Staffordshire County Council

Stoke-on-Trent & Staffordshire Enterprise Partnership

Staffordshire Means Back to Business

Economic Bulletin - Issue 17 – December 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, this month we also put the spotlight on hope the structure of the local economy has changed during the pandemic to date including changes in businesses and jobs. 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

- Over the last month we have seen **spikes in COVID-19 infections across Europe** and the **emergence of a new 'variant of concern' in South Africa named Omicron**. Although the new variant is believed to be **highly transmissible** it is still too early to understand the effectiveness of current vaccines or its impact on hospitalisations and deaths.
- In light of these concerning developments the Government has reintroduced a number of **restrictions** including the instruction for people who work in offices to work from home, if they can, from Monday 13 December, the mandatory wearing of face masks in most indoor setting including theatres, cinemas, shops and on public transport, and the NHS Covid Pass will also be required for visitors to nightclubs, indoor unseated venues with more than 500 people, unseated outdoor venues with more than 4,000 people and any event with more than 10,000 people.
- The Government has also advised that the public should take a COVID-19 **lateral flow test** before going to high-risk crowded and enclosed spaces.
- The Prime Minister has also stated that 'a fresh lockdown over Christmas cannot be ruled out', but to help to try to avoid this it is vital that those eligible need to come forward for their **booster shots**.
- However, at this stage the Prime Minister feels that there is **no need to cancel Christmas parties or social gatherings.**
- If current vaccines are determined to be less effective against Omicron then **manufactures have committed to creating a new vaccine** 'within 100 days' that could be used on the new variant.
- To help control the spread of Omicron the Government is also **accelerating the booster programme**, with the gap between the second vaccine dose and booster reduced from six to three months and all eligible adults to be offered a booster Jab by the end of January.
- The emergence of the Omicron variant comes at a time when England was seeing a dip in **infections**, but there are early signs of a new serge cases and levels remain high with Omicron likely to further increase cases putting the health service under "significant strain" over winter.
- The latest **R value** for England now stands at 1.0 to 1.1 which is a decrease from last month and means that, on average, every 10 people infected will infect between 10 and 11 other people. While the latest growth rate for England is -1% to +2% per day which means that the number of new infections could be broadly flat, growing by up to 2% or shrinking by up to 1% every day.
- We also saw weekly COVID-19 **deaths** reach highest level since March, although prior

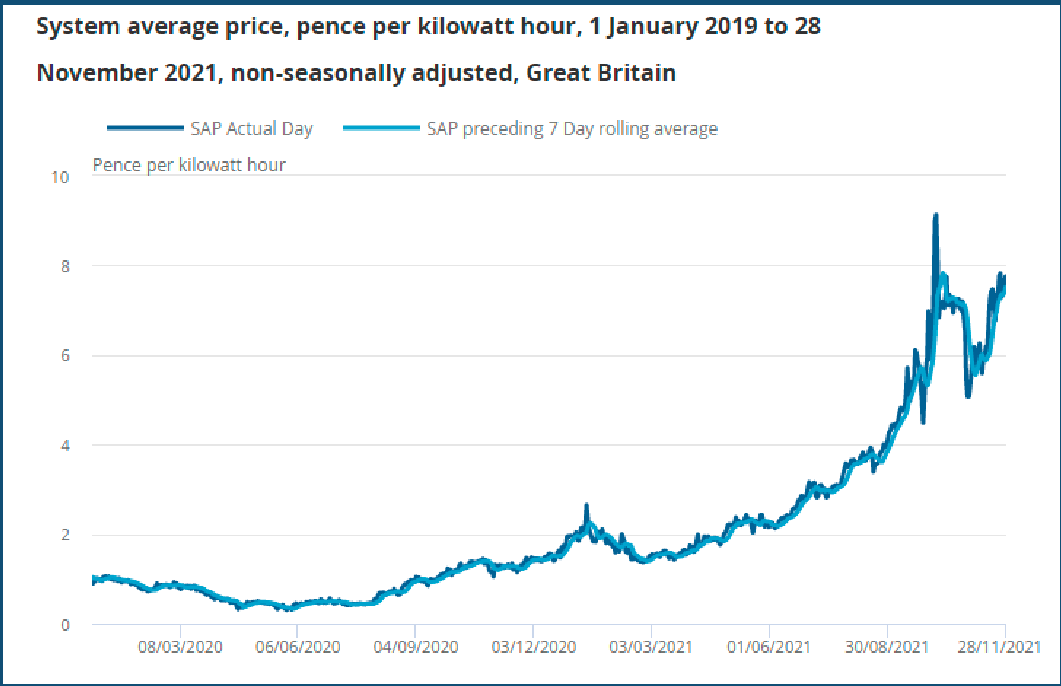
to the emergence of Omicron Sage predicted a fall in **hospitalisations** and deaths heading into December. Latest data shows that we are seeing a decline in hospitalisations with a rate of 6.49 per 100,000 people in the week ending 21 November far lower than the peak of 36 per 100,000 in January. While deaths also decreased over the latest week ending 19th November and thankfully remain far lower than in late January.

- Also prior to Omicron, Professor Tim Spector, head of the Zoe COVID study app had predicted that COVID-19 cases in the UK should stay "fairly flat" up to Christmas before rising in the New Year.
- Positively a recent study by the London School of Hygiene and Tropical Medicine showed that due to a combination of infection and vaccinations, **England's high level of immunity** means it has the least potential for a large-scale wave of the virus than any other country in Europe.
- This is in part due to some 19.8 million people or nearly a third (34.4%) of population aged 12 and over having now had a **third jab**, with studies suggesting it gives a big **jump in protection** back to over 90 per cent.
- It is clearly vital that those eligible for the booster jab receive it in order to reduce the spread of the virus, limiting pressure on the NHS through hospitalisations and avoiding unnecessary deaths this winter.
- Looking forward the Government is planning to introduce an **annual vaccination programme** similar to flu vaccines in order to beat coronavirus and any potential variants. To aid this plan the Government has secured **114 million more COVID-19 vaccine doses** for the next two years, enough for two more boosters per person.

Economic Impact and Support

- As well as health concerns, the emergence of the new variant, Omicron raises concerns regarding the economic recovery. The **FTSE** was hit by its biggest fall in a year with a 3.7% drop in late November and there are concerns that the new variant may impact **investment** further. While the hard-hit sector of **hospitality** is already reporting a wave of Christmas hotel cancellations due to new variant concerns. Of the 290 independently owned Best Western hotels in the UK, three-quarters have had an increase in Christmas cancellations and 89% have expressed concern about the festive trading period.
- The Institute of Economic Affairs has raised the possibility of a further **"pingdemic"** due to the tightening of self-isolation rules disrupting schools and businesses in the weeks up to Christmas.
- Businesses leaders and unions have called for greater support for hard hit sectors as the Government adopts its COVID-19 Plan B. This includes the **reintroduction of business support grants, the reintroduction of the Furlough scheme and other measures.**

- **Inflation** remains a concern with price rises at highest in a decade at 4.2% in October driven by rising fuel and energy prices across Europe with pressure on the Bank of England to raise **interest rates**.
- The further squeezes on **cost-of-living** is evident in a recent report by the Citizens Advice Bureau which suggests one in ten families will struggle to cover basics this winter.
- **Average gas prices have increased by 8%** in the week to 28 November 2021 and is almost three times higher than the start of January 2021.



- **Rents** are rising at the fastest pace since 2008 as people return to city centres, according to property website Zoopla. Private sector rents in the UK were 4.6 per cent higher in September than a year before at £968 per month on average, the strongest growth seen in 13 years, which Zoopla said was partly down to higher demand for city living amid limited supply.
- Firms also continue to struggle with **high vacancy rates amid worker shortages** both due to a shortage of skills and a willingness of those out of work to fill vacancies in sectors with difficulties around current Ts&Cs.
- While **public sector borrowing** also remains high with figures for October 2021 showing the UK public sector borrowed £18.8 billion, the second highest October borrowing on record. Although this was £0.2 billion less than the £19.0 billion borrowed in October 2020, it is still £7.2 billion more than that of pre-coronavirus (COVID-19) October 2019.
- More positively **Gross domestic product (GDP)** is estimated to have grown by 0.6% in September 2021 but remains 0.6% below its pre-pandemic level (February 2020).
- **Services** output grew by 0.7% in September 2021 as human health activities grew by

6.4%, mainly because of a large rise in face-to-face appointments at GP surgeries in England.

- Output in **consumer-facing services** fell by 0.6% mainly because of a 13.3% fall in the wholesale and retail trade and repair of motor vehicles and motorcycles, while all other services rose by 1.0%. Consumer-facing services are 5.5% below their pre-pandemic levels, while all other services are now 1.0% above.
- **Production** output decreased by 0.4% in September 2021, mainly because of a 4.1% fall in the distribution of gas, its fourth consecutive monthly fall following exceptionally high output levels in May 2021 when adverse weather conditions boosted supply.
- **Construction** output increased by 1.3% in September 2021 following two consecutive months of contraction, and the sector is now 1.0% below its pre-pandemic level; growth in construction was driven by growth in repair and maintenance (1.2%) and new work (1.3%).

