claims submitted to HMRC by 16th August 2021 for the period up to 31st July 2021.
- Figures for July 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 July in the WM with 19,300**, behind only Birmingham and equivalent to 5% 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 June and July Staffordshire has seen **a further decrease of 3,100 furloughed jobs. This 14% 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 6% to 5% which is just below the regional and national averages of 6%.**
- **Stoke-on-Trent has seen the number of furloughed jobs decrease by 600 to 4,400 in July, equivalent to 4% 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.

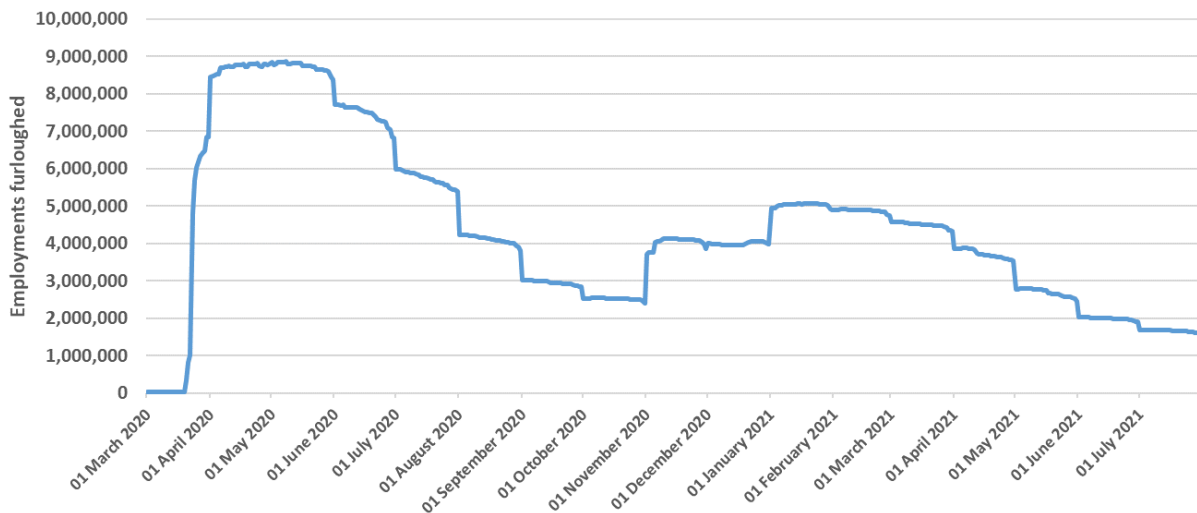
² Source: HMRC <https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-9-september-2021>

Coronavirus Job Retention Scheme (CJRS) Statistics: 9 September 2021

County and district / unitary authority	Total employments on furlough at 31 July (provisional)	Total employments eligible for furlough	Total take-up rate at 31 July (provisional)
Lichfield	2,800	45,300	6%
South Staffordshire	2,700	46,200	6%
England	1,314,400	23,881,800	6%
West Midlands	138,700	2,424,300	6%
Cannock Chase	2,400	44,400	5%
East Staffordshire	2,800	55,300	5%
Staffordshire Moorlands	1,900	40,100	5%
Tamworth	2,000	36,100	5%
Staffordshire County	19,300	379,200	5%
SSLEP	23,700	484,300	5%
Newcastle-under-Lyme	2,300	52,200	4%
Stafford	2,500	59,600	4%
Stoke-on-Trent UA	4,400	105,100	4%

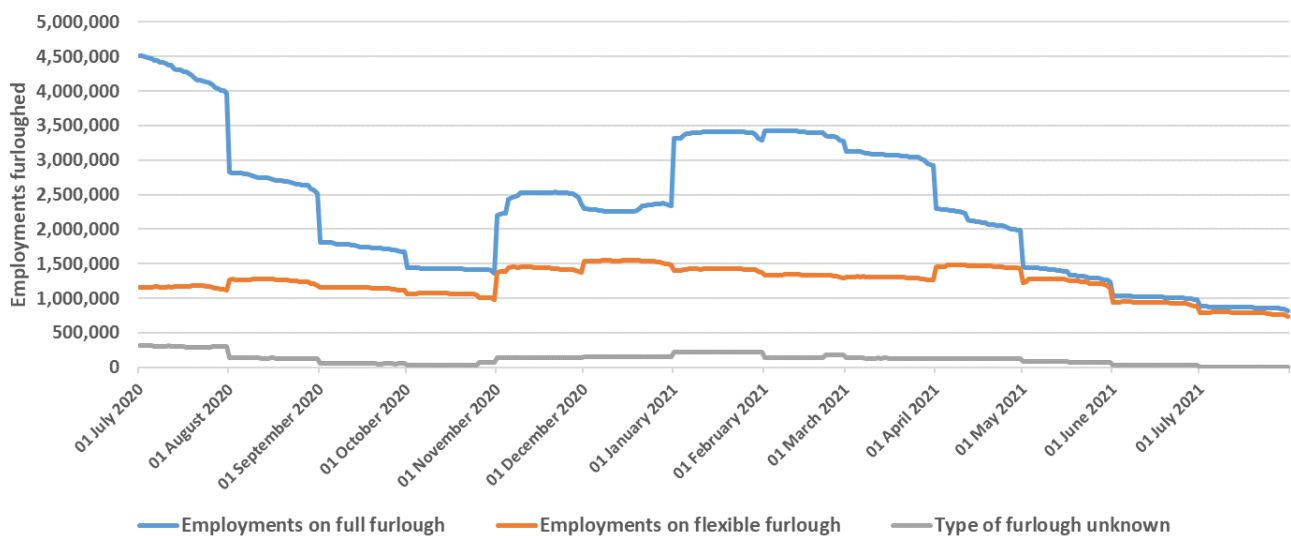
- The national data provides more detailed breakdowns than available for local authorities and looking at the national picture allows for greater insight into the extent of furlough support and who is currently being supported by the furlough scheme.
- **Nationally there were 484,300 (a decrease of over 59,800 since June 2021) employers making 1,563,600 (a decrease of 337,600 or 18% since June 2021) furloughed job claims up to the end of July.**
- 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: 9 September 2021 Time Series



