Staffordshire County Council

Stoke-on-Trent & Staffordshire Enterprise Partnership

Staffordshire **Means Back to Business**

Economic Bulletin - Issue 16 – November 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 final 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 Eyers
Director for Economy, Infrastructure and Skills, Staffordshire County Council

Key Messages

- This month the prime minister has stated that there is **“absolutely nothing to indicate" the country will enter a new lockdown this winter**, despite rising infection levels of COVID 19, but stressed the Government would "do whatever we have to do to protect the public".
- There is clearly **divided opinion** as to whether the Government should introduce **‘Plan B’** with on one side the NHS Confederation, the British Medical Association and Government scientific advisors feeling that vaccines are not quite enough on their own to prevent a lockdown and calling for the Government to take steps to ease the growing pressure on the health service such as working from home and mask wearing to curb the spread of COVID 19.
- While on the other side there are Government scientific advisors that feel that the reintroduction of protective measures are not needed due to cases falling as children obtain immunity and the London School of Hygiene and Tropical Medicine predicting that COVID 19 cases, hospital admissions and deaths in England will peak in November and start to fall rapidly to much lower levels by Christmas.
- Latest data shows that following a long period of increasing **COVID 19 infections** with levels reaching more than 50,000 cases a day for the first time since July, there are signs that infections are starting to fall. Although levels remain high where a recent study by the ONS found that around one in 50 people now have COVID 19 which is the same levels of infection as seen in England in January earlier this year.
- The **R value** for England now stands at 1.1 to 1.3 which means that, on average, every 10 people infected will infect between 11 and 13 other people, while the latest growth rate for England is +1% to +3% per day.
- **Hospital admissions** have also increased to levels not seen since February, with 8 per 100,000 in the week ending 24th October. However, this still remains far lower than the peak of 36 per 100,000 during the previous wave.
- There has also been a continued increase in **deaths** over recent weeks to levels not seen since March which remains a concern.
- It is clear that the Government is monitoring the situation closely but currently feels that **‘Plan A’ vaccinations and testing** are the way out of this pandemic and will help avoid further economic impact of imposing Plan B at a time when there is ongoing uncertainty in the fuel, gas and labour markets.
- Following a slow start the Government’s **booster vaccines programme** has accelerated with record numbers receiving the booster jab and latest figures showing over 8 million have had their booster, well over half of people aged 50 and over and those who are currently eligible being given a dose.

- It has also been shown that getting a Pfizer booster vaccine five months after a second dose **reduces a person's risk of hospitalisation** with Covid by 93%, according to new research by Harvard University. Data from the study show that a person's risk from COVID 19 in the week after getting a booster is much lower than someone who is only double jabbed.
- To make the booster programme more efficient and speed up the roll out, a **change in clinical guidelines** in the UK means some people such as care home residents will be able to get their next dose after a five month gap instead of the recommended six months.
- While booster jabs will also be available at **walk in sites** in England as the NHS hopes to increase uptake ahead of a "challenging" winter.
- There are clear concerns regarding the high levels of COVID 19 cases which we are currently seeing and the potential impact on the NHS, but there is also optimism that infections will peak in November and then begin to drop. While hospitalisations and deaths remain comparatively low the Government does not feel the need to reintroduce restrictions such as working from home which may further hinder the economic recovery.

Budget and Spending Review

- The Chancellor delivered his **Budget and Spending Review on Wednesday 27th October** where he promised it "begins the work of preparing for a new economy" post COVID.
- Amongst the positive news, the OBR has upgraded its growth forecasts for 2021 from 4% to 6.5% and UK **GDP** is set to reach its pre pandemic peak by 2022, slightly earlier than expected. OBR also reduced its estimate of the long term "scarring" effect of Covid 19 on the economy from 3% to 2%. **Unemployment** is set to rise to 5.2%; this is lower than predicted in previous forecasts (which suggested a peak of close to 12%). The **minimum wage** for people aged 23 and over will increase from £8.91 to £9.50 per hour in April 2022, a rise of 6.6%. However, **inflation** hit 3.1% in September 2021 and is set to top 4% over the coming 12 months and could rise as high as nearly 5% the highest rate in 30 years.
- There was an announcement to end the **public sector pay freeze**. Pay for most frontline workers will be set by independent pay review bodies.
- Employees and the self employed will have to pay an extra 1.25p in the pound in **National Insurance Contributions** from April 2022 to fund investments in the NHS and social care.
- The **Universal Credit taper rate** will reduce from 63% to 55%. This means people will get to keep an additional 8p per £1 they earn. This will increase the incentives for families to have someone in work. It will not help households on Universal Credit where

no one is in work.

- There has been a rise in the number of **low income households in debt arrears**. A survey from the Joseph Rowntree Foundation estimates that 3.8 million households are in arrears on rent, council tax, electricity and gas.
- **Corporation tax** has been re confirmed in the Budget, with an increase in corporation taxes from 19% to 25% from April 2023 for businesses with over £250,000.
- The Chancellor has stated **businesses rates** will not be abolished but instead, he has announced plans to cut them by £7bn. The budget also introduced reforms to business rates, including more frequent revaluations every three years from 2023. There will be a 50% business rates discount for the retail, hospitality, and leisure sectors in England in 2022 23, up to a maximum of £110,000.
- Given the rise in fuel prices and inflation that is expected in the coming months, the increase in **fuel duty** has been cancelled.
- In order to help the creative and culture sector which has been so heavily impacted by the pandemic, the government is extending the **tax relief for museums and galleries** for the next two years.
- Overall, the tax increases in the Budget are set to increase the **tax burden to its highest since the early 1950s**, according to the OBR.
- **NHS** England is set to receive £5.9bn to tackle the backlog of people waiting for tests and scans.
- The **Levelling Up Fund** will mean £1.7bn will be invested in local areas across the UK, with Stoke on Trent City Council successful in its bid for 3 regeneration projects worth a total of £56 million £20 million for the City Centre Regeneration Area in Hanley, £16 million for the transformation of Swift House into The Goods Yard, and £20 million for heritage building schemes in Stoke, Tunstall and Longton.
- There is also funding for **family hubs**.
- £2.6bn will be spent on creating 30,000 **new school places for children with special educational needs and disabilities**, including improving school buildings' accessibility.
- The budget includes £1.6bn over three years to roll out **new T levels** for 16 to 19 year olds, plus £550m for **adult skills** in England. Additionally, £170m has been announced for **apprenticeships and training**. The West Midlands will be a recipient of a new £560m fund called **'Multiply'**, to increase numeracy and basic maths for adults.
- Grants worth £1.4bn will be given to **"internationally mobile" companies to invest in UK infrastructure.** This will include £345m aimed at **increasing resilience against future pandemics** and £800m for the **production of electric vehicles** in the north east of England and the Midlands.
- The investment push from the budget also included more than £1.6bn for the **British**

Business Bank's regional funds**, which provides debt and equity finance to small and medium enterprises. There was also additional spending of £150m for the **Regional Angels Programme**, which aim to reduce imbalances in access to early stage equity finance in the UK.

- £850 million in funding for the restoration and upgrade of UK cultural institutions such as theatres and galleries through the **High Streets Heritage Action Zone programme**.
- £7 billion to **"level up" urban transport in cities around England**, paying for train and station upgrades, bus service improvements and the expansion of tram networks in cities outside London.
- The government has also announced that **green investment relief** will be introduced to encourage businesses to adopt green policies, such as solar panels.
- £817m over the spending review period has been announced for the **electrification of UK vehicles and their supply chains**, alongside an additional £620m of new investment over the next three years to support the **transition to electric vehicles and to encourage more active travel.**
- The Treasury has earmarked £24bn for **housing**, this will include £11.5bn to build up to 180,000 affordable homes, with brownfield sites targeted for development.
- £640m a year to address **rough sleeping and homelessness.**
- The Government has announced an extra £9m to go towards allowing councils to turn neglected urban spaces into **"pocket parks".**
- The Government has also announced the first areas to benefit from the **UK Community Renewal Fund (UKCRF)** to replace EU grants to help poorer regions to invest in skills, education, local businesses and employment. A total of 477 UK projects will get money under a pilot for the new Shared Prosperity Fund, which is due to replace EU structural funds to help poorer areas, ahead of its expected launch in April 2022. Stoke on Trent has received £3 million and Staffordshire just over £1.5 million for a range of projects to help with the recovery from the pandemic.

Economic Impact and Support

- Businesses remain concerned about rising **cost pressures and labour shortages**, with the latter exacerbated by a rise in illness with increased Covid 19 infections and workers with cold and flu symptoms. **Recruitment** is a major problem for many businesses and **skill shortages** are an increasing challenge internationally as more workers reassess what they want and value in a job. **Markets** remain disrupted, as a result of a cocktail of temporary and structural challenges in labour markets and supply chains, with delayed deliveries and increased prices.
- **Gross domestic product (GDP)** is estimated to have grown by 0.4% in August 2021 and remains 0.8% below its pre coronavirus (COVID 19) pandemic level (February

2020).

- **Services** output grew by 0.3% in August 2021 with output in consumer facing services increasing by 1.2%, while all other services rose by 0.1%; all other services are now 0.4% above their pre pandemic levels, while consumer facing services remain 4.7% below.
- Accommodation and food service activities, and arts, entertainment and recreation contributed most positively to services growth in August 2021, partially offset by falls in health output and retail trade.
- **Production** output increased by 0.8% in August 2021, mainly because of the continued increase in the extraction of crude petroleum and natural gas following the recent temporary closure of oil field production sites for planned maintenance.
- **Construction** contracted, with output down by 0.2% in August 2021; the sector is now 1.5% below its pre pandemic level.

GDP Monthly index, January 2007 to August 2021, UK

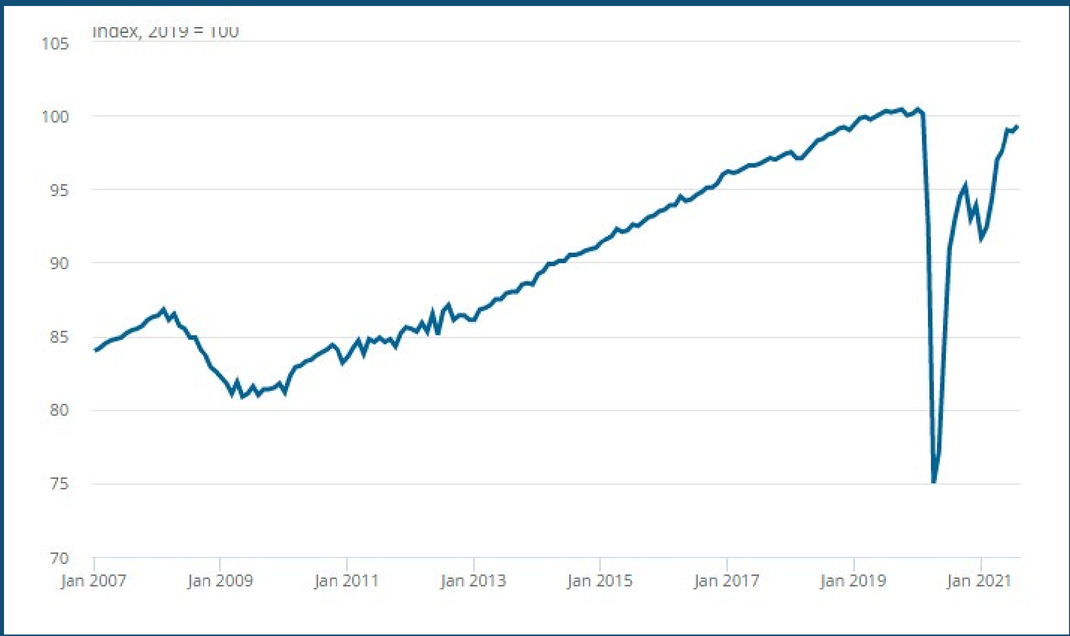


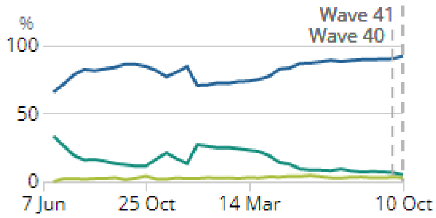
Table 1: Latest estimates show that UK GDP in August 2021 was 0.8% below its pre-pandemic level, with all sectors remaining below their pre-pandemic level

Change in output, percentage change, February 2020 to August 2021, UK

Change in output	June to July 2021	July to August 2021	February 2020 to August 2021
GDP	-0.1%	0.4%	-0.8%
Services	-0.1%	0.3%	-0.6%
Production	0.3%	0.8%	-1.3%
Manufacturing	-0.6%	0.5%	-2.4%
Construction	-1.0%	-0.2%	-1.5%

Source: Office for National Statistics - GDP monthly estimates

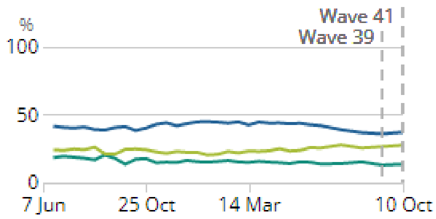
- The latest **quarterly GDP** data shows that the UK economy grew by 2.9% in the three months to August 2021, mainly because of the performance of the services sector. This largely reflects the gradual reopening of accommodation and food service activities and a rise in underlying human health activities (for example, more GP appointments) compared with the previous three months (March to May 2021).
- **Retail sales** fell for the fifth month in a row in September, with people spending less in shops despite Covid restrictions easing in the summer. Sales dipped by 0.2% in September, following a 0.6% drop in August, according to the Office for National Statistics (ONS). Non food stores were hit hardest by the decline in sales, with customers buying fewer household goods and furniture. In contrast, fuel sales rose by 2.9%, pushed up by a spike in demand.
- The following charts show the latest results from Wave 41 of the **ONS Business Insights and Conditions Survey (BICS),** which covered the dates 4 October to 17 October 2021.