GDP Monthly index, January 2007 to September 2021, UK

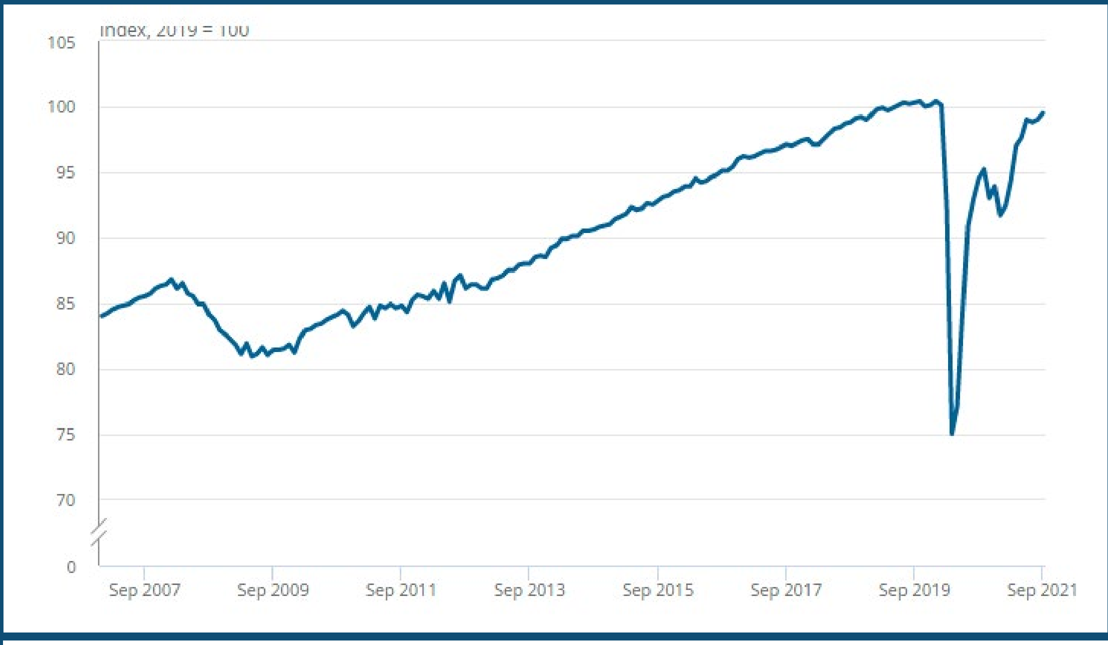
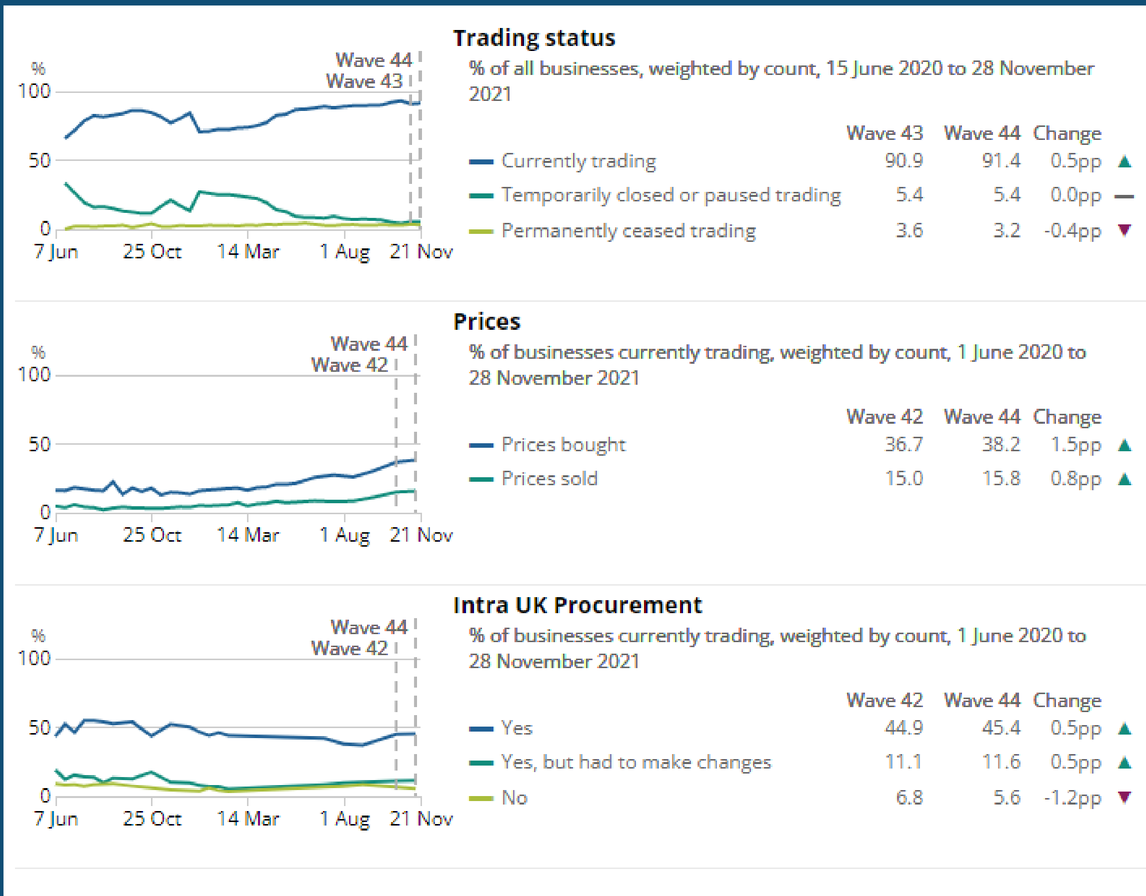


Table 1: UK GDP in September 2021 was 0.6% below its pre-coronavirus pandemic level, with all sectors remaining below their pre-coronavirus pandemic level
Change in output, percentage change, UK, February 2020 to September 2021

Change in output	June to July 2021	July to August 2021	August to September 2021	February 2020 to September 2021
GDP	-0.2	0.2	0.6	-0.6
Services	-0.2	0.1	0.7	-0.3
Production	0.4	1.0	-0.4	-1.4
Manufacturing	-0.4	0.3	-0.1	-2.5
Construction	-1.2	-0.7	1.3	-1.0

Source: Office for National Statistics – GDP monthly estimate

- The latest **quarterly GDP** data shows that the UK economy grew by 1.3% in the three months to September 2021, mainly because of the performance of the services sector in September. This growth largely reflects the gradual easing of coronavirus (COVID-19) restrictions to varying degrees in England, Scotland and Wales, including the reopening of accommodation and food service activities and arts, entertainment and recreation services, as well as a rise in underlying human health activities (for example, a rise in GP appointments) compared with the previous three months (April to June 2021).
- The following charts show the latest results from Wave 44 of the **ONS Business Insights and Conditions Survey (BICS)**, which was live for the period 15 November to 28 November 2021.



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

- The percentage of **businesses currently trading** remained broadly stable throughout November 2021 at 91%, while the percentage of businesses temporarily paused trading remained at 5% over the same period.
- The **transportation and storage industry** reported the lowest currently trading percentage at 81%, although this was 7 percentage points higher than in early November 2021; this industry also had the highest proportion (38%) of businesses reporting an increase in demand for goods or services sold over the last month.
- The percentage of businesses currently trading who reported that the **prices of**

materials, goods or services bought in the last month had increased compared with normal expectations for this time of year was 38%, similar to the 37% recorded in October 2021, with the **manufacturing industry** reporting the highest percentage at 67%.

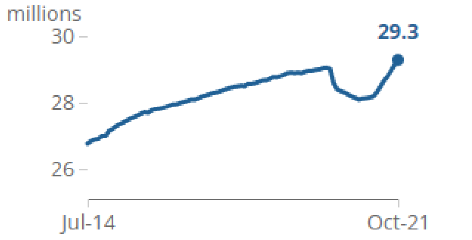
- The percentage of businesses reporting increases in **materials, goods or services sold** was 16% in November 2021, compared with 15% in October 2021, with the **wholesale and retail trade; repair of motor vehicles and motorcycles** industry reporting the highest percentage at 32%.
- **Supply chains** remain disrupted with 17% of businesses reporting they were either not able to get the materials, goods or services they needed from within the UK, or had to change suppliers or find alternative solutions to do so.
- Across all industries, 6% of businesses reported they were **stockpiling goods or materials** in late November 2021, which is the highest percentage reported since the question was introduced in early February 2021 (3%).
- 14% of businesses reported **vacancies were more difficult to fill** in the last month compared with normal expectations for this time of year, however this rose to 41% for **businesses with 10 or more employees**, both percentages remained broadly stable compared with October 2021.
- A total of 15% of businesses reported a **shortage of workers** in late November 2021, the figure being highest (40%) in the **accommodation and food service activities industry**, an industry for which 65% of businesses reported employees working increased hours because of these worker shortages.
- Across all businesses, the **safety measures** being used or intended to be used the most in the workplace in late November 2021 were hygiene measures, at 49%, and social distancing, at 43%, both reduced from 53% and 61% respectively in early January 2021; 32% of all businesses reported they were not intending to use any of the safety measures listed, an increase of 13 percentage points from early January 2021.
- The following charts shows the latest **labour market position** and the most recent data show the UK labour market continuing to recover.

Payrolled employees
The number of payrolled employees

Monthly change: ▲160,000
Since Feb 2020: ▲235,000

The number of payroll employees is above pre-pandemic levels

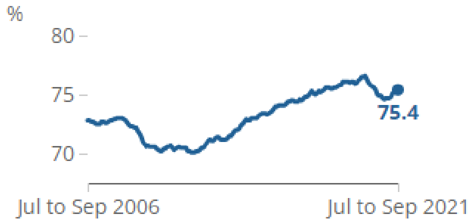
Source: HMRC PAYE RTI
Read more



Employment rate
Employment rate (all aged 16 to 64)

Quarterly change: ▲0.4pps
Since Dec-Feb 2020: ▼-1.1pps

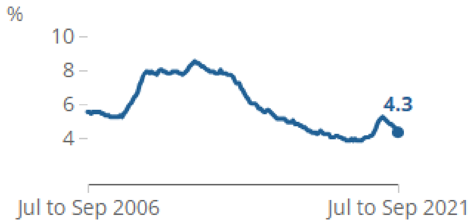
Source: ONS LFS
Read more



Unemployment rate
Unemployment rate (all aged 16+)

Quarterly change: ▼-0.5pps
Since Dec-Feb 2020: ▲0.3pps

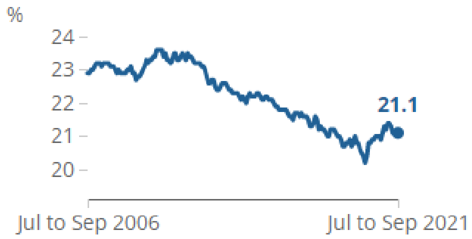
Source: ONS LFS
Read more



Inactivity rate
Economic inactivity rate (all aged 16 to 64)

Quarterly change: ◀▶ 0pps
Since Dec-Feb 2020: ▲0.9pps

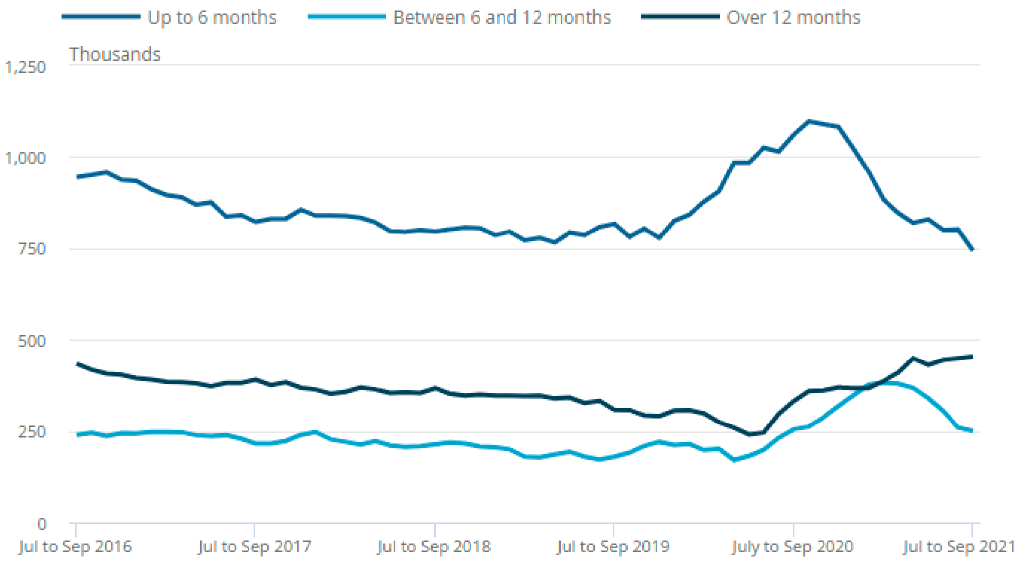
Source: ONS LFS
Read more



- The number of **payroll employees** showed another monthly increase, up 160,000 to a record 29.3 million in September 2021 – partly reflecting the increase in people working multiple jobs since the crisis struck. ONS believe that it is possible that those made redundant at the **end of the furlough scheme** will be included in the RTI data for a few further months, while they work out their notice period. However, responses to their BICS business survey suggest that the numbers made redundant was likely to be a small share of those still on furlough at the end of September 2021.
- The latest Labour Force Survey estimates for July to September 2021 show the **employment rate** increased 0.4 percentage points on the quarter, to 75.4%. The quarterly increase in employment was driven by a **record high net flow from unemployment to employment**. **Total job-to-job moves also increased to a record high, largely driven by resignations rather than dismissals**. The rise is also driven by an **increase in part-time work and an increase in the number of people on zero-hour contracts, driven by young people.**
- The **unemployment rate** decreased 0.5 percentage points on the quarter to 4.3% approaching pre-pandemic levels. However, the quarterly decrease in unemployment