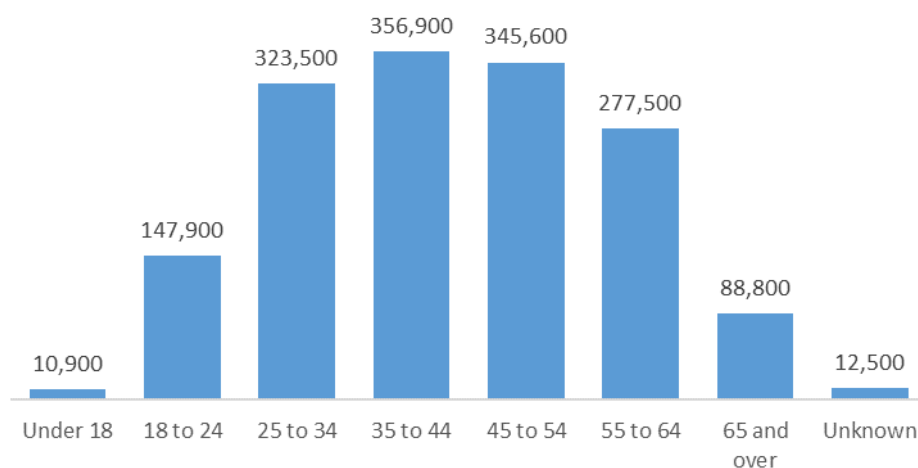
- **Employer Size** – As at 31 June 2021, over four fifths (83%) of claims were made by SMEs with 16% in large businesses with 250+ employees with 1% unknown.
- **Furlough Type** - Of those workers furloughed, just over half (52%) were fully furloughed and 48% on flexible furlough. **The chart below shows that the number that are fully furloughed has declined by 160,200 since June showing a 16% decline, while those on flexible furlough have also decreased by 148,0100 or 17%.** 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: 9 Sept 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 (24% decline compared to 18% overall) in July 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'.