Trading status

% of all businesses, weighted by count, 15 June 2020 to 17 October 2021

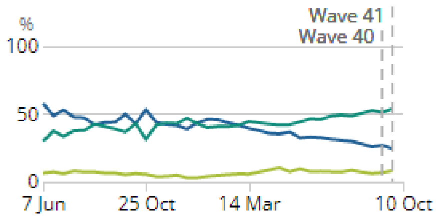
	Wave 40	Wave 41	Change
Currently trading	90.2	92.1	1.9pp ▲
Temporarily closed or paused trading	6.6	5.0	-1.6pp ▼
Permanently ceased trading	3.2	3.0	-0.2pp ▼



Business resilience

% of businesses not permanently stopped trading, weighted by count, 15 June 2020 to 17 October 2021

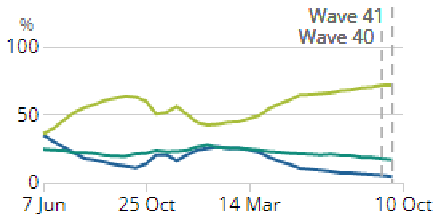
	Wave 39	Wave 41	Change
Cash reserves 3 months or less	36.0	37.2	1.2pp ▲
Cash reserves 4 to 6 months	13.0	13.7	0.7pp ▲
Cash reserves more than 6 months	26.6	27.7	1.1pp ▲



Financial performance

% of businesses currently trading, weighted by count, 1 June 2020 to 3 October 2021

	Wave 40	Wave 41	Change
Turnover has decreased	26.9	24.4	-2.5pp ▼
Turnover has stayed the same	51.3	54.1	2.8pp ▲
Turnover has increased	6.8	8.2	1.4pp ▲



Workforce

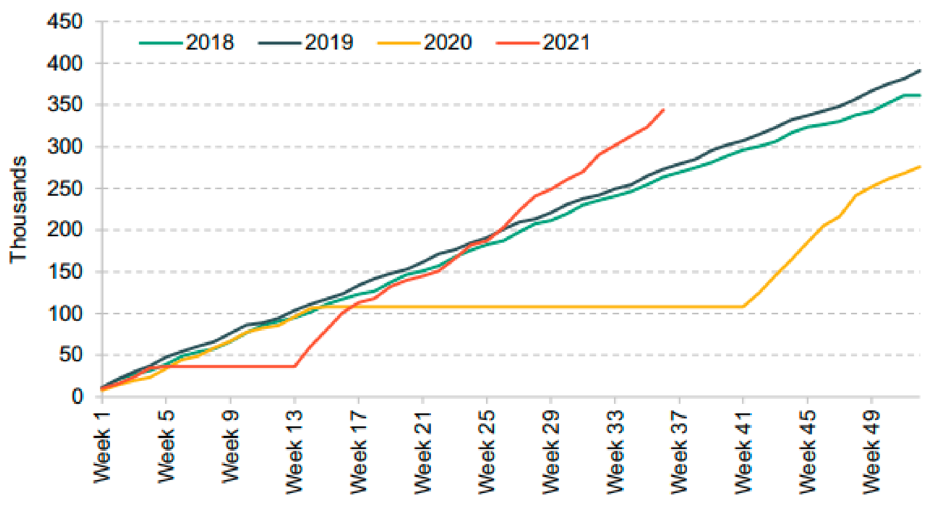
Proportion of workforce of businesses not permanently stopped trading, weighted by employment, 1 June 2020 to 3 October 2021

	Wave 40	Wave 41	Change
On partial or furlough leave	5.3	4.4	-0.9pp ▼
Working remotely	17.5	16.8	-0.7pp ▼
Working at their normal place of work	71.6	71.7	0.1pp ▲

Source: Office for National Statistics – Business Insights and Conditions Survey

- The proportion of businesses' workforce reported to be on **full or partial furlough** leave fell to 4% in the two weeks that included 30 September (which marked the end of the Coronavirus Job Retention Scheme), representing a provisional approximate range of between 0.9 to 1.4 million people.
- The percentage of **businesses currently trading** was 92% in early October 2021, with 83% of businesses reporting they were fully trading and 9% partially trading.
- The other service activities industry (which includes hairdressing and other beauty treatments) reported the highest proportion of employees being furloughed (26%) and the lowest proportion of businesses currently fully trading (76%).
- Of currently trading businesses that reported how their **importing** had been affected, 22% reported lack of hauliers to transport goods or lack of logistics equipment as a challenge in late September 2021, up from 11% in April 2021; additional paperwork remains the most reported challenge (at over 40%).
- Almost one in six businesses (16%) intend to use increased **homeworking** as a permanent business model going forward, with the main reasons for this being improved staff wellbeing, reduced overheads and increased productivity.
- Of businesses not permanently stopped trading, 37% reported taking at least one action to reduce their **carbon emissions**, whereas 22% reported taking no actions (others were not sure or did not produce carbon emissions).
- The wind down of Government income support such as furlough is likely to see an acceleration in the **reconfiguration of the economy** but for some businesses in sectors where trade and output is still below pre pandemic levels there are likely to be further **business insolvencies**. The Institute for Fiscal Studies (IFS) Green Budget report shows that insolvencies have accelerated above their 2019 level in the first half of 2021 having lagged in 2020:

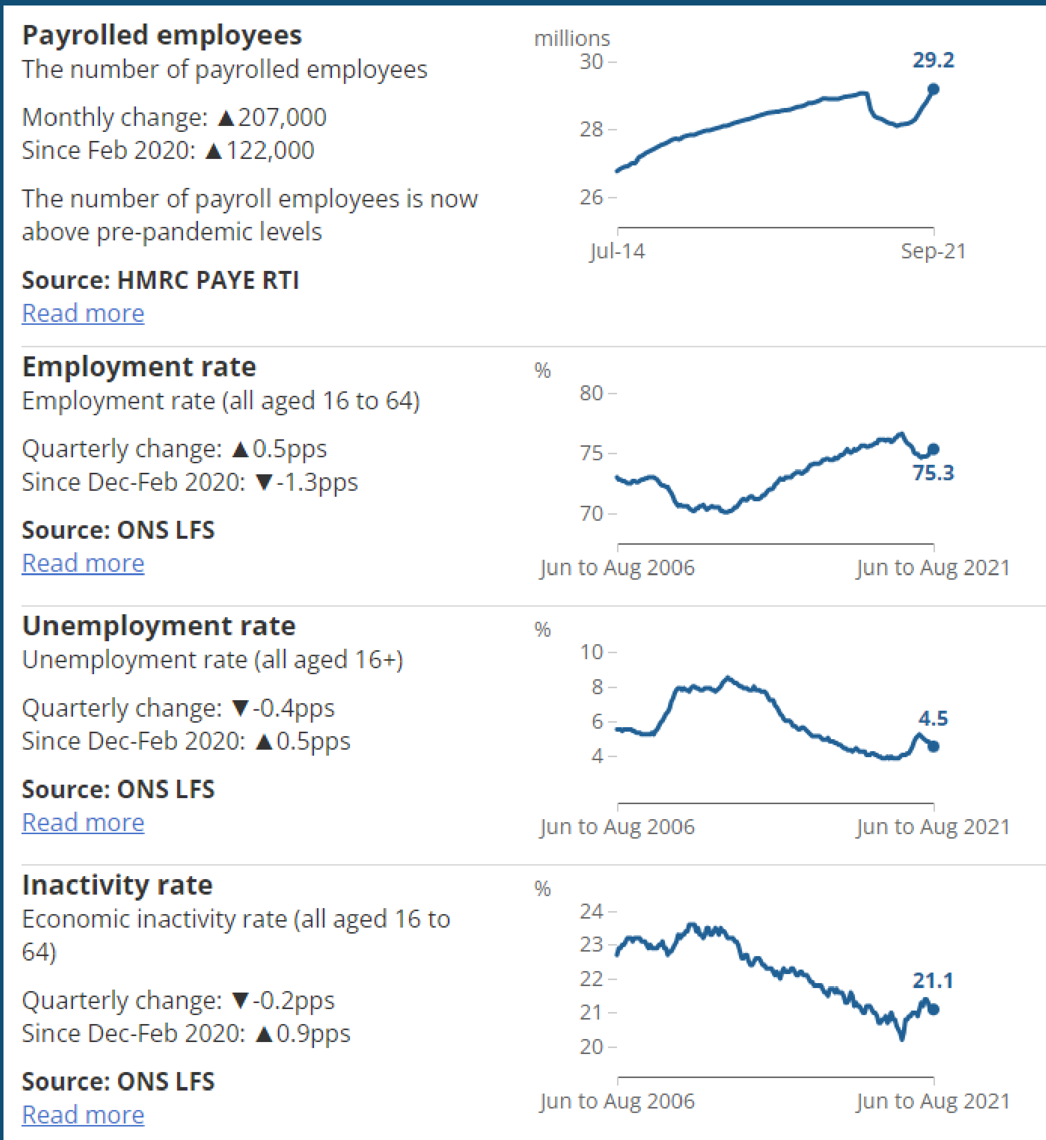
Figure 2.7. Cumulative insolvencies (thousands), 2018–21



Source: Companies House.

The IFS believe that more seem likely over the coming months, with data from Begbies Traynor, for example, suggesting 650,000 firms remain in significant financial distress in Q2. Important restrictions on insolvency proceedings such as limits on winding up petitions will also be removed from the end of Q3.

- 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 207,000 to a record 29.2 million in September 2021, returning to pre coronavirus (COVID 19) pandemic (February 2020) levels reflecting increase in people working multiple jobs since the crisis struck.
- In the latest period (June to August 2021), there was a quarterly increase in the **employment rate** of 0.5 percentage points to 75.3%, and a decrease in the **unemployment rate** of 0.4 percentage points to 4.5%. The **economic inactivity rate** is down 0.2 percentage points on the previous quarter to 21.1%.
- The number of **job vacancies** in July to September 2021 was a record high of 1,102,000,

an increase of 318,000 from its pre pandemic (January to March 2020) level; this was the second consecutive month that the three month average has risen over one million. All industry sectors were above or equal to their January to March 2020 pre pandemic levels in July to September 2021, with Accommodation and food service activities increasing the most, by nearly 50,000 (59%). The experimental single month vacancy estimates recorded almost 1.2 million in September 2021, which is a record high.