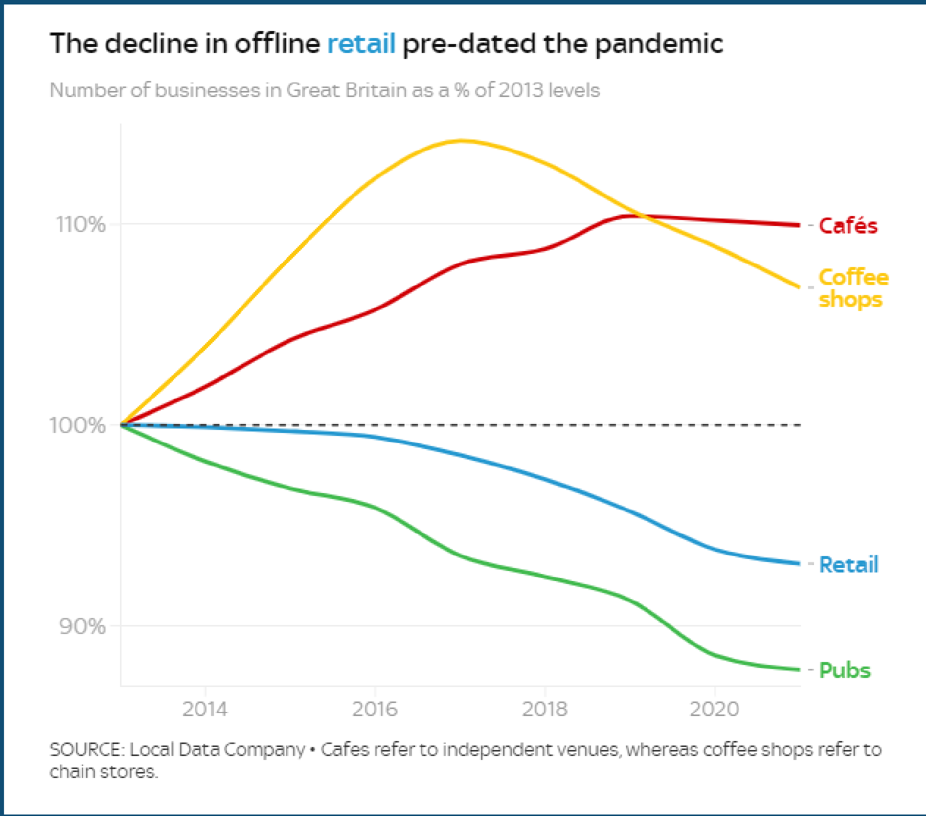
was driven by those unemployed for up to 12 months, with those unemployed for up to 6 months decreasing to slightly below pre-pandemic levels and those unemployed for between 6 and 12 months continuing to decrease from the peak reached in early 2021. Meanwhile, **long-term unemployment** continues to increase.

UK unemployment by duration (aged 16 years and over), seasonally adjusted, between July to September 2016 and July to September 2021



- The UK **economic inactivity rate** was estimated at 21.1%, 0.9 percentage points higher than before the pandemic, but largely unchanged on the quarter.
- Of young people in the UK **not in education, employment or training (NEET),** a record low number are unemployed. Survey data of people aged 16 to 24 years show an estimated 269,000 young people were NEET and looking for and available for work in the period from July to September 2021. Overall, around 10% of all young people aged 16 to 24 were NEET in the three months to September 2021.
- The number of **job vacancies** in August to October 2021 continued to rise to a new record of 1,172,000, an increase of 388,000 from the pre-pandemic January to March 2020 level. All industry sectors were above their January to March 2020 pre-pandemic levels, 15 of the 18 industry sectors showing record highs and accommodation and food service activities increasing the most by 66,500 (79%). Both single month vacancies and Adzuna's online job advert estimates reached record levels of vacancy numbers in October 2021.
- Given the record number of vacancies it is apparent that within a number of sectors with key shortages it is workers which current call the shots with some **employers offering bonuses** of up to £2,000 to recruit Christmas workers amid fears over staff shortages disrupting the festive season. The number of **seasonal job vacancies** is more than a quarter higher than the 20,488 recorded in 2019, before the start of the pandemic.

- There are staffing fears in the **social care sector** with around 1 in 10 workers potentially losing their jobs due to the deadline for mandatory jabs having now passed, worsening an existing staffing crisis with more than 40,000 staff having left the sector over the last six months according to analysis of Government figures by the Nuffield Trust. While a survey by Unison report that 31% of care workers said staffing levels are dangerously low, getting worse and negatively affecting the quality of care given to residents. Almost all (97%) said their employer is experiencing staff shortages. There are also reports that some care homes are being charged more than £90 an hour for agency nurses who are vaccinated due to staff shortages. Since May, the number of unfilled care posts has overtaken pre-pandemic levels, with more than 100,000 on any day in the past year. The Association of Directors of Adult Social Services and NHS Providers, which represents hospitals, say emergency payments of £1,000 for care staff would stop them quitting before the winter and placing greater pressure on the NHS.
- It has also been announced that **vaccines will be compulsory for frontline NHS staff** in England with NHS Providers saying between 80,000 and 100,000 NHS workers in England are unvaccinated.
- More than half of the UK's 300,000 **taxi and private hire vehicle drivers** have left the industry since the start of the pandemic. The Licensed Private Car Hire Association estimate that 160,000 drivers have quit, many of whom have gone on to work for logistics or food delivery companies.
- More positively Logistics UK, which represents freight and haulage businesses, has said there are early signs the **shortage of lorry drivers** will improve, with the number of drivers leaving the profession starting to ease.
- In the lead up to Christmas **retail sales** are back to pre-pandemic levels for the first time since restrictions eased in April, with more spending on items like clothing and furnishings than we were in February 2020. However, new analysis of data from the Local Data Company suggest there has been a **decline in bricks-and-mortar shops** which pre-dated the pandemic. The decline of the British pub has been well-documented, but since 2016, retail shops have experienced similar closures. The number of retail units in Great Britain has fallen almost 7% over the past decade. But many of them are being replaced by hospitality outlets. Since 2013, the number of independent cafes and tearooms has risen 10% and the number of chain coffee shops has increased by 7%.



- The Government has scrapped the Leeds leg of the **HS2 high-speed rail line**, as part of a package which ministers promise will transform services. Instead there will be a 20-year programme of nearly £100 billion spent on upgrades and new lines on England's railways outside London, including the construction of three new high-speed lines that will cut journey times in half.
- The Government is delaying its **education reforms** by a year after criticism over its plans for **T-levels**. A limited number of the new technical qualifications, equivalent to three A-levels, were introduced in 2020 but the Government wants to cover a wider range of subjects and replace most BTecs in England from 2023.
- Tony Danker, CBI Director-General, has highlighted the importance of high-value sectors, high-value firms, high-level skills and higher investment as key drivers of recovery and growth. The **CBI** will establish a **new Centre for Thriving Regions** to coordinate the private sector's commitment to levelling up. And it will crack one of the Government's biggest questions – how to bring private-sector leadership to a place.

Green Economy

- The **Glasgow Climate Pact** has been agreed following the **COP26 summit**. It is the first ever climate deal to explicitly plan to reduce coal, the worst fossil fuel for greenhouse gases, but critics say it falls short of what is needed to avert a climate catastrophe. As part of the agreement, countries have pledged to meet next year to agree further major carbon cuts.
- Timed to coincide with COP26, a new survey of UK and overseas businesses by the **British Chambers of Commerce (BCC)** has revealed just how challenging net-zero

targets will be to hit unless governments work with businesses across the globe on making transitions to reduce their carbon footprint. The survey reveals what we all know – that translating the deals, headlines and rhetoric from Glasgow into practical, workable solutions is the real challenge. It revealed that a startling nine out of 10 firms have not done any assessment on a series of key strategies for managing a sustainable transition to net zero and two thirds (61%) said either capital grants or tax allowances would do most to encourage them to reduce their carbon consumption in the long term. It also found most businesses were either unaware of or were not taking steps to get involved in key net zero strategies. These included the impact of changes to food supply chains (93%), a 'Just Transition' to net zero (93%), or the use of 'nature-based solutions' (89%). It also gave an indication of which of the UK's 10 key priorities for a green industrial revolution were most important to them. It found that 39% recommend prioritising 'protecting our natural environment', while 34% favoured 'greener buildings', 33% 'delivering new and advanced nuclear power', 33% 'advancing offshore wind', and 32% 'driving the growth of low carbon hydrogen'. In Staffordshire organisations have been keen to promote the benefits of carbon reduction and net zero strategies with a series of events. The Staffordshire Business Environment Network held a well attended virtual COP26 event on Thursday with the Leader of the County Council and the Director of Sustainability from WSP as main speakers. Keele University have a event on 9th November called Embedding Sustainability into your business which will have informative speakers and an opportunity to see the David Attenborough at Keele video.

- A report by the consultancy PwC has said efforts to create so-called **green jobs** need to intensify if the Government is to achieve its target of two million roles by 2030.
- The Prime Minister has announce that new homes and buildings in England will be required by law to install **electric vehicle charging points** from next year. The Government says the move will see up to 145,000 charging points installed across the country every year.
- **Midlands Engine** has outlined progress on the Ten Point Plan for Green Growth in the Midlands Engine including mapping the Midlands' green assets, pioneering low carbon hydrogen developments and the Supercharging the Midlands report which helps to understand the challenges.

Local Picture

- The claimant count in Staffordshire saw a further **decrease of 440 claimants between September and October 2021 to a total of 18,560 claimants**, which is a higher proportional decline than seen regionally and nationally. The claimant rate has remained at 3.5% of the working age population in October.
- This reflects the continued recovery in the labour market following lockdown with more

businesses able to fully reopen and the end of furlough where more workers have been able to return to their place of work full-time alongside record levels of recruitment to support businesses in their recovery and growth.

- However, **the total number of Universal Credit (UC) claimants remains 54% or 6,510 higher than the level seen in March 2020 (pre-COVID)** - however, not all will be out of work.
- Given that the furlough scheme ended at the end of September and the latest Claimant Count was taken on the 9th September it is still too early to see what the full effect of furlough ending will have on the Claimant Count as there will still be workers moving between different support schemes, such as workers which were working part-time and claiming Universal Credit now returning to work full-time while there will be some workers which have been made redundant following the end of furlough and still to move on to Universal Credit.
- 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 3.5% of the working age population in October compared to 5.9% regionally and 4.9% 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 5.2% compared to 3.7% in March 2020** and still well above the rate for the working age population. Encouragingly for the seventh month in a row Staffordshire has seen a decrease in the youth claimant count with a decline of 85 over the last month to a total of 3,375, reflective of more young people being able to return to work in hardest hit sectors such as retail and hospitality and the record levels of job vacancies currently available. 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 overall number of **company insolvencies increased by 63% in October 2021 when compared to the same month last year and is now only 5% 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 continue to see a rapid increase in job vacancies in Stoke-on-Trent and Staffordshire, reflective of the increasing demand we are seeing for workers across most parts of the economy to aid the recovery from the pandemic. **Staffordshire saw vacancies increase by 12% between October and November equivalent to over 4,700 more job vacancies, this was just below the increase of 13% seen nationally. Stoke-on-Trent also saw a rise of 12% with just over 1,600 more vacancies in November compared to October**.
- The **occupations** to see the most significant increases during November 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, health and social care, hospitality, education and retail.**
- 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.
- Staffordshire County Council has announced a new support programme for people looking to start their own business or who may have recently done so. The **Get Started Scheme** will complement existing start-up mentoring and loans initiatives which are making a big difference to new businesses in Staffordshire as it recovers from the pandemic. It aims to give participants extra confidence to launch or continue with their enterprise with the backing of free expert professional support. This will involve accessing the services of appointed marketing and accountancy professionals allowing entrepreneurs to test their business model through branding packages, market testing, website guidance and financial packages to predict profitability or to create a brand or website presence for their business. Get Started has been launched thanks to a £60,000 county council investment. This follows evidence gathered on what additional support start-ups need by the Stoke-on-Trent and Staffordshire Growth Hub, the Federation of Small Businesses and the Staffordshire Chambers of Commerce, which runs the current mentoring scheme. Anyone wanting to find out more about Get Started should email the team at: getstarted@staffordshire.gov.uk or call 01785 277355.
- Three projects to boost businesses, skills, job creation and regeneration in Staffordshire

have had bids approved for a share of a UK-wide fund. Announced by the Government today, the successful county bids to the **UK Community Renewal Fund** have a combined value of £1.5million. They include the county council's Staffordshire Means Back to Business support programme. The projects are:

  - Staffordshire County Council – Staffordshire Means Back to Business (£751,560)
  - Newcastle Under Lyme Borough Council - Carbon Reduction and Sustainable Energy Creation Programme (£219,300)
  - Staffordshire University - Innovation and Productivity Pathfinder (£538,385)

- The UK Community Renewal Fund aims to support and invest in communities across the country through innovative pilot programmes. In total £200million has been made available by the Government for this financial year. Bids were submitted from a range of projects and included voluntary, community and social enterprises, business development organisations, colleges, universities, training providers and district and borough councils. Bids of up to three million pounds have been considered.They were submitted by Staffordshire County Council on behalf on the applicants, with the Government making the final decision.
- Business leaders in Staffordshire are improving environmental efficiency and identifying opportunities for cost savings thanks to a new business analysis tool that promotes sustainable growth. The **Environmental Sustainability GROWTHmapper**, which is available at no cost to eligible Stoke on Trent and Staffordshire businesses, is a comprehensive business diagnostic tool that helps identify opportunities for environmental improvement and development. Delivered by Staffordshire Business Environment Network (sben) which is hosted by Staffordshire County Council, the network is made up of 250 businesses who either work in or are interested in the green sector. The tool is being delivered via an experienced team of trained and accredited coaches. The Environmental Sustainability GROWTHmapper poses a series of business assessment questions to each business' senior management team. The result is a detailed report covering relative strengths and weaknesses in key areas of sustainability, allowing the business to identify priorities for further improvements. Through SBEN's established relationships with environmental and sustainability professional bodies, support services, funding programs, mentors, and networks, "scope of support" is provided consisting regional and national support programs. To learn more about how the Environmental Sustainability GROWTHmapper can help businesses identify opportunities for sustainable growth, visit https://sben.co.uk/funded-support/environmental-sustainability-growthmapper/
- Businesses in more remote parts of rural Staffordshire without superfast broadband are being urged to find out more about a Government scheme which has been boosted by additional county council investment and now extended. As part of **Project Gigabit**,

the UK Gigabit Voucher Scheme was relaunched in April 2021 with a £210m boost. It provides funding of up to £1,500 to eligible rural residential properties and £3,500 to eligible rural small and medium sized business properties to enable them to get connected directly to ultrafast broadband. Thanks to an additional £1m investment by the county council, people can apply for an additional £2,000 through the Staffordshire Top-up, meaning residents can apply for up to £3,500 and businesses £5,500. More information and how to apply for vouchers can be found at: https://gigabitvoucher.culture.gov.uk/

- The Midlands Engine has launched the **Midlands Engine State of the Region Report 2021.** For the first time, the report is available as an online interactive report on their Intelligence Hub. The Hub offers a wealth of data on the impact of COVID-19 and EU exit on our region, along with thematic insights into digital, health, transport and other Midlands Engine priority areas. The Executive Summary is available in pdf format here.
- A £3.5million investment by Staffordshire County Council into infrastructure to bring forward a development site which could create up to 1,700 jobs looks set to be approved. The Chatterley Valley West development in Newcastle-under-Lyme would see around £60million in private sector investment, with an additional £3.7million funding through the Kidsgrove Town Deal meaning that the essential roads and infrastructure to the site would be installed. The brownfield site just off the A500 will be one of the biggest business developments in the north of the county in decades. It lies within the Ceramic Valley Enterprise Zone, providing huge benefits to businesses located there and the councils and Local Enterprise Partnership partners.
- Plans have been lodged for a landmark mixed-use scheme aiming to create a new urban quarter in Stoke-on-Trent. The project is expected to generate hundreds of jobs in the city. Capital & Centric and Bowmer & Kirkland are seeking the go-ahead to redevelop land at **Goods Yard**. Read more.
- Plans to create a new scheme on the site of Central England Co-op's former Tamworth supermarket have been boosted after one of the UK's leading trade businesses joined the project which will see further new jobs created. The site in **Ninian Way, Wilnecote** is set to be transformed into a new retail and trade scheme, with alterations to the original plans to enable Travis Perkins to create a huge new outlet have been given the green light by planners at Tamworth Borough Council. Other names confirmed for the development include Lidl, B&M, KFC, Starbucks, Greggs and Subway. Hawkstone Vale Developments is working with Central England Co-op to regenerate the site.
- Derelict sites across the country, including a former refuse destruction site in Stoke-on-Trent, will be transformed into new homes under a Government scheme to regenerate brownfield land, boost local communities and support people onto the property ladder. The Department for Levelling Up, Housing and Communities

announced the allocation of a further £11m from the **Brownfield Land Release Fund** to support 23 redevelopment schemes across 15 councils. Stoke on Trent City Council will receive £700,000 for 118 new homes 90% of which will be affordable housing including social rent for older people.

- **ASOS** has created more than 700 jobs in their fulfilment Centre in Staffordshire. The giant fashion retailer has stated that 2000 new jobs will be created at the site over the next three years. The creation of a new £90m fulfilled Centre based in Lichfield was announced earlier this year after a 15 year lease was agreed. The new warehouse will serve customers in more than 150 countries including the UK and expects to ship more than 30 million units in the site's first year and up to 4.5 million a week once the site is fully operational.
- Up to 50 **apprenticeship vacancies** are available at some of Staffordshire's top employers. **Achieve Training** has a record number of apprenticeship opportunities available at big companies at the moment including Churchill China, Portmeirion, Aspire Housing, Toyota, Solidor and Povey's Oatcakes. There is a wide range of roles available across a variety of industries such as customer services, manufacturing, property maintenance, painting and decorating, business admin and metal finishing.
- A **hydrogen fuel cell Toyota car has joined JCB's fleet** as the digger giant invests £100m in its own hydrogen engine technology. The vehicle is among the first batch of Toyota's second-generation hydrogen-fuelled cars to arrive in the UK since its launch earlier this year. JCB's purchase of the Toyota Mirai comes as the company invests £100m in the development of super-efficient hydrogen engines to power its equipment. It was handed over to JCB chairman Lord Bamford by president and managing director of Toyota (GB), Agustin Martin.
- A'**world-class centre of excellence in ceramics'** is one step closer as major employer **Lucideon** secures a new factory in North Staffordshire. The global materials development and testing company has taken on a new factory as part of a collaborative effort to put the Midlands on the map as a world leader in advanced ceramics. Lucideon is one of several businesses that make up the Midlands Industrial Ceramics Group (MICG) – which includes big-name firms such as Rolls-Royce and JCB along with the universities of Birmingham, Loughborough and Leicester. In July, the group secured £18.7 million in funding through the UK Research and Innovation's Strength in Places Fund (SIPF) – with £14 million of that going to Lucideon. Now the Stoke-on-Trent company has used some of the funding to invest in an additional facility which will help it to play a key part in creating a "world-leading" industrial research and development programme over the next four years. Read more.
- In conclusion, there are clear concerns regarding the emergence of Omicron and the potential impact on both the effectiveness of vaccines in preventing severe illness and

the economic recovery. There is also the ongoing concern regarding inflation and potential interest rate rises alongside cost-of-living fears for many with energy and fuel prices seeing significant increases. However, the labour market continues to recover with more people finding work while there remain record numbers of job vacancies for those that have lost work during the pandemic. Efforts need to continue on ensuring that local residents have the skills required by local businesses to fill in demand roles and support further economic recovery, innovation and growth.

- 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.

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: October 2021

Area	Claimant Count Rate (October 2020)	Claimant Count Rate (September 2021)	Claimant Count Rate[1] (October 2021)	Number of Claimants (October 2021)	Monthly Change in Claimants (Numbers)	Monthly Change in Claimants (%)	Change in Claimants since March 2020 (Numbers)	Change in Claimants since March 2020 (%)
England	6.2	5.0	4.9	1,717,165	-28,485	-1.6%	653,660	61.5%
West Midlands	7.1	5.9	5.9	215,265	-3,075	-1.4%	70,915	49.1%
SSLEP	5.4	4.3	4.2	29,050	-675	-2.3%	9,680	50.0%
Birmingham	11.0	10.0	9.9	72,315	-720	-1.0%	22,945	46.5%
Wolverhampton	10.2	8.9	8.7	14,280	-195	-1.3%	3,900	37.6%
Sandwell	9.3	7.9	7.8	16,040	-85	-0.5%	5,260	48.8%
Walsall	8.5	7.1	7.0	12,200	-175	-1.4%	3,595	41.8%
Stoke-on-Trent	**7.9**	**6.7**	**6.6**	**10,490**	-235	**-2.2%**	**3,170**	**43.3%**
Dudley	7.2	5.9	5.9	11,505	-65	-0.6%	2,990	35.1%
Coventry	6.4	5.4	5.3	13,650	-295	-2.1%	5,650	70.6%
Telford and Wrekin	6.1	4.7	4.6	5,125	-90	-1.7%	1,695	49.4%
Solihull	5.7	4.5	4.4	5,690	-100	-1.7%	2,040	55.9%
Worcestershire	5.1	3.9	3.8	13,555	-205	-1.5%	5,250	63.2%
Staffordshire	**4.7**	**3.5**	**3.5**	**18,560**	**-440**	**-2.3%**	**6,510**	**54.0%**
Warwickshire	4.7	3.6	3.5	12,560	-155	-1.2%	4,730	60.4%
Shropshire	4.4	3.3	3.2	6,030	-190	-3.1%	2,020	50.4%
Herefordshire, County of	4.1	3.0	2.9	3,265	-125	-3.7%	1,155	54.7%
Tamworth	6.0	4.7	4.5	2,135	-65	-3.0%	645	43.3%
East Staffordshire	5.0	4.1	4.0	2,945	-100	-3.3%	1,225	71.2%
Cannock Chase	5.5	4.1	3.9	2,510	-90	-3.5%	855	51.7%
Newcastle-under-Lyme	4.7	3.4	3.4	2,765	-40	-1.4%	785	39.6%
South Staffordshire	4.4	3.4	3.4	2,270	-5	-0.2%	960	73.3%
Lichfield	4.4	3.3	3.2	1,980	-60	-2.9%	660	50.0%
Stafford	4.1	3.1	3.0	2,500	-50	-2.0%	845	51.1%
Staffordshire Moorlands	3.6	2.6	2.5	1,455	-20	-1.4%	535	58.2%