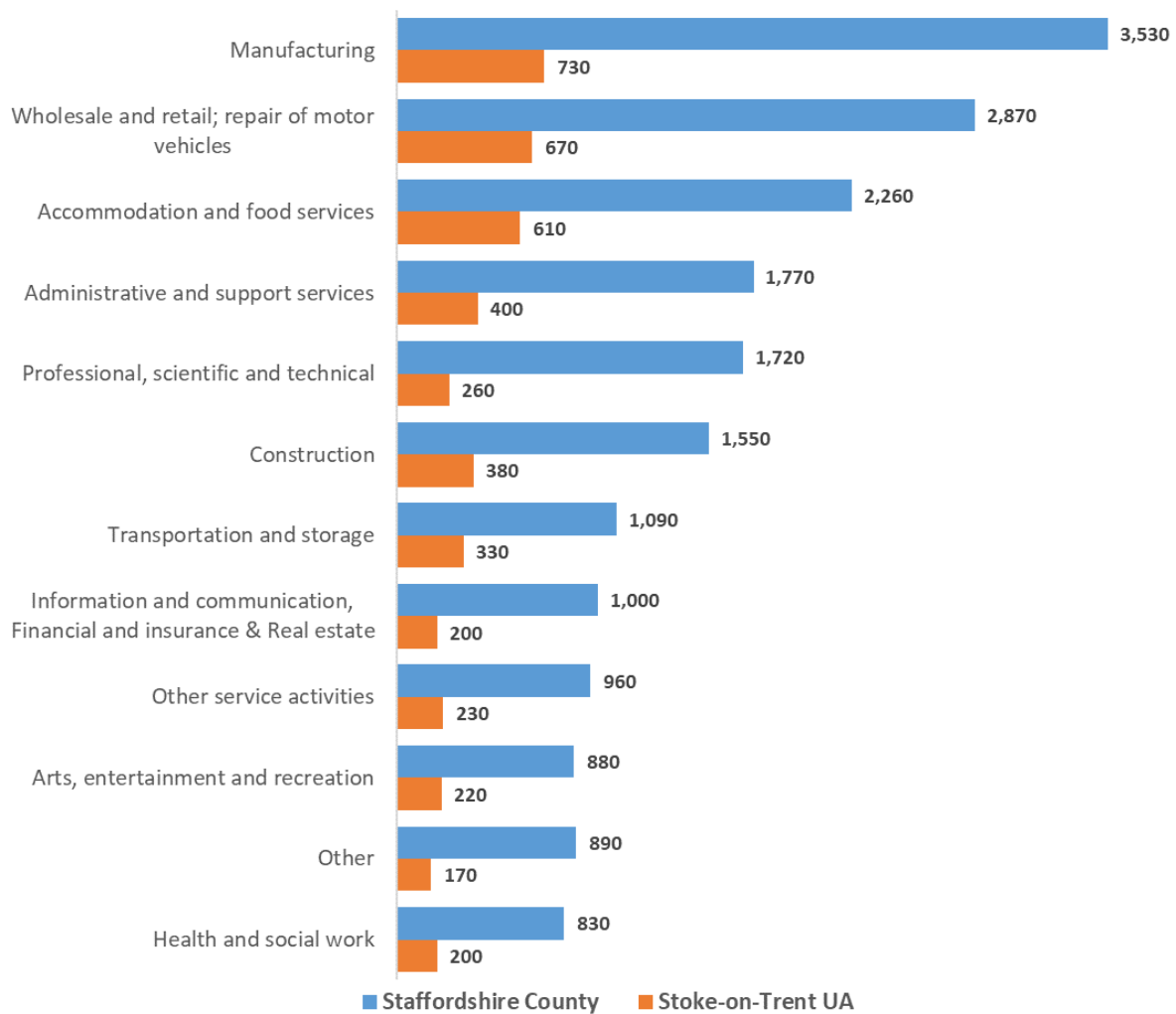
Coronavirus Job Retention Scheme (CJRS) Statistics: 9 Sept 2021 by Sector

Sector	Employers			Employments			Employments change between June 2021 and July 2021
	Employers (PAYE schemes) with staff eligible for furlough	Employers with staff on furlough at 31 July (provisional)	Take-up rate at 31 July (provisional)	Employments eligible for furlough	Employments on furlough at 31 July (provisional)	Take-up rate at 31 July (provisional)	
Accommodation and food services	133,000	51,400	39%	1,733,300	259,100	15%	-96,700
Arts, entertainment and recreation	41,700	14,500	35%	501,600	73,900	15%	-26,200
Other service activities	94,200	28,300	30%	521,000	73,000	14%	-12,400
Construction	243,800	53,600	22%	1,279,900	114,200	9%	-16,600
Transportation and storage	78,600	24,000	31%	1,311,800	120,400	9%	-19,000
Manufacturing	102,000	30,700	30%	2,293,200	155,900	7%	-25,600
Real estate	50,400	13,000	26%	428,300	28,800	7%	-4,500
Administrative and support services	164,000	47,600	29%	2,367,900	161,500	7%	-32,500
Professional, scientific and technical	306,600	69,300	23%	2,180,200	139,100	6%	-23,600
Wholesale and retail; repair of motor vehicles	253,400	76,800	30%	4,337,800	224,500	5%	-48,000
Information and communication	143,900	27,500	19%	1,218,200	57,900	5%	-8,800
Agriculture, forestry and fishing	33,500	2,500	7%	174,200	5,200	3%	-1,700
Water supply, sewerage and waste	5,900	1,500	26%	172,600	4,700	3%	-900
Mining and quarrying	1,100	200	18%	47,900	800	2%	-100
Education	39,900	11,300	28%	3,176,600	51,200	2%	-4,400
Health and social work	101,700	19,900	20%	4,112,200	64,500	2%	-8,000
Energy production and supply	1,400	300	21%	128,400	800	1%	-200
Finance and insurance	34,900	6,000	17%	1,068,100	15,200	1%	-3,000
Households	71,100	900	1%	119,300	1,200	1%	-200
Public administration and defence; social security	7,800	200	2%	1,373,600	1,900	<0.5%	-900
Unknown and other	48,300	4,800	-	146,100	9,900	-	-4,000
Total	1,957,200	484,300	25%	28,692,200	1,563,600	5%	-337,600

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' (-1,000) and 'Wholesale and retail including the repair of motor vehicles' (-780) has seen by far the highest declines 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 adversely affected by the economic impact of COVID-19 with labour market issues and challenging market conditions.
- There is concern for such sectors as economic support measures are withdrawn. 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.

Self-Employment Income Support Scheme (SEISS)³

- **Staffordshire has seen 8,600 self-employed workers claim for the fifth SEISS grant up to 15th August 2021** and a take-up rate of 22% for those eligible through the scheme, which is below the regional (23%) and national (24%) average take-up rates.
- **Stoke-on-Trent had 2,800 SEISS claims up to 15th August 2021**, equivalent to 27% of those eligible.