- **Skill shortages and high vacancy rates** are a continuing issue for businesses regionally, nationally and internationally.
- The number of **vacancies in the care sector** is higher than before the COVID 19 pandemic, a study by Skills for Care suggests. More than 100,000 posts are currently left unfilled 8.2% of care sector roles. The Government says that additional funding and a regular recruitment drive will ensure the workforce is boosted, following a drop in staff due to the impact of the pandemic and travel restrictions for EU workers.
- However, analysis of the latest NHS data reveals the Government's decision to make full COVID 19 **vaccination a "condition of deployment"** from 11 November is on course to force up to 38,000 staff out of care homes for older people, adding to a staffing crisis which is already causing care home closures and discharge backlogs in hospitals. As of 10 October, 12% of staff in older adult care homes were still not fully vaccinated, rising to more than one in five in areas including Birmingham, Manchester, Stoke and Hackney in London.
- To address the **lorry driver shortage** the Government is to lift rules on the number of deliveries overseas lorry drivers can make in the UK, changing from two pick ups or drop offs each week to unlimited deliveries or collections within a 14 day period. It is hoped the changes will happen by December but UK drivers fear they might lose work to cheaper EU rivals. The UK's lorry driver shortage due to a combination of Covid, Brexit and other factors has affected petrol stations, supermarkets and left containers piled up at Felixstowe Port unable to be moved.
- Households are being warned of a "Christmas crisis" in **bin collections** as drivers quit their jobs for better salaries working for supermarkets and food hauliers. The Environmental Services Association has said there is a vacancy rate for driving jobs of about 15% among waste contractors ahead of the festive period when waste volumes typically rise by about a third.
- **Bus services** are also being impacted with drivers being lured away to fill lorry vacancies. Over 4,000 bus drivers have quit the industry with many choosing the lucrative salaries on offer by lorry operators.
- A phenomenon that economists are calling the **'Great Resignation'** has taken hold globally. The Covid 19 pandemic has caused many workers to stop and consider what

they want from their job. According to a recent UK survey, 48% of men and 45% of women intend to quit in the next year; pre pandemic this was 27.5%. Reasons for resigning were a desire for flexibility and higher salaries for both men and women. Other reasons included better work culture, not wanting to work for their manager and seeking a better job title.

- Globally there is also a **'Great Reset'** of working practices due to flexible and hybrid working; families are working at home, creating a new vision of what work life balance means. Workers are voting with their feet.
- Alongside this is the **'Great Reshuffle'** where companies are changing their business models, and where they are based as the geography of activity is rapidly reshaping. E commerce is having considerable effects on where goods, services and skills are bought.
- The **'Great Retention'** is now the new fight for bosses and a strategic imperative is supporting staff and making them feel valued is the biggest factor in keeping good staff in an employee led market.
- Growth in average total **pay** (including bonuses) was 7.2% and regular pay (excluding bonuses) was 6.0% among employees for the three months June to August 2021. However, annual growth in average employee pay is being affected by temporary factors that have inflated the increase in the headline growth rate: **base effects** where the latest months are now compared with low base periods when earnings were first affected by the pandemic, and **compositional effects** where there has been a fall in the number and proportion of lower paid employee jobs, therefore increasing average earnings.
- There are also **supply chain issues** with a recent ONS survey showing that about one in six adults in Britain have been unable to buy essential food items over recent weeks due to them not being available and almost a quarter (23%) said the same for non essential food items.
- Rising **inflation** has caused food prices to rise by between 14% and 18% for hospitality firms leading to consumer price rises and petrol prices have now hit a record high putting further strain on household budgets.
- A study by the Joseph Rowntree Foundation has found that a third of the 11.6 million working age households in the UK earning £25,000 or less were found to be in **arrears on their rent or mortgage, utility bills, council tax bills or personal debt repayments**, up threefold since the pandemic hit.
- A District Councils Network (DCN) survey found that just under three quarters of district councils reported an increase in **homelessness** acceptances over the past four months, while nearly two thirds said people they had housed during the pandemic had recently slipped "back in the homelessness cycle". District councils also reported

increased numbers of families seeking support, and increases in the numbers of residents with severe mental health and other complex needs using council services. More than a third of councils reported significant increases in referrals to local food banks. The DCN is warning of a surge in homelessness this winter as a result of the end to government support measures such as furlough, Universal Credit uplift and the eviction ban.

- The Government has recognised that there is a need for support for households struggling with the cost of living this winter and have announced the £500 million **Household Support Fund** to support those most in need, alongside £65 million for vulnerable renters that have fallen into arrears due to the pandemic.
- The Institute for Fiscal Studies (IFS) has also stated that millions of people are set be worse off next year, with inflation and higher taxes on incomes negating small wage increases for middle earners. The Office for Budget Responsibility (OBR) warns that once rising prices and rising taxes are taken into account, average **household incomes** are set to fall next year and won't recover before 2023.
- The number of **commuter journeys by train** remain at less than half of pre pandemic levels. Trips made by made by people going to or from work on the UK's railways in mid October was 45% of what it was before autumn 2019 warns the industry body the Rail Delivery Group (RDG).
- The Government's **housing** target to build 300,000 new houses a year by "the mid 2020s" is in serious jeopardy following labour and material shortages which are causing major disruption across the economy. Construction firms have highlighted issues including unavailable transport, a severe lack of materials and continued staff shortages among bricklayers, drivers, ground workers, joiners and plumbers.
- Almost 6,000 additional homes will be built on **brownfield land** by 2024, Housing Secretary Michael Gove has announced, as he vowed to protect the UK's "cherished countryside" against development. Councils have been allocated £58 million from a £75m Brownfield Land Release Fund (BLRF) to help them clear disused land and demolish "unsightly" derelict buildings, car parks and garages in order to make way for new communities, with the 53 local authorities in receipt of the funds able to distribute the land for social and affordable housing or sell it on to developers. This could support up to 17,000 jobs across the housing and construction sector. Staffordshire County Council has been awarded £581,800 for the Eastgate Regeneration Programme in Stafford.

Green Economy

- At the **United Nations COP 26 climate change conference** in Glasgow, nations across the world have been pledging commitments to significantly **reduce carbon emissions by 2030**. Scientists agree that cutting emissions by 45% by 2030 and achieving **net**

zero by 2050 is a significant step in halting the worst effects of climate change. The USA has pledged to halve its emissions by 2030 compared to 2005 levels, the UK has announced that all its electricity will come from renewable sources by 2035, while Australia has been criticised for its lack of ambition in setting targets for reducing emissions by 2050 rather than 2030.

- World leaders also agreed a deal to **curb emissions of methane**, the planet's second most polluting greenhouse gas. 103 countries signed a deal to reduce methane emissions by 30 per cent by the end of the decade. If fully implemented, the pledge could limit global warming by about 0.2C by 2050.
- The UK Government has published its **Net Zero Strategy** in a bid to dramatically reduce greenhouse gas emissions to reach a target of net zero by 2050. It includes £620 million in grants for electric vehicles and street charging points with an extra £350 million promised to help the automotive supply chain move to electric.
- Most **big UK businesses and financial institutions** will be forced to show how they intend to hit climate change targets, under new Treasury rules. By 2023, they will have to set out detailed public plans for how they will move to a low carbon future, in line with the UK's 2050 net zero target.
- The UK Government is to invest £1.7bn in the planned £20bn Sizewell C **nuclear power** station in Suffolk to get project to final investment decision within three years.
- LGA analysis on the environmental and economic benefits of retrofitting homes found that by 2030, over 1,000 homes a day could be retrofitted with low carbon measures, reducing household energy bills by nearly £700 million.
- Homeowners in England and Wales will be offered subsidies of £5,000 from April to help them replace old gas boilers with **low carbon heat pumps**. The grants are part of the Government's strategy to reduce carbon emissions from heating homes and other buildings, with no new gas boilers to be sold after 2035 and £3.9 billion of new funding to decarbonise heating, including in social housing.
- **Staffordshire County Council** (SCC) made a commitment in 2019 to reduce its carbon footprint and achieve net zero carbon emissions by 2050. Its strategic plan highlights climate change as one of its key principles. In our first year since declaring a climate change emergency, SCC have reduced its carbon emissions by 25%.
- Locally **JCB** has signed a green hydrogen deal worth billions, the deal means JCB will take 10% of the green hydrogen made by the Australian firm Fortescue Future Industries (FFI). JCB will then JCB will become the UK's largest supplier of the clean fuel and alongside a firm called Ryze Hydrogen will distribute it in the UK.
- JCB is also investing £100 million on a project to produce **super efficient hydrogen engines**. A team of 100 engineers is already working on the development and 50 more engineers are being recruited to ensure the first machines can go on sale to customers

by the end of 2022. The wraps have already come off a prototype hydrogen powered JCB backhoe loader, now a second JCB machine a Loadall telescopic handler has been unveiled at a central London event attended by Prime Minister Boris Johnson. JCB which is the world market leader for both backhoe loaders and telescopic handlers showcased its hydrogen technology in the Green Zone at COP26 in Glasgow.

- Overall, the economy continues to grow and we have seen unemployment decline alongside rising wages. However, there remain labour and skills shortages, price rises and supply chain issues which are holding back the recovery of many businesses. There are also cost of living concerns for many residents with rising energy, food and fuel costs alongside reduced Government support and rising tax. Inflation is a major concern moving into 2022 and is likely to impact businesses and residents further over the coming months. The end of furlough is widely expected to see an increase in unemployment in late 2021/early 2022 and this may fall back only slowly in the years ahead due to labour and skills matching issues to the vacancies that are available. While the increased profile of the climate emergency is causing businesses to consider their carbon footprint, and take steps to mitigate its growth.

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, 9% 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 **decrease of 565 claimants between August and September 2021 to a total of 19,445 claimants**, which is a higher proportional decline than seen regionally and just below the decline seen nationally. While the **claimant rate has also declined from 3.7% to 3.6% of the working age population in September** and continues the trend seen since February.
- This reflects the continued recovery in the labour market following lockdown with more businesses able to fully reopen and workers able to return to their place of work full time alongside businesses looking to recruit more staff to support their recovery and growth.
- However, **the total number of Universal Credit (UC) claimants remains over 61% or 7,395 higher than the level seen in March 2020 (pre COVID)** 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 3.6% of the working age population in September compared to 6.1% regionally and 5.1% 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 in Staffordshire aged 18 24 that are claiming Universal Credit currently stands at 5.5% compared to 3.7% in March 2020** and still well above the rate for the working age population. Encouragingly for the sixth month in a row Staffordshire has seen a decrease in the youth claimant count with a decline of 80 over the last month to a total of 3,560, 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 final Coronavirus Job Retention Scheme (CJRS) figures show that there were **13,700 furloughed job claims in Staffordshire up to the end of September,** showing a **further decline of 2,700 furloughed workers in Staffordshire between August and September, equivalent to 4% of eligible workers** which is in line with the regional and national averages. **Stoke on Trent had 2,900 jobs still furloughed, showing a decline of 700 between August and September and equivalent to 3% 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 now that the CJRS scheme has come to an end.
- **Staffordshire has seen 13,200 self employed workers claim for the fifth SEISS grant up to 7th October 2021** and a take up rate of 33% for those eligible through the scheme, which is below the regional (37%) and national (38%) average take up rates. **Stoke on Trent had 4,500 SEISS claims up to 7th October 2021,** equivalent to

43% 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.