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

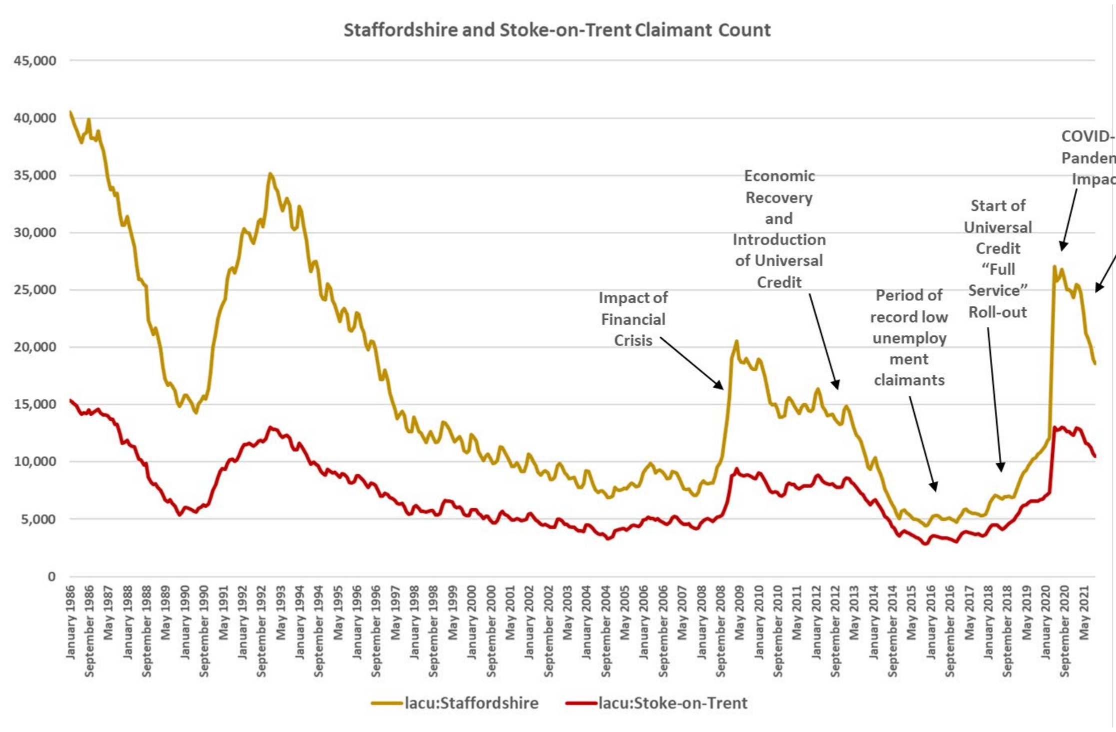
- The claimant count in Staffordshire saw a further decrease of 440 claimants between September and October 2021 to a total of 18,560 claimants, which is a higher proportional decline than seen regionally and nationally. The claimant rate has remained at 3.5% of the working age population in October.

- While Stoke-on-Trent saw a decrease of 235 over the same period with a total of 10,490 claimants in October, with the rate dropping from 6.7% to 6.6%.

- This reflects the continued recovery in the labour market following lockdown with more businesses able to fully reopen and the end of furlough where more workers have been able to return to their place of work full-time alongside record levels of recruitment to support businesses in their recovery and growth.

[1] Source: https://www.nomisweb.co.uk/

- 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 54% or 6,510 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.

- Given that the furlough scheme ended at the end of September and the latest Claimant Count was taken on the 9th September it is still too early to see what the full effect of furlough ending will have on the Claimant Count as there will still be workers moving between different support schemes, such as workers which were working part-time and claiming Universal Credit now returning to work full-time while there will be some workers which have been made redundant following the end of furlough and still to move on to Universal Credit.

- 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 3.5% in October compared to 5.9% regionally and 4.9% nationally. In Stoke-on-Trent the Claimant Count rate remains above both the regional and national averages at 6.6%.

- This month all of the Staffordshire Districts have seen a decline in the number of claimants, with East Staffordshire seeing the largest decrease with 100 fewer claimants while South Staffordshire saw the lowest decrease with 5 fewer claimants.

- Tamworth, East Staffordshire and Cannock Chase record the highest rates in Staffordshire, while East Staffordshire and Newcastle-under-Lyme have the largest caseloads. However, it's important to note all Districts and Boroughs remain lower than the current national and regional rates.

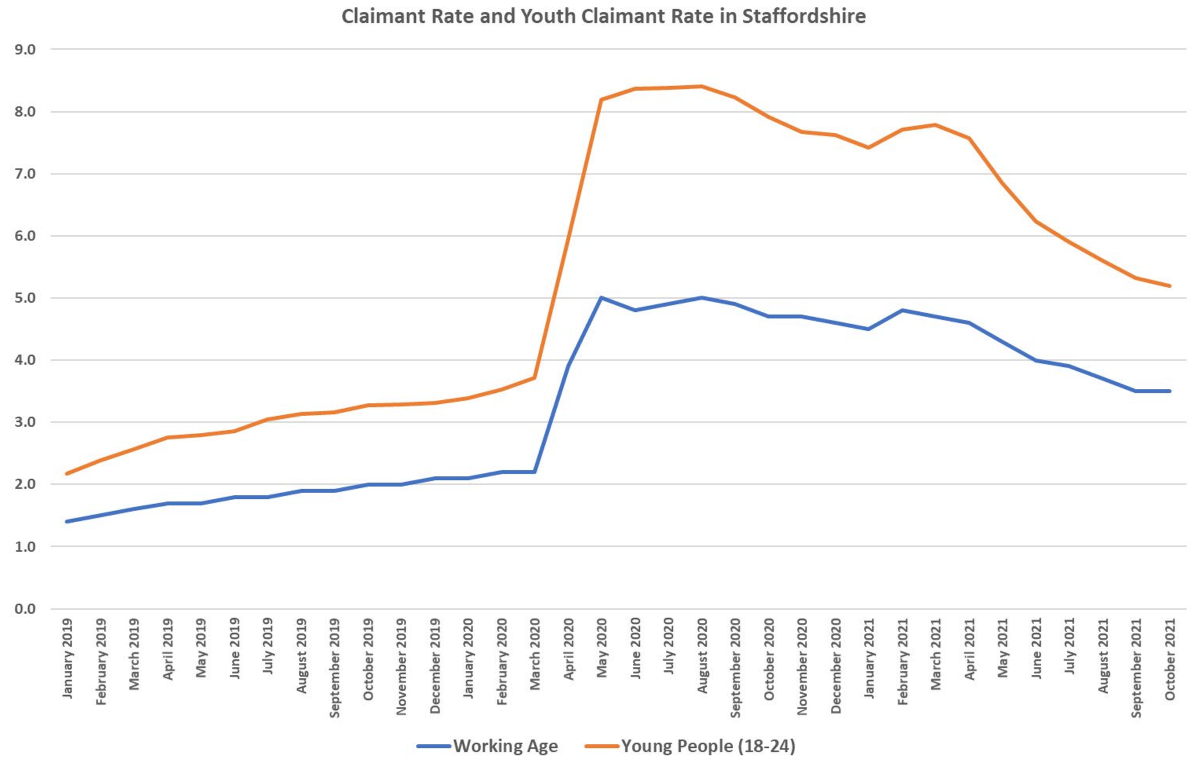
- As well as workers across sectors being impacted differently, there are also signs that it is the lowest paid, young people (particularly apprentices), women, and part-time workers that are being hardest hit. These groups are more likely to work in sectors that have shut down or reduced activity, such as hospitality and non-essential retail. They are also less likely to be able to work from home.

Youth Claimant Count (Universal Credit) Statistics: October 2021

Area	Youth Claimant Count Rate (Oct 2020)	Youth Claimant Count Rate (Sept 2021)	Youth Claimant Count Rate1 (Oct 2021)	Number of Youth Claimants (Oct 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	9.1	6.3	6.1	286,460	-12,545	-4.2%	88,730	44.9%
West Midlands	10.2	7.6	7.3	38,300	-1,370	-3.5%	10,395	37.3%
SSLEP	8.7	6.1	5.9	5,240	-155	-2.9%	1,420	37.2%
Wolverhampton	15.9	12.5	12.1	2,510	-85	-3.3%	600	31.4%
Sandwell	14.9	11.4	11.0	2,890	-105	-3.5%	775	36.6%
Walsall	14.2	10.8	10.6	2,425	-40	-1.6%	510	26.6%
Dudley	12.9	9.5	9.1	2,175	-75	-3.3%	425	24.3%
Birmingham	11.5	9.4	9.1	12,730	-445	-3.4%	3,625	39.8%
Stoke-on-Trent	**10.8**	**8.3**	**8.0**	**1,865**	**-70**	**-3.6%**	**460**	**32.7%**
Telford and Wrekin	10.5	7.5	7.3	1,070	-40	-3.6%	310	40.8%
Solihull	11.4	7.5	7.1	1,090	-65	-5.6%	265	32.1%
Worcestershire	8.9	5.9	5.6	2,300	-105	-4.4%	705	44.2%
Staffordshire	**7.9**	**5.3**	**5.2**	**3,375**	**-85**	**-2.5%**	**960**	**39.8%**
Shropshire	8.4	5.2	4.8	970	-80	-7.6%	145	17.6%
Warwickshire	7.1	4.8	4.5	2,070	-115	-5.3%	735	55.1%
Herefordshire, County of	7.6	4.4	4.3	515	-15	-2.8%	100	24.1%
Coventry	6.3	4.3	4.3	2,315	-45	-1.9%	780	50.8%
Tamworth	11.1	8.2	8.1	455	-5	-1.1%	160	54.2%
Cannock Chase	10.7	6.9	6.6	475	-25	-5.0%	110	30.1%
East Staffordshire	8.2	5.9	5.8	490	-15	-3.0%	170	53.1%
South Staffordshire	8.0	5.6	5.6	435	0	0.0%	185	74.0%
Lichfield	7.4	4.9	4.9	340	-5	-1.4%	70	25.9%
Stafford	7.4	4.8	4.4	390	-35	-8.2%	75	23.8%
Newcastle-under-Lyme	6.1	4.0	4.0	550	5	0.9%	125	29.4%
Staffordshire Moorlands	6.5	3.9	3.9	240	0	0.0%	65	37.1%

[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 5.2% compared to 3.5% for all working-age residents, while in Stoke-on-Trent the rate is now at 8.0% in October 2021.



- Encouragingly for the seventh month in a row Staffordshire has seen a decrease in the youth claimant count with a decline of 85 over the last month to a total of 3,375, reflective of more young people being able to return to work in hardest hit sectors such as retail and hospitality and the record levels of job vacancies currently available.
- 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 Stafford and Cannock Chase seeing the largest declines while Newcastle-under-Lyme was the only authority to see a small increase of 5. 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

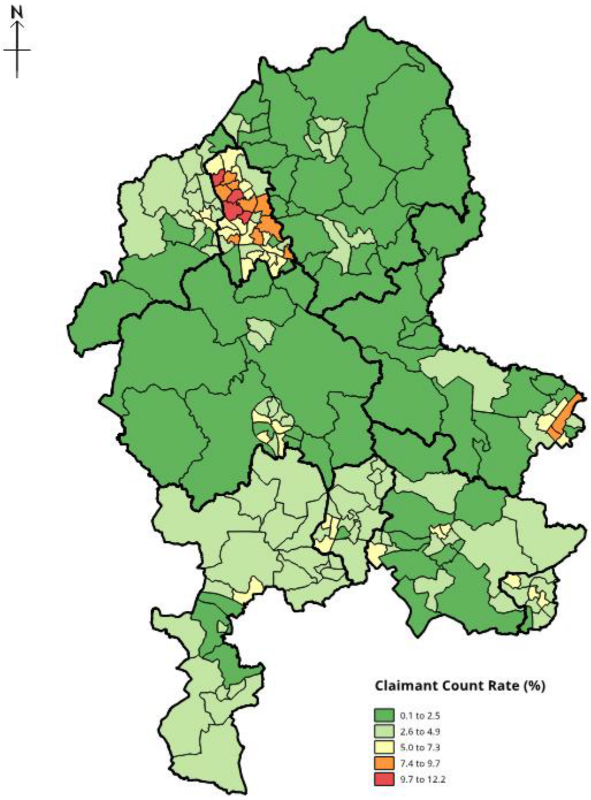
The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

Claimant Count Rate October 2021

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 51 were above the England average of 4.9% 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 (12.2% or 550 claimants), Moorcroft (11.2% or 410 claimants) and Etruria and Hanley (11.0% or 575 claimants) having the highest rates.