Self-Employment Income Support Scheme (SEISS) Statistics: September 2021

County and district / unitary authority	Total potentially eligible population	Total no. of all claims made to 15/08/21	Total value of all claims made to 15/08/21 (£)	Average value of all claims made to 15/08/21 (£)	Total Take-Up Rate
Cannock Chase	5,100	1,300	3,000,000	2,200	27%
Tamworth	3,000	800	1,800,000	2,200	27%
Stoke-on-Trent UA	10,500	2,800	5,700,000	2,000	27%
England	2,892,000	697,000	1,602,000,000	2,298	24%
West Midlands	258,000	60,000	129,000,000	2,200	23%
Lichfield	4,800	1,100	2,900,000	2,500	23%
SSLEP	50,100	11,400	25,500,000	2,237	23%
Staffordshire County	39,600	8,600	19,800,000	2,300	22%
Newcastle-under-Lyme	5,100	1,100	2,500,000	2,300	22%
South Staffordshire	5,300	1,200	2,700,000	2,400	22%
East Staffordshire	5,200	1,100	2,300,000	2,100	21%
Stafford	5,700	1,100	2,700,000	2,300	20%
Staffordshire Moorlands	5,400	800	1,900,000	2,300	15%

- For all SEISS grants to 15th August 2021 Staffordshire has seen 114,500 claims from 33,700 individuals for a total of £318.6 million. While Stoke-on-Trent has seen 30,100 claims from 9,400 individuals for £80.1 million.
- Nationally, **transport and storage, construction, and arts, entertainment and recreation are the sectors which have seen the highest take-up rates for the fifth SEISS grant.**
- **While construction makes up the highest proportion of total number of claims representing a third (36%) followed by transport and storage with 12% of all claims.**

³ Source: HMRC <https://www.gov.uk/government/statistics/self-employment-income-support-scheme-statistics-september-2021>

- In terms of gender, males have a take up rate of 25% and represent 73% of all claims while females have a take up rate of 20% and represent 27% of all claims.
- For age, the highest take-up rates are for those aged 25-34 (29%) and 35-44 (27%) and 92% of all claims are for those aged 25-64 with 4% for those aged 16-24 and 4% for those over 65.
- Overall, for all SEISS grants up to 15th August 2021, there have been 9.9 million claims from 2.9 million individuals for £27.0 billion.

Business Insolvencies during the pandemic

This section covers the latest Insolvency Service monthly insolvency statistics⁴ for July 2021, which show the number of new companies and individuals who are unable to pay debts and enter a formal insolvency procedure.

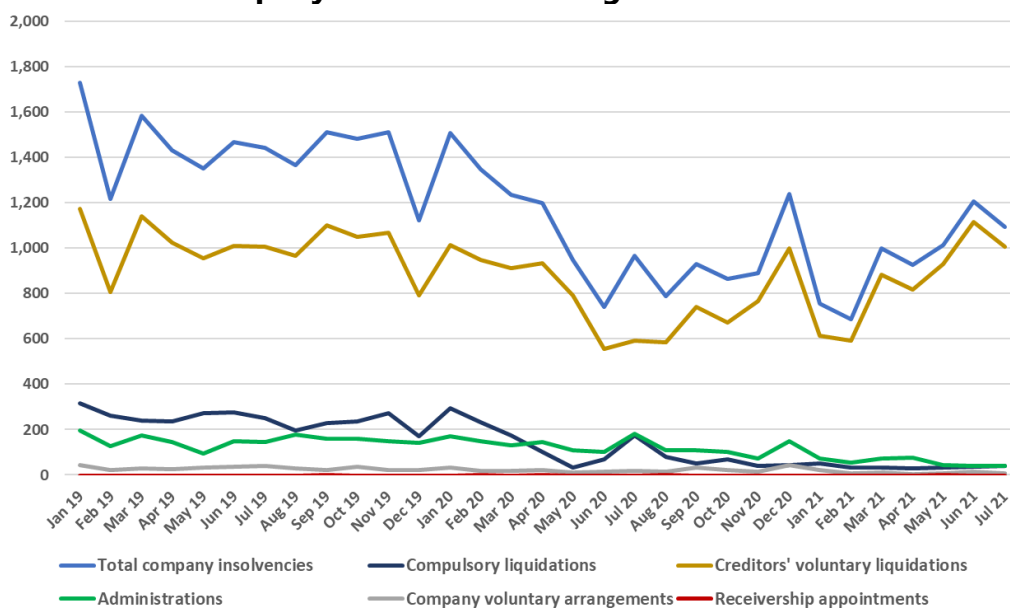
Company Insolvencies

In July 2021 there were a total of 1,094 company insolvencies in England and Wales, comprised of 1,007 creditors' voluntary liquidations (CVLs), 41 compulsory liquidations, 40 administrations, and 6 company voluntary arrangements (CVAs).