- The overall number of **company insolvencies increased by 56% in September 2021 when compared to the same month last year and is now only 4% lower than two years previously.** We have seen an increase over recent months but levels still remain comparatively low compared to pre COVID due at least in part to government measures which were put in place to reduce insolvencies in response to the pandemic. Concern regarding how many are viable now that Government support is at least partly being withdrawn.
- As seen nationally, this month we have seen a rapid increase in job vacancies in Stoke on Trent and Staffordshire, reflective of the increasing demand we are seeing for workers across much of the economy to aid the recovery from the pandemic. **Staffordshire saw vacancies increase by 18% between September and October equivalent to over 5,400 more job vacancies, this was just below the increase of 19% seen nationally. Stoke on Trent also saw a rise of 18% with just over 1,800 more vacancies in October compared to September**.
- The **occupations** to see the most significant increases during October continue to be 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 **logistics, hospitality, retail, education, health and social care, and manufacturing.**
- 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 businesses and people whose jobs or employment prospects have been impacted by the pandemic.
- Staffordshire and Stoke on Trent businesses that have been turned down by other lenders can now apply to the **Staffordshire and Stoke on Trent Business Loan Fund**, supporting businesses to grow through affordable, unsecured loans from £10,000 to £50,000. To find out more visit 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 .**
- **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.
- Businesses with one to four employees can still benefit from 12 months' free business support to guide them through the pandemic recovery. The year long membership package with the **Federation of Small Businesses (FSB)** is available through a partnership between county, borough and district councils which is a UK first. More information can be found here.
- Excitement is building ahead of the return of Staffordshire's largest business show which takes place at Uttoxeter Racecourse on 11th November. The annual **Let's Do Business expo** sees businesses across Staffordshire come together to network, make new connections, attend business growth seminars and ultimately, do business! Let's Do Business is a showcase for the very best local companies to come together and promote their products and services to decision makers from across the region. To find out more and register your free place visit here.
- Representatives from Staffordshire County Council, Lichfield District Council, Persimmon Homes, the Greater Birmingham and Solihull Local Enterprise Partnership and the Lichfield and Hatherton Canal Restoration Trust marked the opening of the final section of **Lichfield's £17.5m southern bypass** has opened to traffic for the first

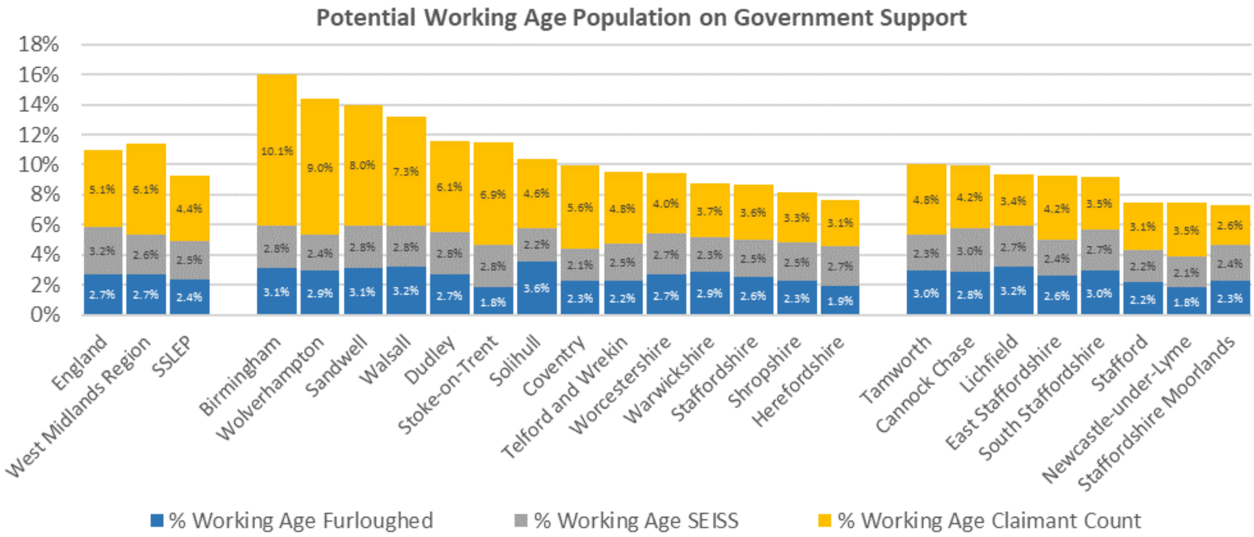
time. Staffordshire County Council's cabinet member for highways and transport David Williams said: "Completion of the final section of the Lichfield Southern Bypass is a significant marker and spur for the future regeneration of the city. It really will make a big difference reducing city centre congestion, enabling housing development and helping to attract more investment.

- The UK will host the 26th UN Climate Change Conference of the Parties (COP26) on 31 October 12 November 2021, and **Keele University** will be hosting a series of events to coincide with this momentous occasion. Find out more.
- The **Energy & Bioproducts Research Institute (EBRI) at Aston University** is to run a free masterclass on sustainability, energy and bioproducts. It takes place on November 16 and 17 at New Beacon Group, Stafford Education & Enterprise Park, Weston Rd, Stafford, ST18 0BF. Find out more and register here.
- The **New Enterprise Base Camp**, run by Keele University, offers innovative and ambitious early stage and established small business owners who are based in Stoke on Trent and Staffordshire, a fully funded masterclass to strengthen leadership skills whilst also discovering the skills, tools, and techniques that will support your product and/or service development. Find out more and apply here.
- In conclusion, it is clear that **the labour market is the lynchpin of the recovery** and we continue to see **signs of improvement** with unemployment decreasing and the availability of jobs at record levels. However, there are many people still out of work and businesses are reporting increasing skills and labour shortages which have the potential to slow the recovery. There is a clear need to reskill and upskill those looking for work to ensure that they can fill the roles needed in the economy and support business growth and innovation. At a time when Government is phasing out support put in place during the pandemic and there are growing concerns around debt, inflation and the cost of living, it has never been more important to ensure that people have the skills required to access the jobs available in our economy.
- 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 Kickstart and Restart Schemes have 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 65,000 residents in the SSLEP area on Government support, equivalent to around 9% of the working age population which is lower than the regional and national averages (both 11%). Stoke-on-Trent (12%) and Tamworth and Cannock Chase (both 10%) have the highest rates while Staffordshire Moorlands and Newcastle-under-Lyme (both 7%) have the lowest.

SSLEP Working Age Population	696,067
Jobs in High Risk Sectors	221,000
Claimant Count September 2021	30,420
Coronavirus Job Retention Scheme (CJRS) Furloughed job claims as at 30th Sept 2021	16,600
Self-Employment Income Support Scheme (SEISS) fifth grant claims up to 7th Oct 2021	17,700
Potential workers on Government support	**64,720**
Potential % of working age population on Government support	**9.3%**

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[1]

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: September 2021

Area	Claimant Count Rate (September 2020)	Claimant Count Rate (August 2021)	Claimant Count Rate[1] (September 2021)	Number of Claimants (September 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	5.2	5.1	1,785,985	-52,820	-2.9%	722,480	67.9%
West Midlands	7.3	6.2	6.1	223,045	-3,875	-1.7%	78,695	54.5%
SSLEP	5.6	4.5	4.4	30,420	-855	-2.7%	11,050	57.0%
Birmingham	11.0	10.2	10.1	74,425	-555	-0.7%	25,055	50.7%
Wolverhampton	10.4	9.2	9.0	14,785	-275	-1.8%	4,405	42.4%
Sandwell	9.4	8.2	8.0	16,490	-300	-1.8%	5,710	53.0%
Walsall	8.7	7.4	7.3	12,640	-210	-1.6%	4,035	46.9%
Stoke on Trent	**8.1**	**7.1**	**6.9**	**10,975**	290	**2.6%**	3,655	**49.9%**
Dudley	7.5	6.2	6.1	11,785	-255	-2.1%	3,270	38.4%
Coventry	6.5	5.7	5.6	14,250	-330	-2.3%	6,250	78.1%
Telford and Wrekin	6.4	4.9	4.8	5,335	-100	-1.8%	1,905	55.5%
Solihull	5.9	4.7	4.6	5,945	-115	-1.9%	2,295	62.9%
Worcestershire	5.4	4.1	4.0	14,155	-295	-2.0%	5,850	70.4%
Warwickshire	4.9	3.7	3.7	12,995	-300	-2.3%	5,165	66.0%
Staffordshire	4.9	3.7	3.6	19,445	565	2.8%	7,395	61.4%
Shropshire	4.7	3.4	3.3	6,335	-160	-2.5%	2,325	58.0%
Herefordshire, County of	4.3	3.2	3.1	3,480	-135	-3.7%	1,370	64.9%
Tamworth	6.1	4.9	4.8	2,245	-80	-3.4%	755	50.7%
Cannock Chase	5.7	4.3	4.2	2,660	-60	-2.2%	1,005	60.7%
East Staffordshire	5.2	4.3	4.2	3,120	-80	-2.5%	1,400	81.4%
Newcastle-under-Lyme	4.8	3.7	3.5	2,880	-110	-3.7%	900	45.5%
South Staffordshire	4.5	3.6	3.5	2,325	-60	-2.5%	1,015	77.5%
Lichfield	4.8	3.4	3.4	2,100	-10	-0.5%	780	59.1%
Stafford	4.4	3.2	3.1	2,605	-80	-3.0%	950	57.4%
Staffordshire Moorlands	3.8	2.8	2.6	1,510	-85	-5.3%	590	64.1%

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

- The claimant count in Staffordshire saw a further decrease of 565 claimants between August and September 2021 to a total of 19,445 claimants, which is a higher proportional decline than seen regionally and just below the decline seen nationally. While the claimant rate has also declined from 3.7% to 3.6% of the working age population in September and continues the trend seen since February.

- While Stoke-on-Trent saw a decrease of 290 over the same period with a total of 10,975 claimants in September, with the rate dropping from 7.1% to 6.9%.

- This reflects the continued recovery in the labour market following lockdown with more businesses able to fully reopen and workers able to return to their place of work full-time alongside 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 over 61% or 7,395 higher than the level seen in March 2020 (pre-COVID) - however, not all will be out of work.

- Ultimately, the full effect of COVID-19 on employment will not be seen until we see the destination of those previously on furlough and SEISS schemes which recently ended.

- 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 3.6% in September compared to 6.1% regionally and 5.1% nationally. In Stoke-on-Trent the Claimant Count rate remains above both the regional and national averages at 6.9%.

- This month all of the Staffordshire Districts have seen a decline in the number of claimants, with Newcastle-under-Lyme seeing the largest decrease with 110 fewer claimants while Lichfield saw the lowest decrease with 10 fewer 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: September 2021

Area	Youth Claimant Count Rate (Sept 2020)	Youth Claimant Count Rate (Aug 2021)	Youth Claimant Count Rate1 (Sept 2021)	Number of Youth Claimants (Sept 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	6.8	6.5	308,045	-10,620	-3.3%	110,315	55.8%
West Midlands	10.3	8.0	7.8	40,780	-1,145	-2.7%	12,875	46.1%
SSLEP	9.0	6.4	6.3	5,540	-110	-1.9%	1,720	45.0%
Wolverhampton	16.0	13.3	12.8	2,660	-95	-3.4%	750	39.3%
Sandwell	14.9	12.1	11.7	3,080	-100	-3.1%	965	45.6%
Walsall	14.6	11.5	11.0	2,520	-100	-3.8%	605	31.6%
Dudley	13.3	9.8	9.7	2,310	-30	-1.3%	560	32.0%
Birmingham	11.5	9.9	9.7	13,510	-295	-2.1%	4,405	48.4%
Stoke on Trent	**11.1**	**8.7**	**8.5**	**1,980**	**30**	**1.5%**	**575**	**40.9%**
Solihull	11.2	8.1	7.8	1,200	-45	-3.6%	375	45.5%
Telford and Wrekin	10.8	7.9	7.8	1,145	-25	-2.1%	385	50.7%
Worcestershire	9.3	6.3	6.1	2,500	-70	-2.7%	905	56.7%
Staffordshire	**8.2**	**5.6**	**5.5**	**3,560**	**80**	**2.2%**	**1,145**	**47.4%**
Shropshire	8.8	5.4	5.3	1,080	-15	-1.4%	255	30.9%
Warwickshire	7.3	5.1	4.9	2,240	-85	-3.7%	905	67.8%
Herefordshire, County of	7.8	5.0	4.7	560	-45	-7.4%	145	34.9%
Coventry	6.2	4.7	4.5	2,435	-130	-5.1%	900	58.6%
Tamworth	11.3	8.6	8.4	470	-10	-2.1%	175	59.3%
Cannock Chase	10.8	7.4	7.2	520	-15	-2.8%	155	42.5%
East Staffordshire	8.7	6.4	6.2	525	-20	-3.7%	205	64.1%
South Staffordshire	8.3	5.6	5.7	450	10	2.3%	200	80.0%
Lichfield	8.1	5.1	5.1	355	0	0.0%	85	31.5%
Stafford	7.6	4.9	4.9	430	0	0.0%	115	36.5%
Newcastle-under-Lyme	6.4	4.2	4.1	565	-15	-2.6%	140	32.9%
Staffordshire Moorlands	6.8	4.3	4.0	250	-20	-7.4%	75	42.9%

[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 5.5% compared to 3.6% for all working-age residents, while in Stoke-on-Trent the rate is now at 8.5% in September 2021.
- Encouragingly for the sixth month in a row Staffordshire has seen a decrease in the youth claimant count with a decline of 80 over the last month to a total of 3,560, 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.
- The majority of Staffordshire Districts have seen decreases in youth claimants this month, with East Staffordshire and Staffordshire Moorlands seeing the largest declines while South Staffordshire was the only authority to see a small increase of 10. 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

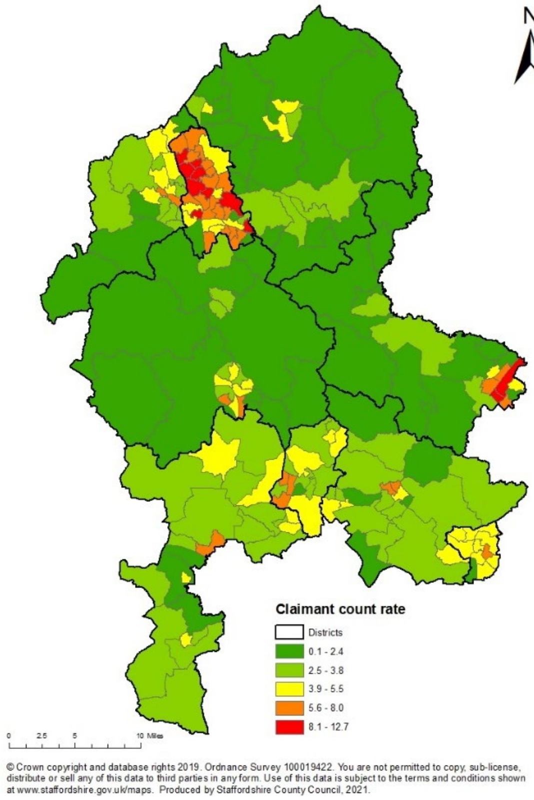
The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

Claimant Count Rate September 2021

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 54 were above the England average of 5.1% for the number of claimants as a proportion of the working age population.