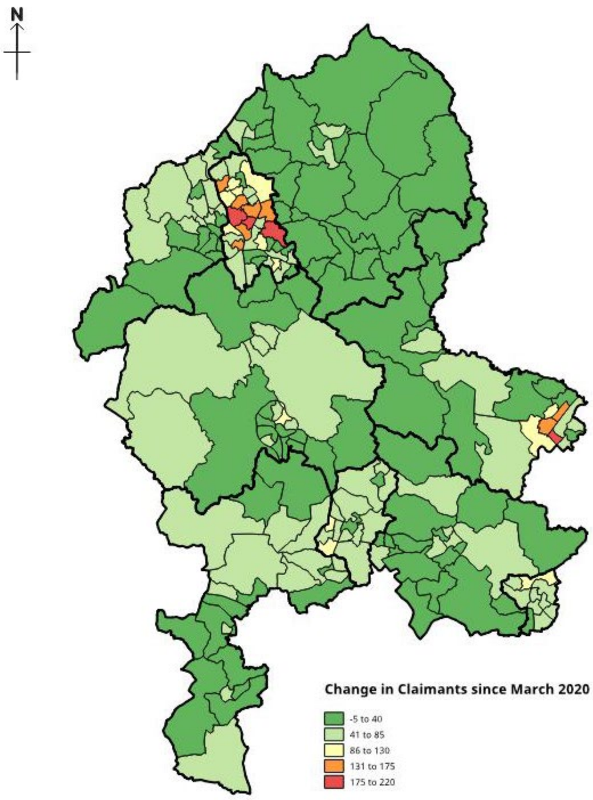
In Staffordshire the 4 wards with the highest claimant count rates were all in East Staffordshire, Burton (8.1% or 240), Anglesey (7.6% or 405), Eton Park (6.9% or 330) and Shobnall (6.8% or 365).



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 (220 increase to 575), Bentilee and Ubberley (215 rise to 615) and Joiner's Square (175 increase to 550 in total).

The remaining 3 wards in the top 10 were all in East Staffordshire the highest increases were seen in Anglesey (215 rise to 405), Shobnall (155 increase to 365) and Eton Park (150 rise to 330).



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

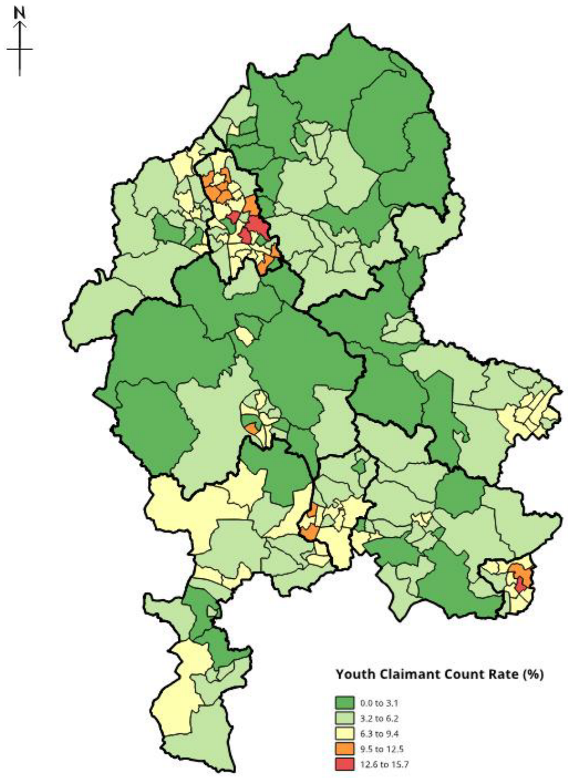
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

Youth Claimant Count Rate October 2021

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 81 were above the England average of 6.1% for the number of claimants aged 18-24 as a proportion of the 18-24 population.

Of the top 10 wards with the highest youth claimant count rate 7 were in Stoke-on-Trent with Joiner's Square (15.7% or 120), Fenton East (13.9% or 65) and Bentilee and Ubberley (13.9% or 125) having the highest rates.

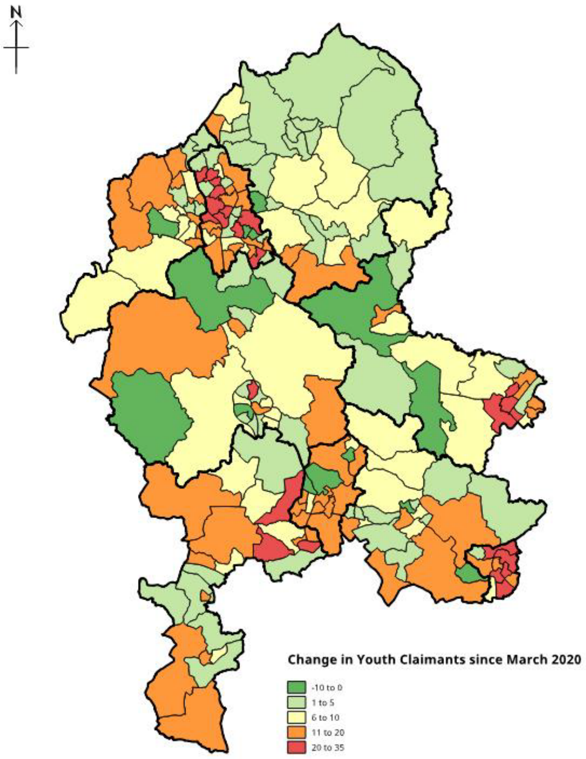
In Staffordshire, the highest rate was Glascote in Tamworth with 13.0% or 75, followed by Cannock North in Cannock Chase with 11.3% or 60 and Highfields & Western Downs in Stafford with 10.6% or 55 youth claimants.



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 5 were in Stoke-on-Trent including Bentille and Ubberley (35 rise to 125), Hartshill and Basford (35 rise to 60), Fenton East (30 rise to 65), Burslem Park (30 rise to 50) and Tunstall (25 rise to 65) with the highest rises since March 2020.

In Staffordshire, the highest increases were seen in Horninglow in East Staffordshire (25 rise to 55), Anglesey in East Staffordshire (25 rise to 55), Belgrave in Tamworth (25 rise to 55), Spital in Tamworth (25 rise to 45), and Huntington and Hatherton in South Staffordshire with a rise of 25 to 40 claimants.



Business Insolvencies during the pandemic

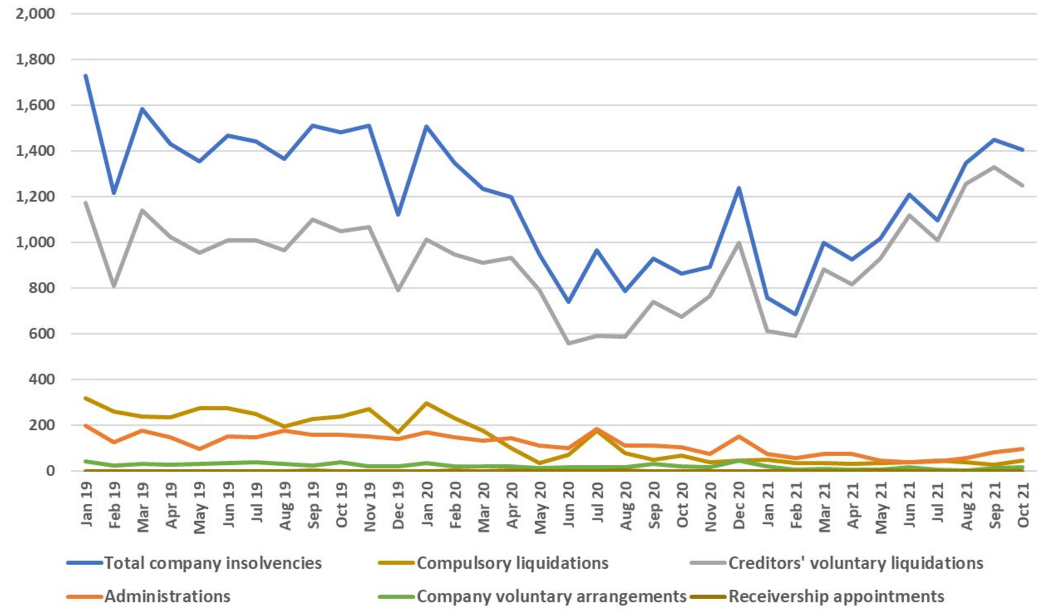
This section covers the latest Insolvency Service monthly insolvency statistics[2] for October 2021, which show the number of new companies and individuals who are unable to pay debts and enter a formal insolvency procedure.

Company Insolvencies

In October 2021 there were a total of 1,405 company insolvencies in England and Wales, comprised of 1,248 creditors' voluntary liquidations (CVLs), 95 administrations, 46 compulsory liquidations, and 16 company voluntary arrangements (CVAs).

The overall number of **company insolvencies increased by 63% in October 2021 when compared to the same month last year and is now only 5% lower than two years previously.** Please note that due to the volatility of the underlying data the Insolvency Service recommends comparisons are made with the same month in the previous two years rather than with the previous month.

Company insolvencies between November 2020 and October 2021 are now just 4% lower compared to a year earlier, representing just under 500 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 October 2020 and September 2021 are construction (2,138), accommodation and food (1,579), and wholesale and retail (1,481). However, levels are still lower than those seen for the same period the previous year, with wholesale and retail 24% lower, accommodation and food 13% lower and construction 12% below levels seen a year earlier.

[2] Source: The Insolvency Service – https://www.gov.uk/government/statistics/monthly-insolvency-statistics-october-2021

Individual Insolvencies

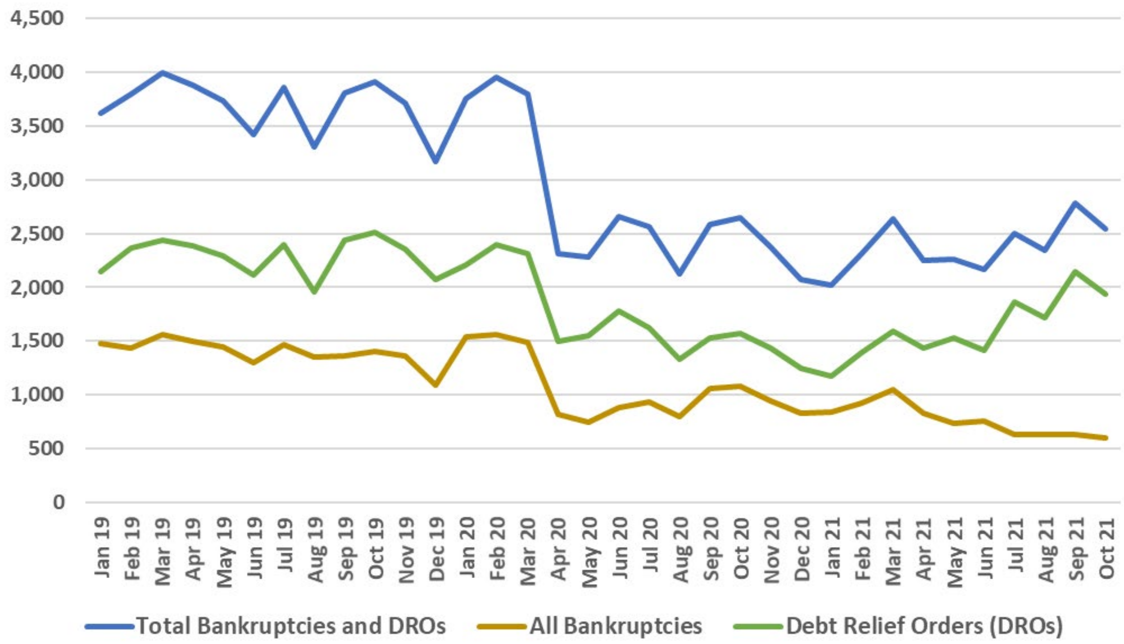
For individual insolvencies, the number of **bankruptcies in October 2021 was 601** (made up of 518 debtor applications and 83 creditor petitions), while the number of **Debt Relief Orders (DROs) was 1,937** the second highest monthly figure since the start of the pandemic.