The overall number of **company insolvencies increased by 13% in July 2021 when compared to the same month last year but remain 24% 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 Aug 2020 and July 2021 are 28% lower compared to a year earlier, representing just over 4,500 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 July 2020 and June 2021 are construction (1,818), accommodation and food (1,482), and wholesale and retail (1,381). However, levels are far lower than those seen for the same period the previous year, with construction 35% lower, wholesale and retail 37% lower and accommodation and food 27% below levels seen a year earlier.

⁴ Source: The Insolvency Service <https://www.gov.uk/government/statistics/monthly-insolvency-statistics-july-2021>

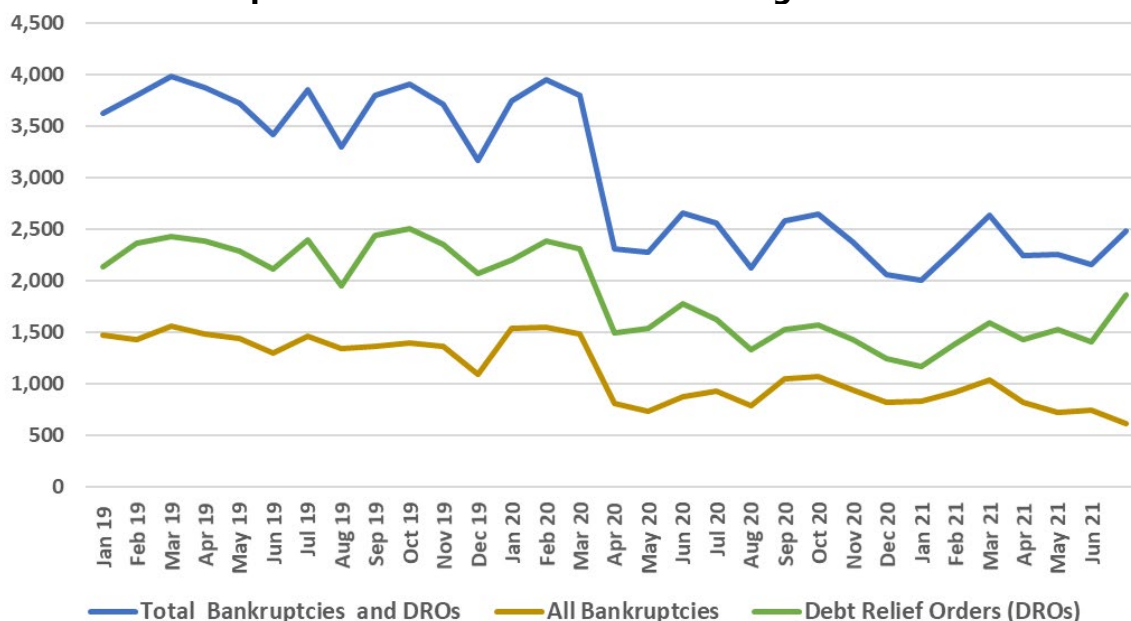
Individual Insolvencies

For individual insolvencies, the number of **bankruptcies in July 2021 was 620** (made up of 534 debtor applications and 86 creditor petitions), while the number of **Debt Relief Orders (DROs) was 1,864** the highest level since the start of the pandemic, which follows changes to the eligibility criteria on 29 June including an increase in the level of debt at which people can apply for a DRO from £20,000 to £30,000. (*Debt Relief Orders were introduced in 2009 and are aimed at individuals with relatively low levels of unmanageable debt who have nothing to offer their creditors, such as assets or disposable income, and for whom bankruptcy would be a disproportionate response. A DRO sees debt repayments and interest frozen, while creditors are unable to pursue debtors for a 12-month period, after which the debts are written off.*)

Bankruptcies were 34% lower than a year earlier and 58% lower than in July 2019, while DROs were 15% higher than in July 2020 but 22% lower than two years earlier.

Total bankruptcies and DROs between August 2020 and July 2021 have declined by 35% representing just over 15,000 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, 6,841 IVAs registered per month in the three-month period ending July 2021**, which is 7% lower than the three-month period ending July 2020 and the three-month period ending July 2019.

Between the launch of the Breathing Space scheme on 4 May 2021, and 31 July 2021, there were 17,297 registrations, comprised of 17,098 Standard breathing space registrations and 199 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.