Of the top 10 wards with the highest claimant count rate 9 were in Stoke-on-Trent with Joiner's Square (12.7% or 575 claimants), Etruria and Hanley (11.9% or 615 claimants), and Moorcroft (11.5% or 420) having the highest rates.

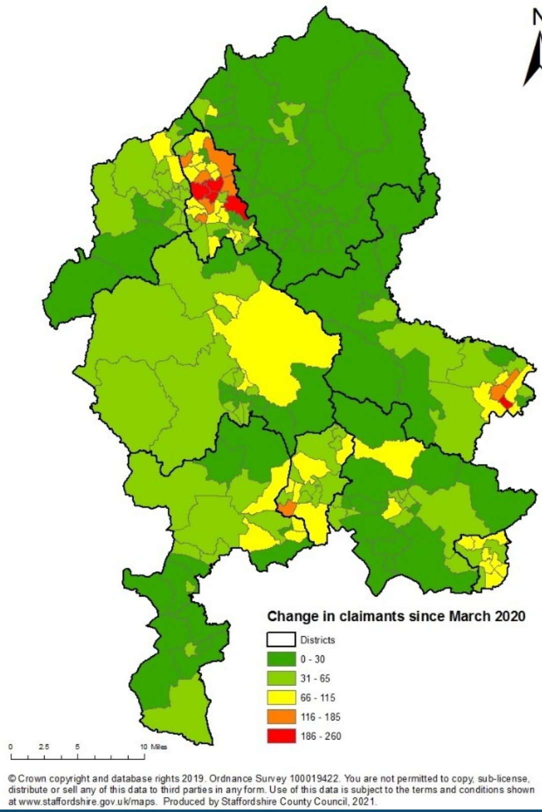
In Staffordshire the 4 wards with the highest claimant count rates were all in East Staffordshire, Burton (8.5% or 255), Anglesey (8.3% or 440), Eton Park (7.3% or 350) and Shobnall (7.3% or 395).



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 (260 increase to 615), Bentilee and Ubberley (225 rise to 625) and Birches Head and Central Forest Park (205 increase to 595 in total).

The remaining 3 wards in the top 10 were all in East Staffordshire the highest increases were seen in Anglesey (250 rise to 440), Shobnall (185 increase to 395) and Eton Park (170 rise to 350).



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

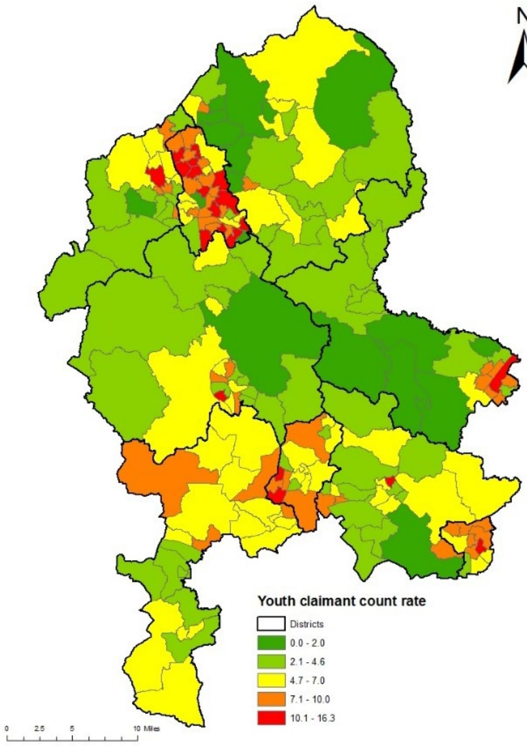
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

Youth Claimant Count Rate September 2021

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 74 were above the England average of 6.5% 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 (16.3% or 125), Moorcroft (14.0% or 75) and Fenton East (13.9% or 65) having the highest rates.

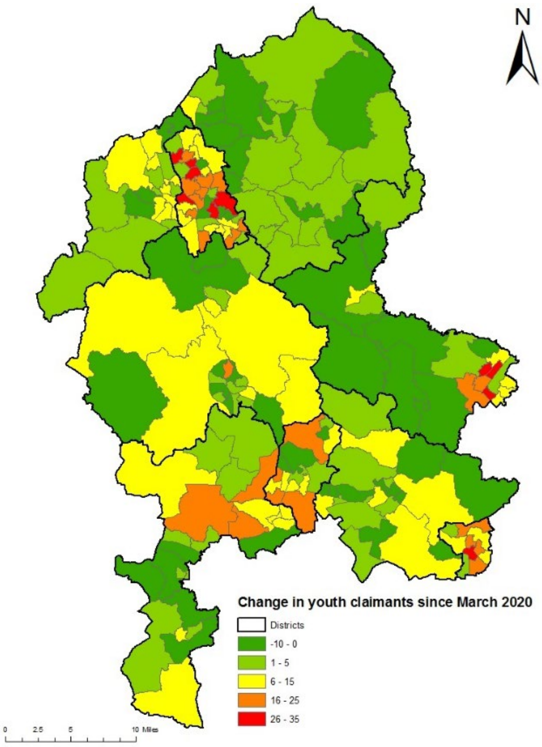
In Staffordshire, the highest rate was Glascote in Tamworth with 13.0% or 75, followed by Cannock North in Cannock Chase with 12.2% or 65 and Highfields & Western Downs in Stafford with 11.6% or 60 youth claimants.



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 Burslem Park (35 rise to 55), Moorcroft (30 rise to 75), Fenton East (30 rise to 65), Bentille and Ubberley (30 rise to 120) and Tunstall (30 rise to 70) with the highest rises since March 2020.

In Staffordshire, the highest increases were seen in Anglesey in East Staffordshire (35 rise to 65 claimants), Eton Park in East Staffordshire (30 rise to 60), Horninglow in East Staffordshire (30 rise to 60) and Belgrave in Tamworth (30 rise to 60).



Coronavirus Job Retention Scheme (CJRS) Furloughed Jobs[2]

- HMRC have released local authority level breakdowns of the CJRS scheme for claims submitted to HMRC by 14th October 2021 for the period up to 30th September 2021.

- Figures for September 2021 are provisional and subject to revision of around 25,000 jobs 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 September in the WM with 13,700,** behind only Birmingham and equivalent to 4% 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 August and September Staffordshire has seen **a further decrease of 2,700 furloughed jobs. This 16% decrease in furloughed jobs reflects more businesses being able to fully 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 remain at 4% which is in-line with the regional and national averages.**

- **Stoke-on-Trent has seen the number of furloughed jobs decrease by 700 to 2,900 in September, equivalent to 3% of eligible jobs and the joint lowest rate in the West Midlands.**

- Across the SSLEP area of those on furlough 52% are male and 48% 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 now that the furlough scheme has ended.

[2] Source: HMRC https://www.gov.uk/government/statistics/coronavirus_job_retention_scheme_statistics_4_november_2021

Coronavirus Job Retention Scheme (CJRS) Statistics: 4 November 2021

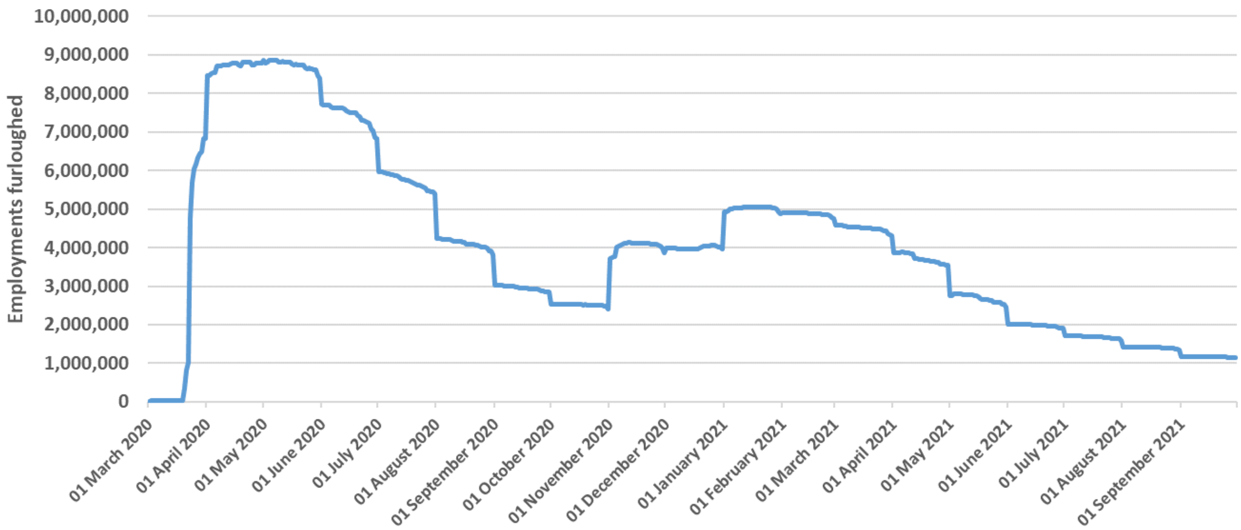
County and district / unitary authority	Total employments on furlough at 30 September (provisional)	Total employments eligible for furlough	Total take-up rate at 30 September (provisional)
Lichfield	2,000	45,300	4%
South Staffordshire	2,000	46,200	4%
West Midlands	**100,700**	**2,424,300**	**4%**
Cannock Chase	1,800	44,400	4%
England	**964,600**	**23,881,800**	**4%**
United Kingdom	**1,143,600**	**28,692,200**	**4%**
Tamworth	1,400	36,100	4%
Staffordshire County	**13,700**	**379,200**	**4%**
East Staffordshire	1,900	55,300	3%
SSLEP	**16,600**	**484,300**	**3%**
Staffordshire Moorlands	1,300	40,100	3%
Stafford	1,800	59,600	3%
Newcastle-under-Lyme	1,500	52,200	3%
Stoke-on-Trent UA	2,900	105,100	3%

- 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 409,300 (a decrease of 35,900 since August 2021) employers making 1,143,600 (a decrease of 209,300 or 15% since August 2021) furloughed job claims up to the end of September.**

- The following chart shows the trend in furloughed job claims nationally, it shows that following the significant declines seen as we came out of lockdown and more parts of the economy were able to reopen there has been a more steady decline over recent months reflecting that there are still businesses being impacted by the pandemic and not able to bring back all workers.