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 44% lower than a year earlier and 57% lower than in October 2019, while DROs were 23% higher than in October 2020 but still 23% lower than two years earlier.

Total bankruptcies and DROs between November 2020 and October 2021 are 23% lower than the same period a year earlier, representing over 8,600 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, **7,031 IVAs registered per month in the three-month period ending October 2021**, which is 14% higher than the three-month period ending October 2020 and 4% higher than the three-month period ending October 2019.

Between the launch of the Breathing Space scheme on 4 May 2021, and 31 October 2021, there were 32,082 registrations, comprised of 31,651 Standard breathing space registrations and 431 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.

Spotlight Section: Changing Economic Structure of Stoke-on-Trent and Staffordshire

- The SSLEP area has seen a slight increase in businesses[3] during the pandemic, with more residents choosing to start-up new businesses to address gaps in the market and to take advantage of new growth opportunities.

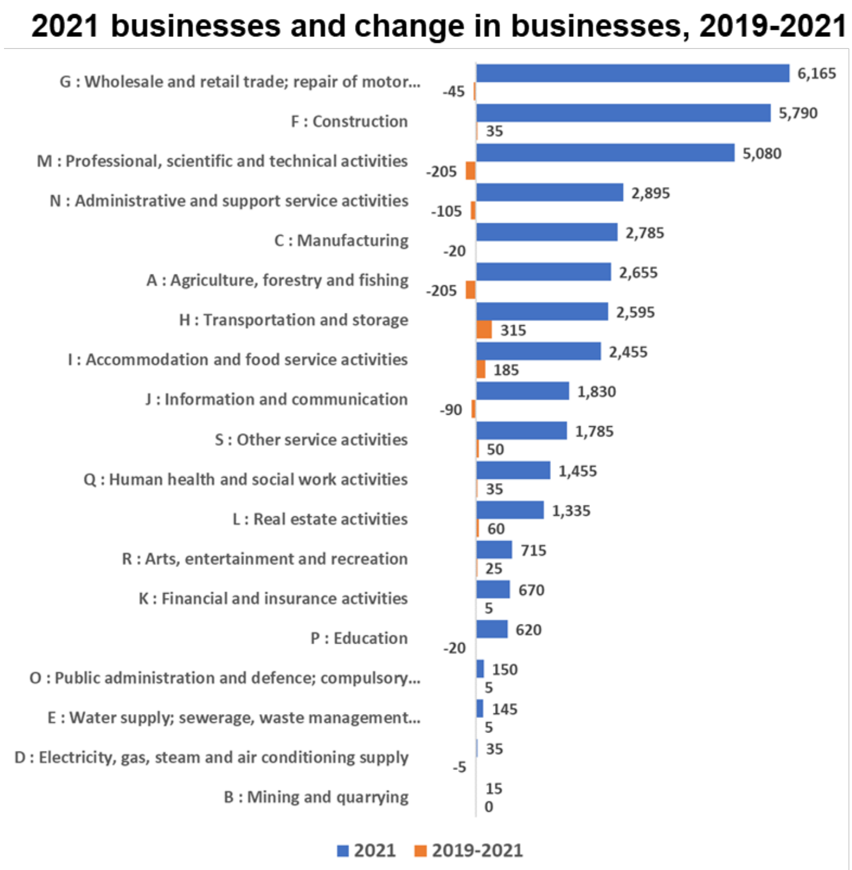
- SSLEP seen a growth of 25 businesses between 2019-2021 or 0.1% of all businesses compared to a 2% increase seen nationally.

- The main sector **growth** has been in logistics (+315) and hospitality (+185) – driven by new businesses stepping into gaps left by businesses that have failed and new online e-commerce and online retail.

- The sectors to have seen the largest **decline** in businesses are professional services and agriculture (both -205).

- Seen increase in micro (0-9 employees) businesses (+35) but an decrease in medium (50 to 249 employees) and large (250+ employees) businesses (both -5).

- Main growth in Stoke-on-Trent (+290), East Staffordshire (+95) and Newcastle-under-Lyme (+75) with declines in South Staffordshire (-345) and Staffordshire Moorlands (-50).



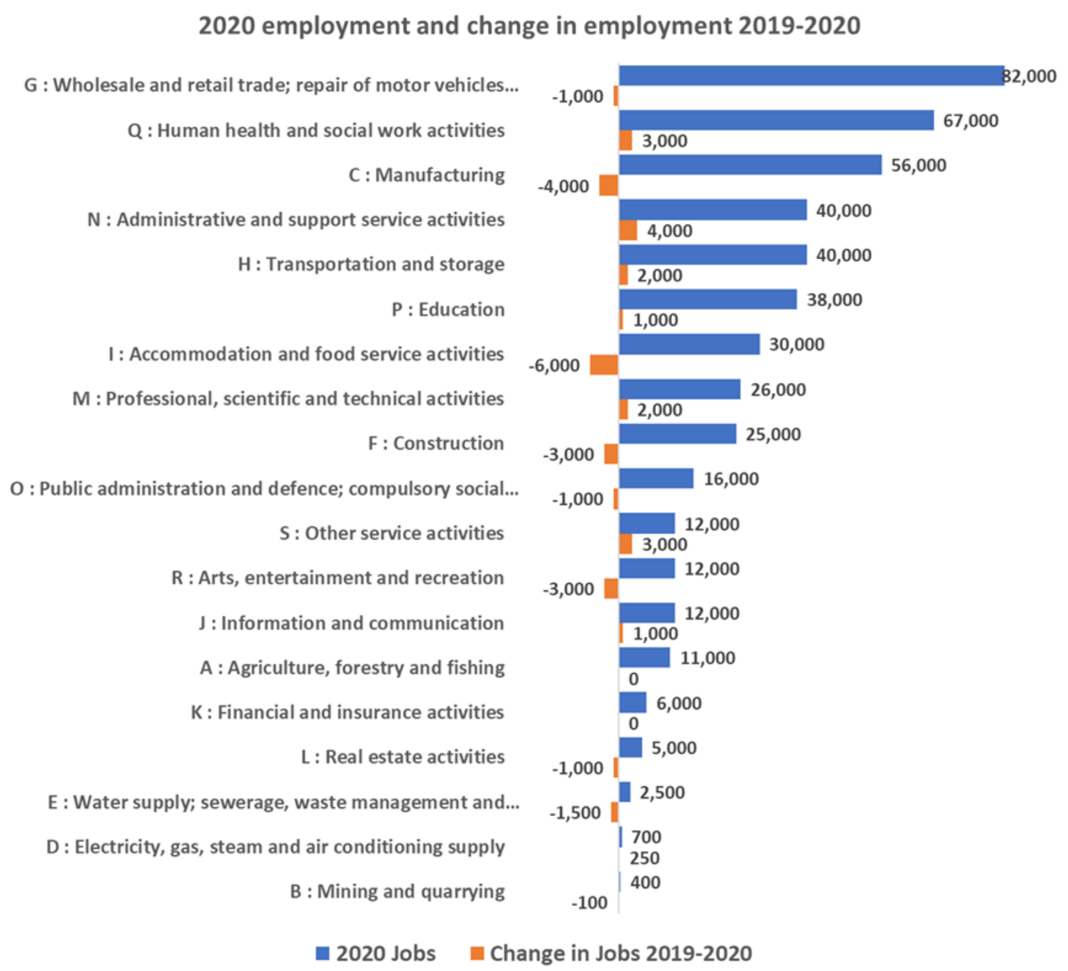
[3] Source: ONS UK Business Counts - https://www.nomisweb.co.uk/

- While there has been a slight increase in the number of businesses operating in the SSLEP area the number of people in employment[4] has declined due to the pandemic and resulting depression of the economy, but expect there to be recovery with new growth opportunities.

- SSLEP seen a decline of 6,000 jobs between 2019-2020 or 1% of all jobs - below the 2% decline seen nationally.

- The sectors to have seen the largest **decline** in jobs are hospitality (-6,000), manufacturing (-4,000) and construction and the arts (both -3,000) – although it is expected that these sectors will recover to pre-pandemic levels.

- The main sector **growth** has been in admin (+4,000), health and social care and other service activities (both +3,000), and logistics and professional services (both +2,000) – heightened demand for labour and skills to support the health of the population alongside the recovery of the economy in areas of growth e.g. online retail and e-commerce.



[4] Source: ONS Business Register and Employment Survey (BRES) - https://www.nomisweb.co.uk/

Job Vacancies[5]

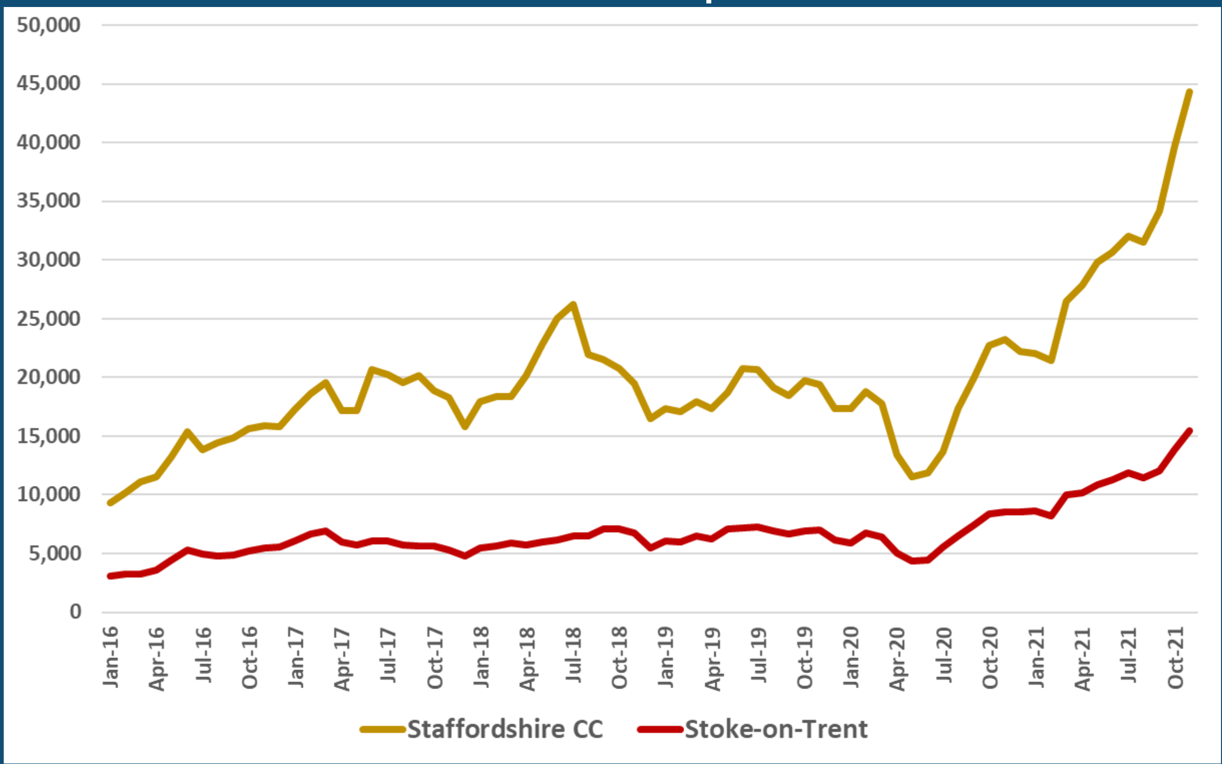
- As seen nationally, this month we continue to see a rapid increase in job vacancies in Stoke-on-Trent and Staffordshire, reflective of the increasing demand we are seeing for workers across most parts of the economy to aid the recovery from the pandemic.