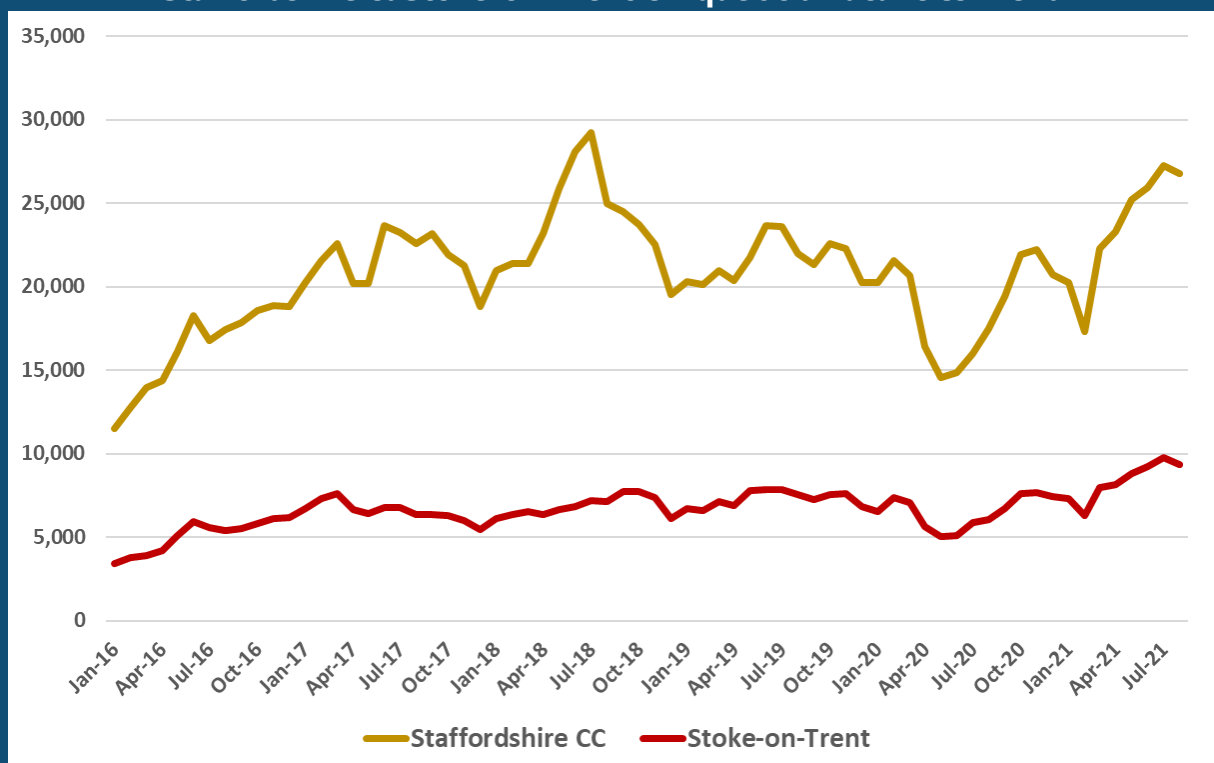
The main concern is a potential spike in company and individual insolvencies once Government support has been withdrawn and associated issues such as homelessness. However, it is also important to note that the Government has extended some of the temporary COVID-19 relief measures under the UK Corporate Insolvency and Governance Act 2020, with winding up petitions restricted until 30th 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 Vacancies⁵

- Following the significant increase in job vacancies witnessed over recent months the latest data for August shows a slight decrease on the previous month, potentially reflective of the vacancies being successfully filled at least in some sectors.
- However, as job vacancies remain high compared to pre COVID 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 decline by 2% between July and August equivalent to over 500 fewer job vacancies, this was slightly higher than the decline of 1% seen nationally.**
- **Stoke on Trent saw a drop of 4% with over 400 fewer vacancies in August compared to July.**