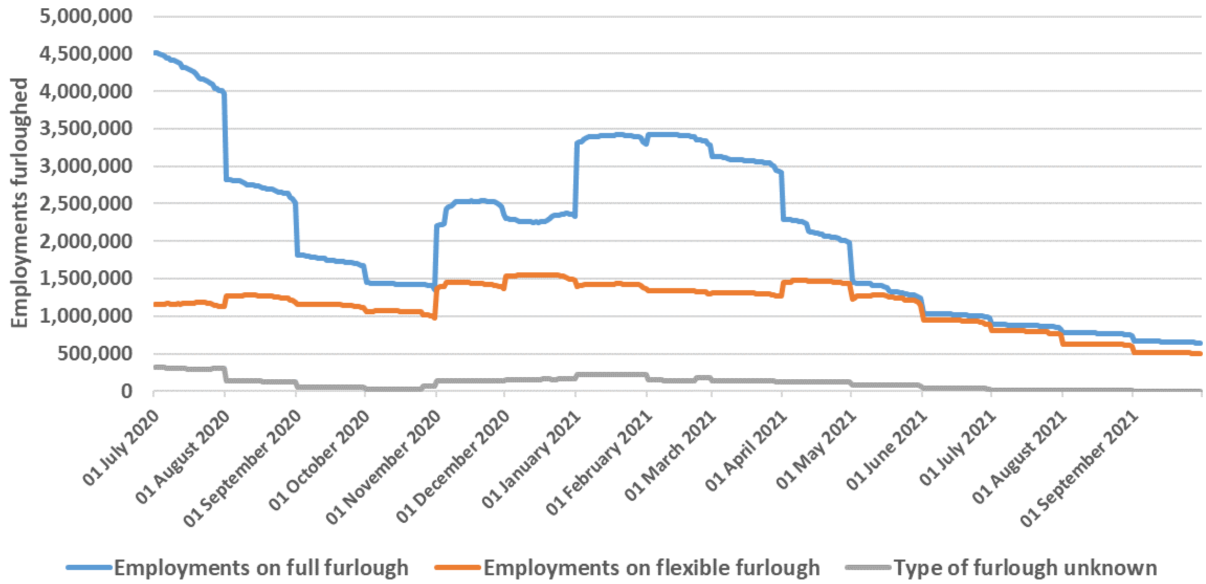
Coronavirus Job Retention Scheme (CJRS) Statistics: 4 November 2021 Time Series



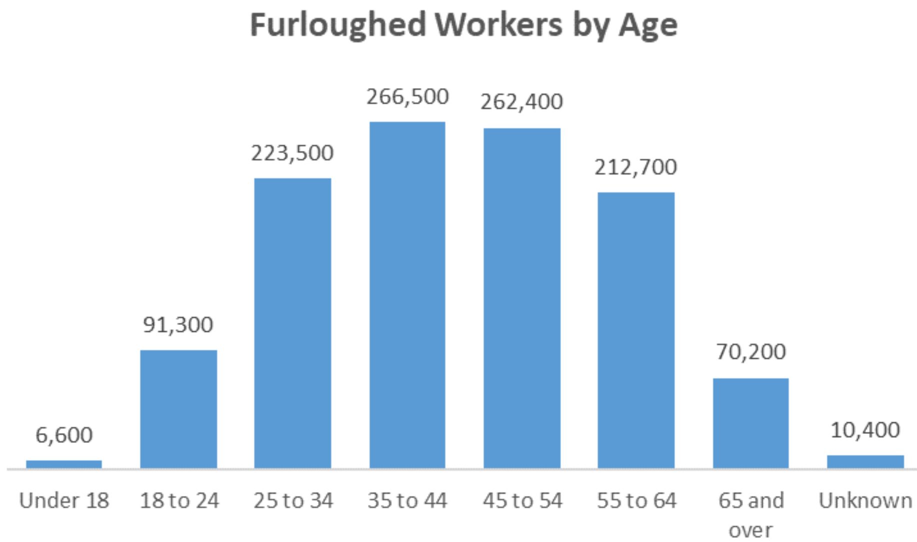
- **Employer Size** – As at 30th September 2021, over four fifths (87%) of claims were made by SMEs with 12% in large businesses with 250+ employees and 1% unknown.

- **Furlough Type** - Of those workers furloughed, over half (56%) were fully furloughed and 44% on flexible furlough. **The chart below shows that the number that are fully furloughed has declined by 94,700 since August showing a 13% decline, while those on flexible furlough have also decreased by 102,000 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: 4 Nov 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 (19% decline compared to 15% overall) in September reflecting the continued opening up of sectors in which many young people work.



- Nationally, the sectors of 'Arts, entertainment and recreation' and 'Accommodation and Food services' have the highest furlough take-up rates.

- While it is 'Wholesale and retail including the repair of motor vehicles' and 'Accommodation and Food services' 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 continue to ease.

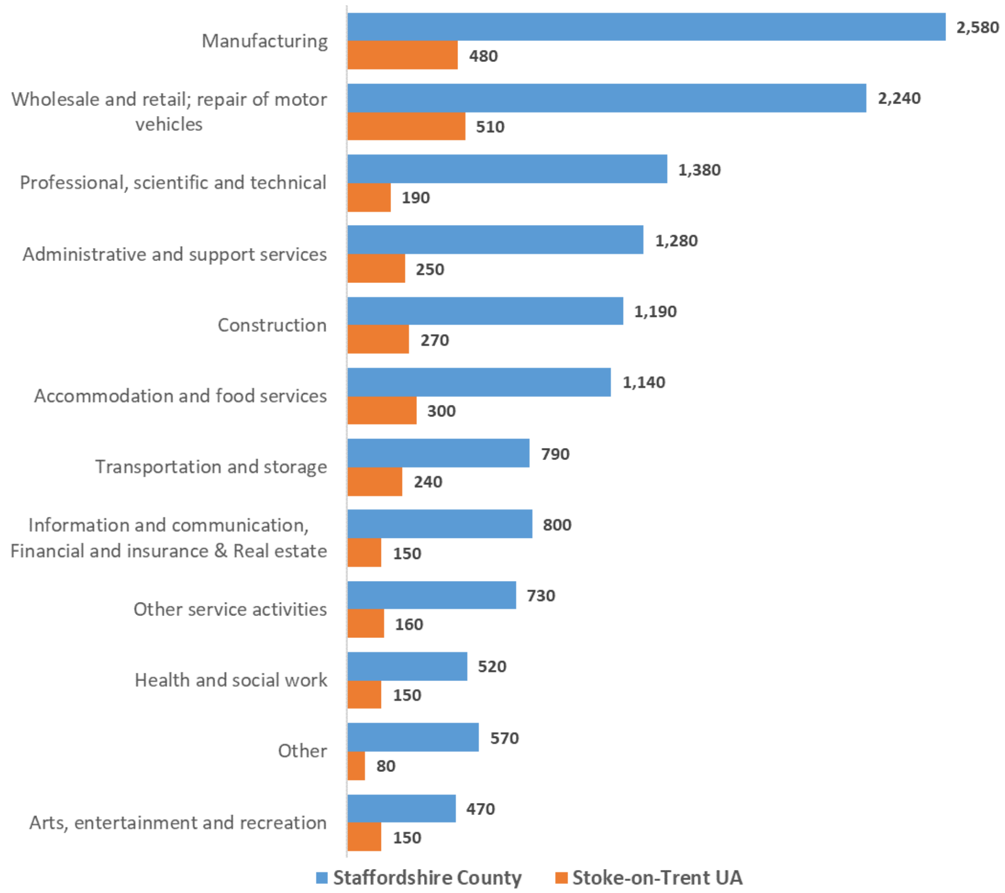
Coronavirus Job Retention Scheme (CJRS) Statistics: 4 Nov 2021 by Sector

	Employers			Employments			
Sector	Employers (PAYE schemes) with staff eligible for furlough	Employers with staff on furlough at 30 September (provisional)	Take-up rate at 30 September (provisional)	Employments eligible for furlough	Employments on furlough at 30 September (provisional)	Take-up rate at 30 September (provisional)	Employments change between July 2021 and Aug 2021
Other service activities	94,200	23,200	25%	521,000	55,300	11%	-7,900
Accommodation and food services	133,000	40,700	31%	1,733,300	156,900	9%	-42,800
Arts, entertainment and recreation	41,700	11,400	27%	501,600	47,600	9%	-11,900
Construction	243,800	45,900	19%	1,279,900	92,700	7%	-9,000
Transportation and storage	78,600	21,300	27%	1,311,800	90,600	7%	-20,300
Administrative and support services	164,000	41,000	25%	2,367,900	121,300	5%	-20,400
Manufacturing	102,000	26,100	26%	2,293,200	119,800	5%	-16,300
Professional, scientific and technical	306,600	60,300	20%	2,180,200	113,100	5%	-14,200
Real estate	50,400	11,200	22%	428,300	23,400	5%	-2,700
Wholesale and retail; repair of motor vehicles	253,400	65,400	26%	4,337,800	172,000	4%	-26,400
Information and communication	143,900	24,000	17%	1,218,200	47,800	4%	-5,700
Water supply, sewerage and waste	5,900	1,300	22%	172,600	3,900	2%	-400
Agriculture, forestry and fishing	33,500	1,900	6%	174,200	3,700	2%	-500
Health and social work	101,700	15,900	16%	4,112,200	43,800	1%	-12,000
Education	39,900	9,100	23%	3,176,600	28,900	1%	-14,300
Finance and insurance	34,900	5,200	15%	1,068,100	11,900	1%	-1,700
Households	71,100	600	1%	119,300	800	1%	-200
Mining and quarrying	1,100	200	14%	47,900	500	1%	-100
Public administration and defence; social security	7,800	100	2%	1,373,600	1,000	<0.5%	-300
Energy production and supply	1,400	300	19%	128,400	600	<0.5%	-200
Unknown and other	48,300	4,000	-	146,100	8,000	-	-1,800
Total	1,957,200	409,300	21%	28,692,200	1,143,600	4%	-209,300

- 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' and 'Wholesale and retail including the repair of motor vehicles' by far the highest.

- 'Manufacturing' (-680) and 'Wholesale and retail including the repair of motor vehicles' (-430) have seen the highest decline in furloughed workers over the last month as more businesses have been able to fully reopen 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 including 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 while furloughed during the crisis but now this has come to an end there are concerns that a number of furloughed workers may find themselves out of work.

Self-Employment Income Support Scheme (SEISS)[3]

- **Staffordshire has seen 13,200 self-employed workers claim for the fifth SEISS grant up to 7th October 2021** and a take-up rate of 33% for those eligible through the scheme, which is below the regional (37%) and national (38%) average take-up rates.

- **Stoke-on-Trent had 4,500 SEISS claims up to 7th October 2021,** equivalent to 43% of those eligible.

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

County and district / unitary authority	Total potentially eligible population	Total no. of all claims made to 07/10/21	Total value of all claims made to 07/10/21 (£)	Average value of all claims made to 07/10/21 (£)	Total Take-Up Rate
Stoke-on-Trent UA	10,500	4,500	8,800,000	2,000	43%
England	**2,905,000**	**1,110,000**	**2,504,000,000**	**2,300**	**38%**
Cannock Chase	5,100	1,900	4,200,000	2,200	38%
United Kingdom	**3,346,000**	**1,261,000**	**2,843,000,000**	**2,300**	**38%**
West Midlands	**258,000**	**95,000**	**200,000,000**	**2,100**	**37%**
Tamworth	3,000	1,100	2,500,000	2,200	37%
SSLEP	**50,200**	**17,700**	**38,300,000**	**2,200**	**35%**
East Staffordshire	5,300	1,800	3,600,000	2,000	34%
Lichfield	4,800	1,700	4,000,000	2,400	34%
Newcastle-under-Lyme	5,100	1,700	3,800,000	2,200	34%
South Staffordshire	5,300	1,800	4,000,000	2,300	34%
Staffordshire County	**39,700**	**13,200**	**29,500,000**	**2,200**	**33%**
Stafford	5,700	1,800	4,100,000	2,300	31%
Staffordshire Moorlands	5,400	1,400	3,200,000	2,300	26%

- For all SEISS grants to 7th October 2021 Staffordshire has seen 119,100 claims from 33,800 individuals for a total of £328.5 million. While Stoke-on-Trent has seen 34,800 claims from 9,500 individuals for £83.3 million.

- Nationally, **transport and storage, other service activities, arts, entertainment and recreation, and construction 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 over a third (34%) followed by transport and storage with 12% of all claims.**

- In terms of gender, males have a take up rate of 39% and represent 71% of all claims while females have a take up rate of 34% and represent 29% of all claims.