- 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 12% between October and November equivalent to over 4,700 more job vacancies, this was just below the increase of 13% seen nationally.**

- **Stoke-on-Trent also saw a rise of 12% with just over 1,600 more vacancies in November compared to October**.

Staffordshire & Stoke-on-Trent Unique Job Vacancies Trend



[5] Source: EMSI

Monthly Trends in recruitment

- All occupational groups saw growth between October and November, with the highest proportional increases in 'caring, leisure and other service occupations' (15% rise), 'elementary occupations' and 'managers, directors and senior officials' (both 14% rise). Although it was 'professional occupations' which saw the highest actual rise with an increase of just over 1,400.

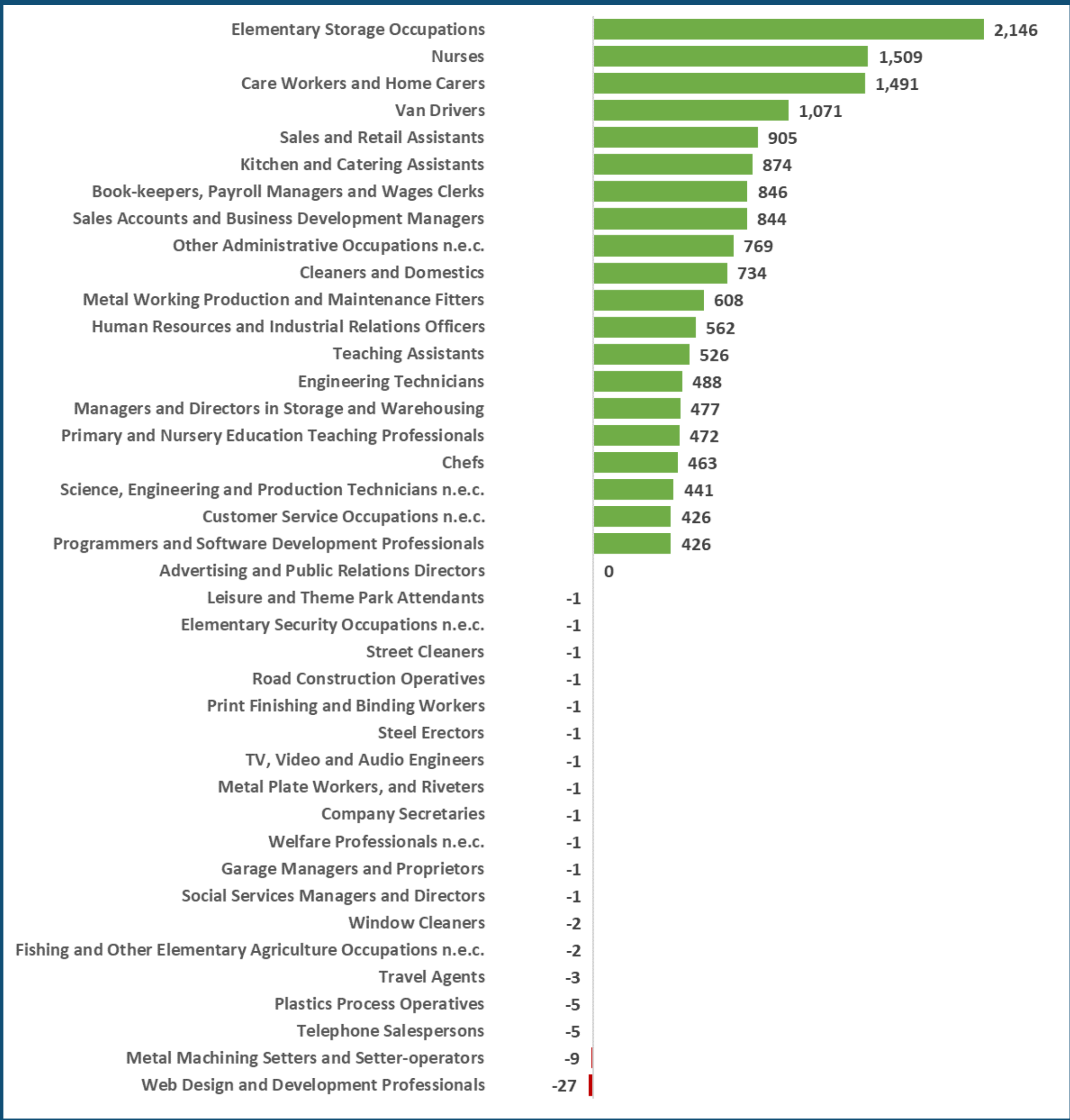
- The occupations to see the most significant increases during November continue to be roles in sectors experiencing recruitment difficulties and sectors which have been able to open up further due to reduced restrictions and occupations which support them including:
    - **Logistics** including 'elementary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

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', 'van drivers', and 'managers and directors in storage and warehousing';
    - **Health and Social Care** including 'nurses' and 'care workers and home carers';
    - **Retail** including 'sales and retail assistants',
    - **Hospitality** including 'kitchen and catering assistants' and 'chefs';
    - **Manufacturing** including 'metal working production and maintenance fitters', 'engineering technicians', and 'science, engineering and production technicians';
    - **Education** including 'teaching assistants' and 'primary and nursery education teaching professionals'.

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

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



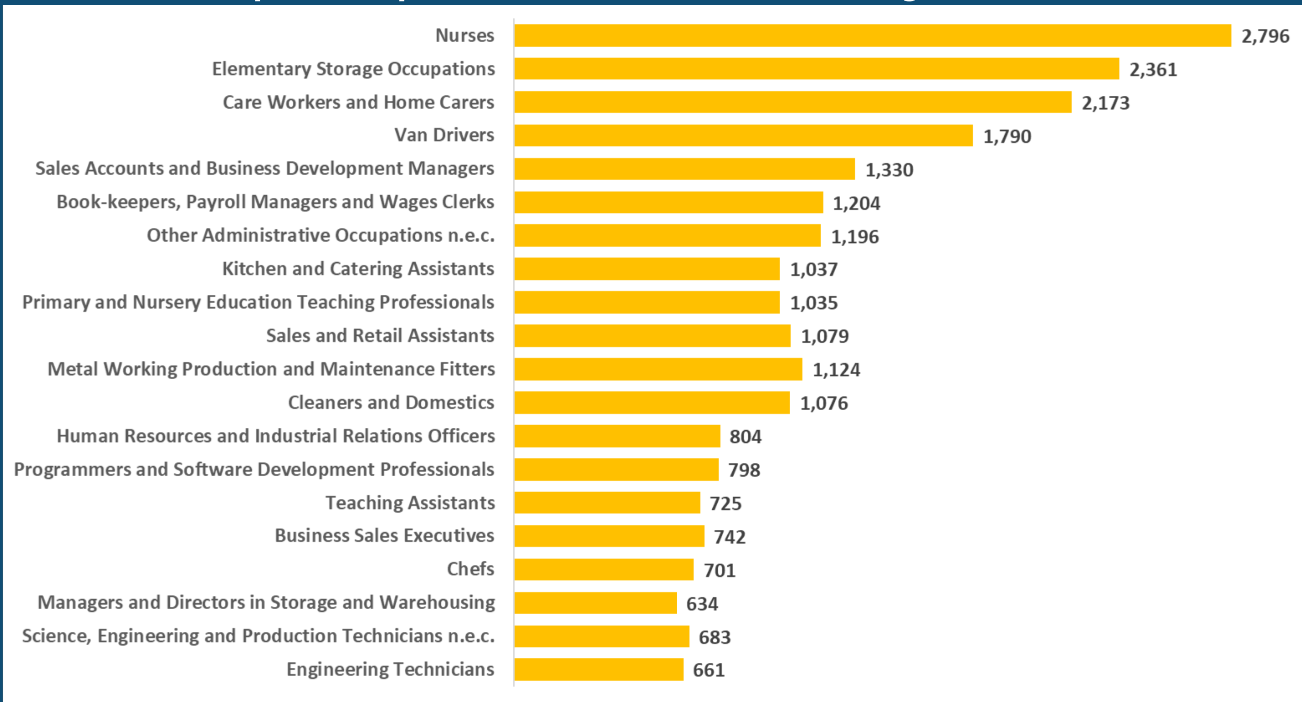
Top Occupations in Demand

- However, even with these changes in recruitment during the last month, demand for roles in health and social care including **nurses and social care workers and home carers** alongside roles in logistics such as **elementary storage occupations and van drivers (as well as managers and directors in storage and warehousing)** 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** and in education **teaching assistants** are most in demand.

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

Top 20 occupations in demand in SSLEP during Nov 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	Nov 2020 Unique Postings	Sep 2021 Unique Postings	Oct 2021 Unique Postings	Nov 2021 Unique Postings	Oct 2021-Nov 2021 (Month on Month Change)	Oct 2021-Nov 2021 Monthly % Change	Feb 2020-Nov 2021 (Month on Month Change)	Feb 2020-Nov 2021 Monthly % Change	Nov 2020-Nov 2021 (Year on Year Change)	Nov 2020-Nov 2021 Annual % Change
Staffordshire CC	6,708	8,561	12,030	13,842	15,464	1,622	12%	8,756	131%	6,903	81%
Stoke-on-Trent	18,794	23,225	34,184	39,608	44,349	4,741	12%	25,555	136%	21,124	91%
SSLEP	25,502	31,786	46,214	53,450	59,813	6,363	12%	34,311	135%	28,027	88%
West Midlands	170,829	197,495	291,288	332,802	378,493	45,691	14%	207,664	122%	180,998	92%
England	1,954,157	2,359,894	3,210,747	3,721,932	4,192,154	470,222	13%	2,237,997	115%	1,832,260	78%
South Staffordshire	648	1,088	1,876	2,363	2,569	206	9%	1,921	296%	1,481	136%
Lichfield	2,050	2,799	4,423	5,231	6,002	771	15%	3,952	193%	3,203	114%
Stafford	4,362	5,921	8,463	9,789	11,112	1,323	14%	6,750	155%	5,191	88%
East Staffordshire	3,203	4,173	6,065	7,115	7,954	839	12%	4,751	148%	3,781	91%
Newcastle-under-Lyme	1,688	2,230	3,350	3,828	4,098	270	7%	2,410	143%	1,868	84%
Cannock Chase	2,199	2,837	3,978	4,549	5,192	643	14%	2,993	136%	2,355	83%
Tamworth	2,753	2,647	4,238	4,712	5,205	493	10%	2,452	89%	2,558	97%
Staffordshire Moorlands	1,891	1,522	1,787	2,017	2,208	191	9%	317	17%	686	45%
Elementary Occupations	2,116	3,499	5,349	6,140	7,024	884	14%	4,908	232%	3,525	101%
Sales and Customer Service Occupations	1,055	1,035	2,146	2,596	2,901	305	12%	1,846	175%	1,866	180%
Managers, Directors and Senior Officials	1,692	2,193	3,210	3,715	4,238	523	14%	2,546	150%	2,045	93%
Administrative and Secretarial Occupations	2,596	2,614	4,896	5,826	6,381	555	10%	3,785	146%	3,767	144%
Skilled Trades Occupations	2,291	2,531	4,243	4,922	5,347	425	9%	3,056	133%	2,816	111%
Caring, Leisure and Other Service Occupations	2,420	3,336	4,364	4,879	5,608	729	15%	3,188	132%	2,272	68%
Associate Professional and Technical Occupations	4,931	5,338	8,529	10,013	11,064	1,051	10%	6,133	124%	5,726	107%
Professional Occupations	6,366	8,480	10,166	11,703	13,121	1,418	12%	6,755	106%	4,641	55%
Process, Plant and Machine Operatives	2,035	2,760	3,311	3,656	4,129	473	13%	2,094	103%	1,369	50%

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.