Staffordshire & Stoke on Trent Unique Job Vacancies Trend



⁵ Source: EMSI

Monthly Trends in recruitment

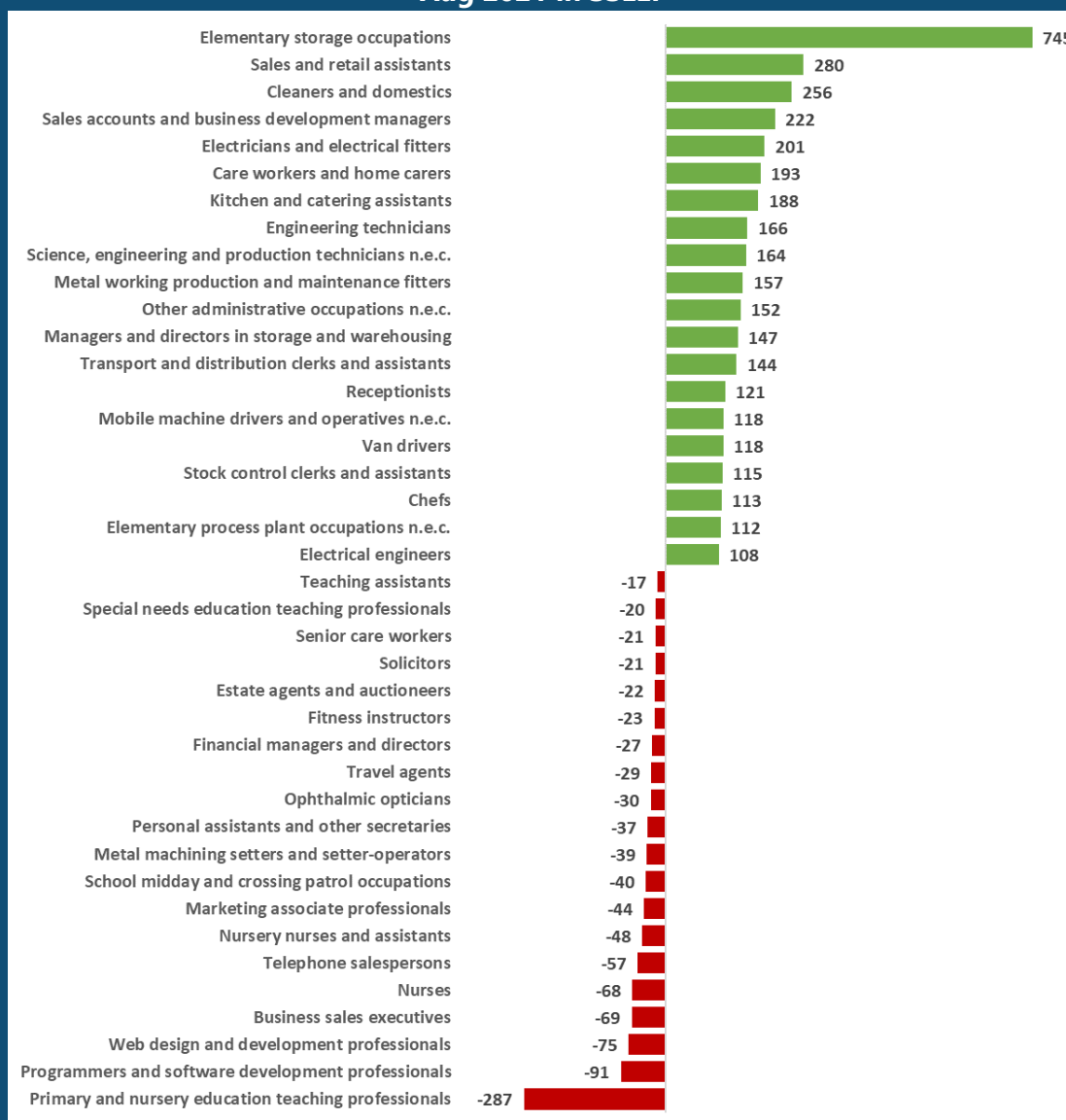
- The only occupational groups to have seen growth between July and August were 'sales and customer service occupations' (6% rise), 'elementary occupations' (3% increase), and 'administrative and secretarial occupations' (2% rise).
- The occupations to see the most significant increases during August were roles in sectors experiencing recruitment difficulties and sectors which have been able to open up further due to reduced restrictions and occupations which support them including:
 - **Social Care** including 'care workers and home carers' and 'nursing auxiliaries and assistants';
 - **Retail** including 'sales and retail assistants';
 - **Hospitality** including 'kitchen and catering assistants';
 - **Manufacturing** including 'science, engineering and production technicians', 'elementary process plant occupations' and 'assemblers (electrical and electronic products)';
 - **Construction** including 'elementary construction occupations';
 - **Logistics** including 'managers and directors in transport and distribution';
 - **Cross cutting occupations** in demand include 'human resources and industrial relations officers', 'finance and investment analysts and advisers', 'management consultants and business analysts', 'office managers', and 'cleaners and domestics'.

Pre COVID baseline trends in job vacancies

- It is also found that the main occupations with higher vacancies compared to pre COVID 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';
 - **Retail** including 'sales and retail assistants';
 - **Manufacturing** including 'metal working production and maintenance fitters', 'science, engineering and production technicians', 'engineering technicians' and 'elementary process plant occupations';
 - **Hospitality** including 'kitchen and catering assistants' and 'chefs';
 - **Construction** including 'electricians and electrical fitters' and 'plumbers and heating and ventilating engineers', and 'production managers and directors in construction';
 - **Health and Social Care** including 'care workers and home carers' and 'nursing auxiliaries and assistants'.

This is reflective of the growth in ecommerce alongside the swift recovery in construction and manufacturing alongside the recruitment difficulties in social care.