- For age, the highest take-up rates are for those aged 25-34 and 35-44 (both 42%) and 91% of all claims are for those aged 25-64 with 3% for those aged 16-24 and 5% for those over 65 and 1% unknown.

- Overall, for all SEISS grants up to 7th October 2021, there have been 10.3 million claims from 2.9 million individuals for £28.1 billion.

[3] Source: HMRC https://www.gov.uk/government/statistics/self_employment_income_support_scheme_statistics_november_2021

Business Insolvencies during the pandemic

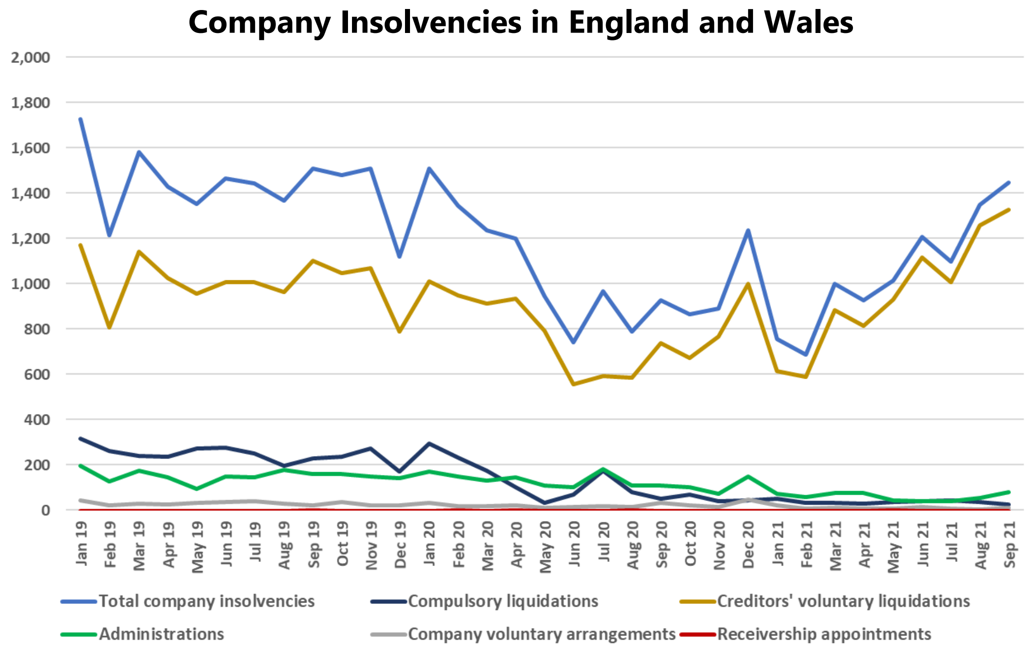
This section covers the latest Insolvency Service monthly insolvency statistics[4] for September 2021, which show the number of new companies and individuals who are unable to pay debts and enter a formal insolvency procedure.

Company Insolvencies

In September 2021 there were a total of 1,446 company insolvencies in England and Wales, comprised of 1,328 creditors' voluntary liquidations (CVLs), 81 administrations, 25 compulsory liquidations, and 12 company voluntary arrangements (CVAs).

The overall number of **company insolvencies increased by 56% in September 2021 when compared to the same month last year and is now only 4% lower than two years previously.** Please note that the 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 October 2020 and September 2021 are still 12% lower compared to a year earlier, representing just over 1,600 fewer businesses.



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 September 2020 and August 2021 are construction (1,991), accommodation and food (1,560), and wholesale and retail (1,430). However, levels are still lower than those seen for the same period the previous year, with wholesale and retail 31% lower, construction 22% lower, and accommodation and food 17% below levels seen a year earlier.

[4] Source: The Insolvency Service https://www.gov.uk/government/statistics/monthly_insolvency_statistics_september_2021

Individual Insolvencies

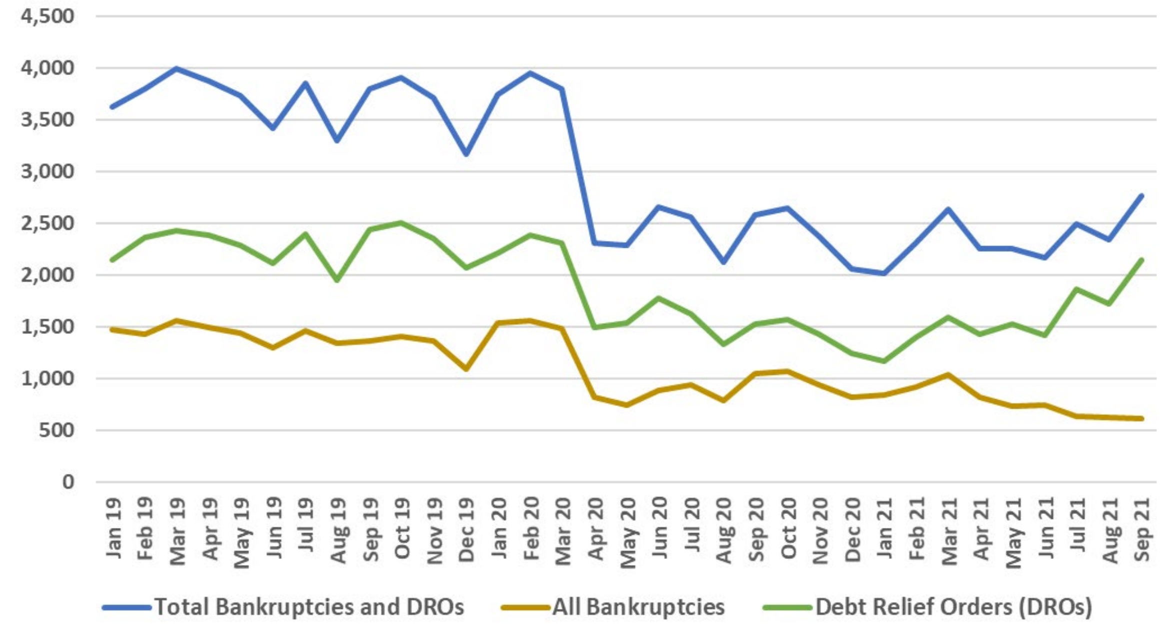
For individual insolvencies, the number of **bankruptcies in September 2021 was 614** (made up of 553 debtor applications and 61 creditor petitions), while the number of **Debt Relief Orders (DROs) was 2,150** the highest level since the start of the pandemic.

This 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 42% lower than a year earlier and 55% lower than in September 2019, while DROs were 41% higher than in September 2020 but still 12% lower than two years earlier.

Total bankruptcies and DROs between October 2020 and September 2021 are 26% lower than the same period a year earlier, representing just over 9,800 fewer.

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, **6,853 IVAs registered per month in the three-month period ending September 2021**, which is 48% higher than the three-month period ending September 2020 and 9% lower than the three-month period ending September 2019.

Between the launch of the Breathing Space scheme on 4 May 2021, and 30 September 2021, there were 27,246 registrations, comprised of 26,896 Standard breathing space registrations and 350 Mental Health breathing space registrations.

During the coronavirus (COVID-19) pandemic overall numbers of company and individual insolvencies have remained low when compared with pre-pandemic levels. While CVL numbers are now slightly higher than pre-pandemic levels, numbers for other insolvency procedures, such as compulsory liquidations for companies and bankruptcies for individuals, remain lower. 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.

Temporary measures brought in to support businesses from insolvency during the pandemic will be phased out from 1 October.

Companies in financial distress as a result of the pandemic have been protected from creditor action since June last year, through the Corporate Insolvency and Governance Act 2020.

This was to ensure that viable businesses affected by the restrictions on trading during the lockdown periods were not forced into insolvency unnecessarily. As the economy returns to normal trading conditions, the restrictions on creditor actions will be lifted.

New measures will be brought in to help smaller companies get back on their feet to give them more time to trade their way back to financial health before creditors can take action to wind them up. This will particularly benefit high streets, and the hospitality and leisure sectors, which were hit hardest during the pandemic.

The new legislation will:

1. Protect businesses from creditors insisting on repayment of relatively small debts by temporarily raising the current debt threshold for a winding up petition to £10,000 or more.
2. Require creditors to seek proposals for payment from a debtor business, giving them 21 days for a response before they can proceed with winding up action.

These measures will be in force until 31 March 2022.

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. They have also stated that it will not be possible to state the direct effect of changes to temporary measures on insolvency volumes.

The main concern is a potential spike in company and individual insolvencies now that Government support has at least partly been withdrawn and associated issues such as homelessness.

Job Vacancies[5]

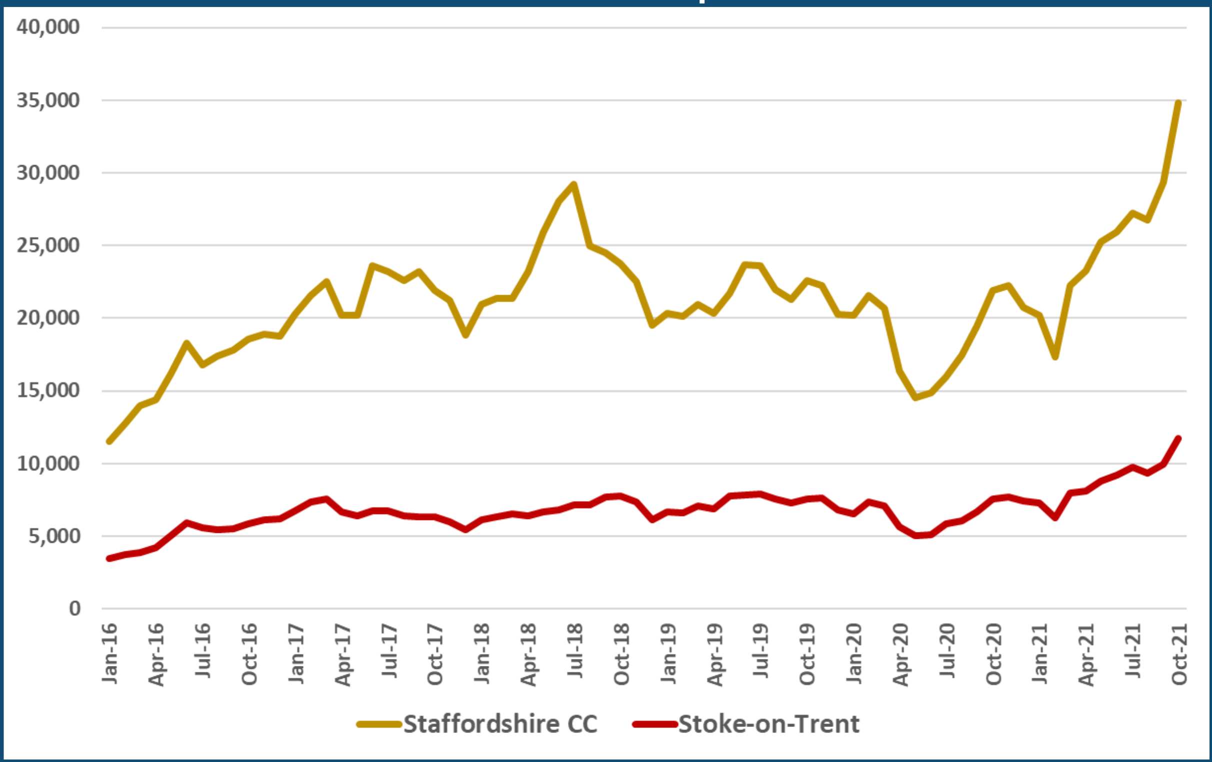
- As seen nationally, this month we have seen a rapid increase in job vacancies in Stoke on Trent and Staffordshire, reflective of the increasing demand we are seeing for workers across much of the economy to aid the recovery from the pandemic.

- However, as we have seen recently this increase in vacancies to higher levels than witnessed pre COVID is resulting in further reports of labour and skills shortages with not enough skilled workers to fill the vacant jobs, especially in digital/IT roles, social care (both adults and children), hospitality such as chefs and waiting staff, logistics, retail, 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 18% between September and October equivalent to over 5,400 more job vacancies, this was just below the increase of 19% seen nationally.**

- **Stoke on Trent also saw a rise of 18% with just over 1,800 more vacancies in October compared to September**.

Staffordshire & Stoke on Trent Unique Job Vacancies Trend



[5] Source: EMSI

Monthly Trends in recruitment

- All occupational groups saw growth between September and October, with the highest proportional increases in 'sales and customer service occupations' (23% rise), 'administrative and secretarial occupations' (21% rise) and 'associate professional and technical occupations' (20% rise). Although it was 'professional occupations' which saw the highest actual rise with an increase of just over 1,500.

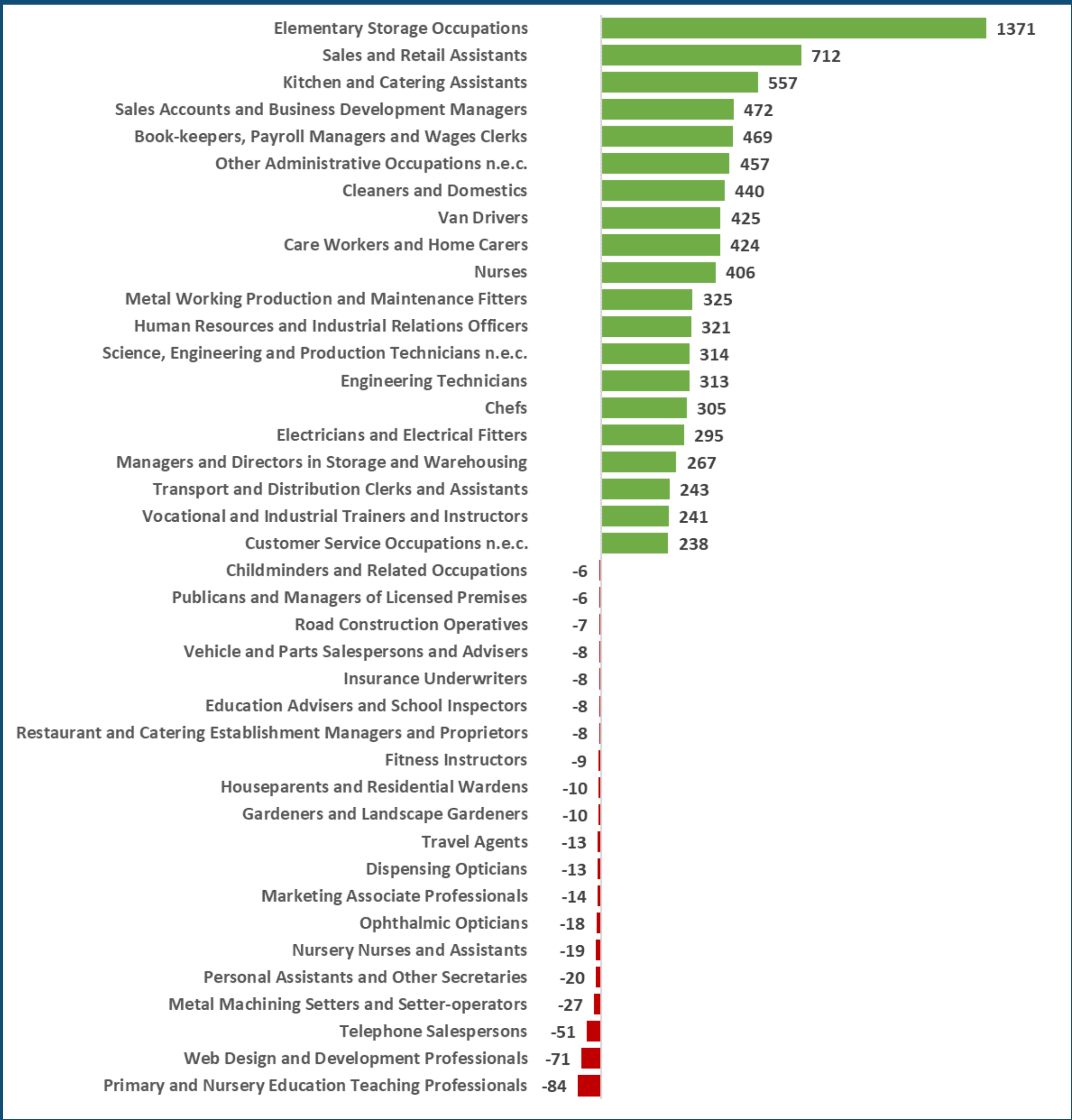
- The occupations to see the most significant increases during October continue to be roles in sectors experiencing recruitment difficulties and sectors which have been able to open up further due to reduced restrictions and occupations which support them including:
  - **Health and Social Care** including 'nurses' and 'care workers and home carers';
  - **Logistics** including 'elementary storage occupations', 'van drivers' and 'HGV drivers';
  - **Retail** including 'sales and retail assistants';
  - **Hospitality** including 'kitchen and catering assistants' and 'chefs';
  - **Education** including 'primary and nursery education teaching professionals' and 'vocational and industrial trainers and instructors';
  - **Manufacturing** including 'metal working production and maintenance fitters', 'engineering technicians' and 'science, engineering and production technicians';
  - **Cross cutting occupations** in demand include 'sales accounts and business development managers', 'administrative occupations', 'book keepers, payroll managers and wages clerks', 'human resources and industrial relations officers' and 'programmers and software development professionals'.

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', 'managers and directors in storage and warehousing', 'HGV drivers', 'van drivers', 'transport and distribution clerks and assistants';
  - **Retail** including 'sales and retail assistants',
  - **Hospitality** including 'kitchen and catering assistants' and 'chefs';
  - **Health and Social Care** including 'care workers and home carers' and 'nurses';
  - **Construction** including **'**electricians and electrical fitters';
  - **Manufacturing** including 'metal working production and maintenance fitters', 'science, engineering and production technicians', 'engineering technicians', and 'engineering technicians'.

  This is reflective of the growth in ecommerce and online retail alongside the swift recovery in construction and manufacturing, as well as the recruitment difficulties in health and social care, hospitality and retail.

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



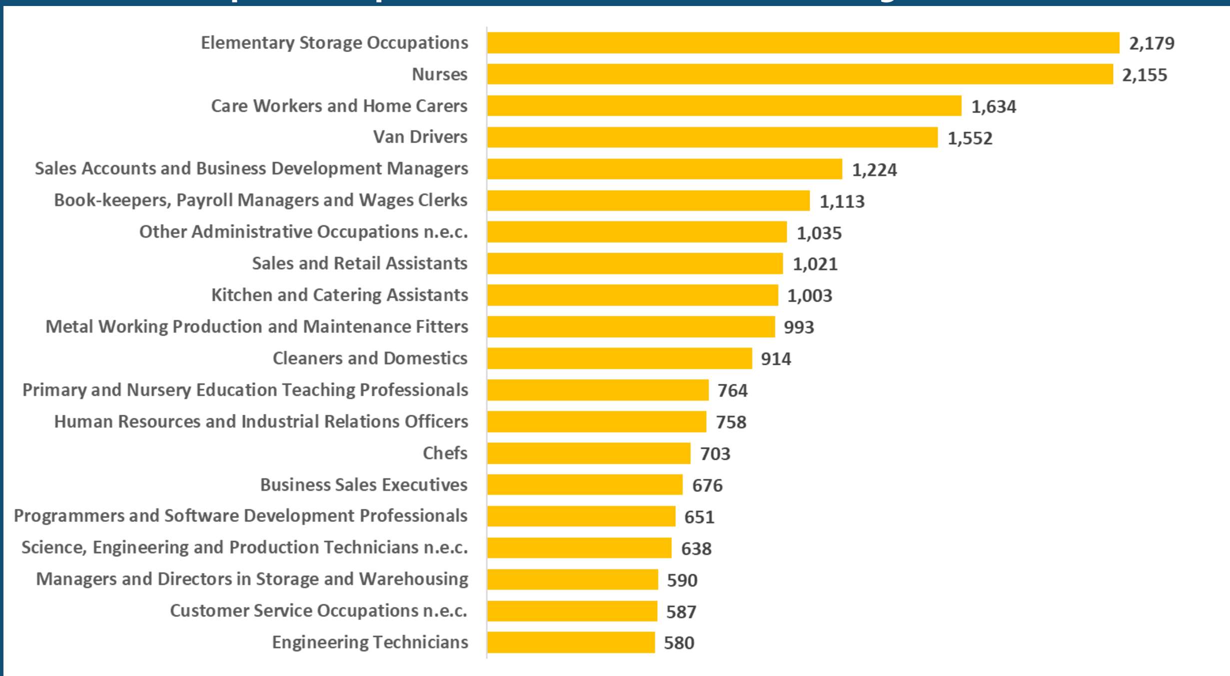
Top Occupations in Demand

- However, even with these changes in recruitment during the last month, demand for roles in logistics such as **elementary storage occupations and van drivers (as well as managers and directors in storage and warehousing)**, alongside roles in health and social care including **nurses and social care workers and home carers** remain by far the strongest of all occupations.

- While in manufacturing **metal working production and maintenance fitters** remain the occupation in most demand followed by **science, engineering and production technicians and engineering technicians.** 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. 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, book keepers, human resources and industrial relations officers, business sales executives, programmers and software development professionals, admin roles, customer service occupations, LGV drivers and cleaners.**

Top 20 occupations in demand in SSLEP during Oct 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	Oct 2020 Unique Postings	Aug 2021 Unique Postings	Sep 2021 Unique Postings	Oct 2021 Unique Postings	Sep 2021-Oct 2021 (Month on Month Change)	Sep 2021-Oct 2021 Monthly % Change	Feb 2020-Oct 2021 (Month on Month Change)	Feb 2020-Oct 2021 Monthly % Change	Oct 2020-Oct 2021 (Year on Year Change)	Oct 2020-Oct 2021 Annual % Change
Staffordshire CC	21,576	21,933	26,731	29,389	34,795	5,406	18%	13,219	61%	12,862	59%
Stoke-on-Trent	7,345	7,592	9,345	9,936	11,744	1,808	18%	4,399	60%	4,152	55%
SSLEP	28,921	29,525	36,076	39,325	46,539	7,214	18%	17,618	61%	17,014	58%
West Midlands	195,055	181,768	228,615	245,201	286,484	41,283	17%	91,429	47%	104,716	58%
England	2,224,182	2,157,543	2,467,699	2,612,514	3,121,726	509,212	19%	897,544	40%	964,183	45%
South Staffordshire	655	943	1,432	1,634	2,121	487	30%	1,466	224%	1,178	125%
Newcastle-under-Lyme	1,676	1,852	2,496	2,748	3,225	477	17%	1,549	92%	1,373	74%
Lichfield	2,533	2,677	3,598	3,914	4,716	802	20%	2,183	86%	2,039	76%
Stafford	4,890	5,537	6,448	7,251	8,573	1,322	18%	3,683	75%	3,036	55%
East Staffordshire	3,679	3,909	5,001	5,328	6,376	1,048	20%	2,697	73%	2,467	63%
Cannock Chase	2,659	2,708	3,049	3,392	3,964	572	17%	1,305	49%	1,256	46%
Tamworth	3,393	2,759	3,381	3,718	4,189	471	13%	796	23%	1,430	52%
Staffordshire Moorlands	2,091	1,541	1,321	1,401	1,629	228	16%	-462	-22%	88	6%
Elementary Occupations	2,469	3,383	4,094	4,778	5,570	792	17%	3,101	126%	2,187	65%
Sales and Customer Service Occupations	1,248	1,034	1,680	1,979	2,430	451	23%	1,182	95%	1,396	135%
Administrative and Secretarial Occupations	2,987	2,384	3,840	4,426	5,358	932	21%	2,371	79%	2,974	125%
Skilled Trades Occupations	2,633	2,525	3,649	3,842	4,519	677	18%	1,886	72%	1,994	79%
Managers, Directors and Senior Officials	1,950	2,033	2,478	2,669	3,171	502	19%	1,221	63%	1,138	56%
Associate Professional and Technical Occupations	5,628	5,010	6,802	7,442	8,922	1,480	20%	3,294	59%	3,912	78%
Process, Plant and Machine Operatives	2,234	2,776	2,828	2,932	3,271	339	12%	1,037	46%	495	18%
Caring, Leisure and Other Service Occupations	2,685	2,947	2,930	3,267	3,777	510	16%	1,092	41%	830	28%
Professional Occupations	7,087	7,433	7,775	7,990	9,521	1,531	19%	2,434	34%	2,088	28%

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 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	**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.