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

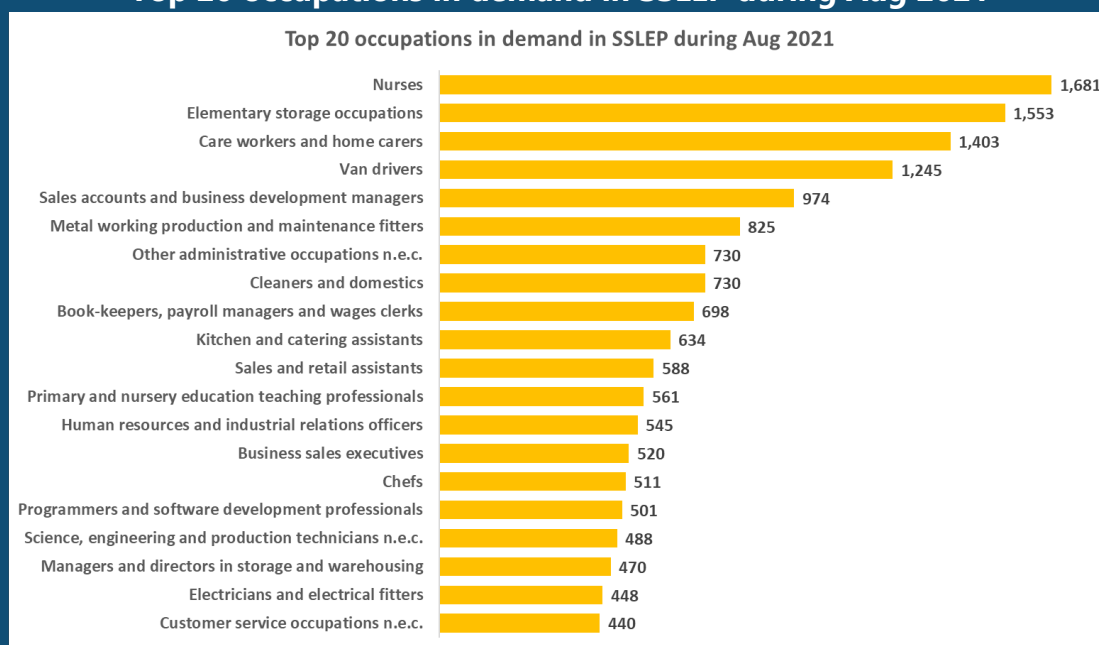


Top Occupations in Demand

- 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 followed by **science, engineering and production technicians**.
- There is also increased and high demand in hospitality for roles including **chefs and kitchen and catering assistants**. While in retail there is high demand for **sales and retail assistants**.

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

Top 20 occupations in demand in SSLEP during Aug 2021



- It is clear that there are plenty of 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	Aug 2020 Unique Postings	Jun 2021 Unique Postings	Jul 2021 Unique Postings	Aug 2021 Unique Postings	Jul 2021-Aug 2021 (Month on Month Change)	Jul 2021-Aug 2021 Monthly % Change	Feb 2020-Aug 2021 (Month on Month Change)	Feb 2020-Aug 2021 Monthly % Change	Aug 2020-Aug 2021 (Year on Year Change)	Aug 2020-Aug 2021 Annual % Change
Staffordshire CC	21,575	17,468	25,955	27,276	26,752	-524	-2%	5,177	24%	9,284	53%
Stoke-on-Trent	7,345	6,083	9,211	9,784	9,360	-424	-4%	2,015	27%	3,277	54%
SSLEP	28,920	23,551	35,166	37,060	36,112	-948	-3%	7,192	25%	12,561	53%
West Midlands	195,042	150,468	222,213	232,656	229,009	-3,647	-2%	33,967	17%	78,541	52%
England	2,224,041	1,834,945	2,387,462	2,494,460	2,469,820	-24,640	-1%	245,779	11%	634,875	35%
Stafford	4,890	4,238	6,427	6,714	6,454	-260	-4%	1,564	32%	2,216	52%
East Staffordshire	3,679	3,091	4,681	4,964	5,011	47	1%	1,332	36%	1,920	62%
Tamworth	3,392	2,260	3,459	3,511	3,379	-132	-4%	-13	0%	1,119	50%
Cannock Chase	2,659	2,251	3,128	3,220	3,051	-169	-5%	392	15%	800	36%
Lichfield	2,533	2,240	3,511	3,681	3,597	-84	-2%	1,064	42%	1,357	61%
Staffordshire Moorlands	2,091	1,242	1,303	1,368	1,320	-48	-4%	-771	-37%	78	6%
Newcastle-under-Lyme	1,676	1,466	2,286	2,547	2,500	-47	-2%	824	49%	1,034	71%
South Staffordshire	655	677	1,156	1,264	1,435	171	14%	780	119%	758	112%
Managers, Directors and Senior Officials	1,950	1,753	2,363	2,521	2,477	-44	-2%	527	27%	724	41%
Professional Occupations	7,087	6,285	7,745	8,231	7,787	-444	-5%	700	10%	1,502	24%
Associate Professional and Technical Occupations	5,628	4,037	6,571	6,988	6,810	-178	-3%	1,182	21%	2,773	69%
Administrative and Secretarial Occupations	2,987	1,859	3,487	3,767	3,844	77	2%	857	29%	1,985	107%
Skilled Trades Occupations	2,633	1,953	3,913	3,997	3,652	-345	-9%	1,019	39%	1,699	87%
Caring, Leisure and Other Service Occupations	2,685	2,483	2,911	3,008	2,928	-80	-3%	243	9%	445	18%
Sales and Customer Service Occupations	1,247	804	1,412	1,592	1,680	88	6%	433	35%	876	109%
Process, Plant and Machine Operatives	2,234	1,935	2,911	2,971	2,832	-139	-5%	598	27%	897	46%
Elementary Occupations	2,469	2,442	3,853	3,985	4,102	117	3%	1,633	66%	1,660	68%

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 they 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.