Staffordshire
Means
Back to Business

Economic Bulletin - Issue 18 – January 2022

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'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 the rapid spread of the **Omicron variant of COVID 19** across the UK and other countries causing a number of health and economy related challenges.
- This wave of COVID is **different to previous waves**, in that the **infection rates** have reached record levels at around three times higher than the previous peak this time last year, but the levels of **hospitalisation** are currently about half experienced at that time (19 per 100,000 compared to 36 per 100,000 in January 2021), and **deaths** are much lower as well.
- The lower hospital admission and deaths than pervious waves can probably be put down to the protection which we get from **high levels of vaccination with boosters being key with over 63% of the population aged 12+ now had their booster**, knowing more about the disease and how to treat it, but also that the Omicron variant is much more transmissible but causes **less serious illness**. The other factor is the probable **longevity of the required response**; evidence from South Africa where Omicron emerged is that this spike will pass relatively quickly, possibly as soon as the end of January.
- That requires a different response, and it is widely agreed that the Government's approach of **continuing with Plan B and "riding it out" with no further restrictions** is likely to be the right strategy. However, the NHS and other frontline services are under great strain and the hospitality industry is struggling. We are also hearing of significant **staff absences** in key services, particularly health with a number of hospitals across the country declaring "critical incidents" and social care, where services cannot be postponed or suspended.
- Positively the latest data shows that cases are starting to fall and hospital admissions have plateaued due to the **high levels of immunity** and a number of scientific advisors are now predicting that COVID will soon **settle down to normal endemic patterns of spread** seen with other infections.
- However, there still remains a clear **need for people to get vaccinated, get tested and self isolate if needed**, as well as taking measures such as wearing **face masks** in most indoor public places and on public transport in order to prevent any unnecessary spread of Omicron, limiting pressure on the NHS through hospitalisations and avoiding unnecessary deaths this winter.
- The Prime Minister is now drawing up **plans for how the UK will 'learn to live with COVID 19'**, with measures expected to include a winding down of the testing regime, with free lateral flow tests ended for all but the most high risk settings and the possible removal of the requirement to self isolate.

Economic Impact and Support

- The Government has announced that Plan B measures will end from Thursday 27th January, this will see the end of mandatory face coverings in public places and Covid passports. The Prime Minister has also said the Government would immediately drop its advice for people to work from home.
- This comes at a time when ministers had been urging the Prime Minister to lift **work from home guidance** at the end of the month amid concern about the economic damage the measure is causing, particularly to town and city centre footfall and spending.
- As a result of the Omicron surge in infections a number of **sectors have been hit by cancellations** with musicals, plays and pantos cancelled at a time of the year when revenue is usually at its highest alongside leisure and hospitality seeing significant cancellations due to consumer fears. High street retail has also been impacted with **declining high street footfall** around Christmas in week to 2nd Jan 2022 UK retail footfall 75% of pre COVID 2019 level.
- To support such Covid hit businesses the Chancellor has set out a **£1 billion fund** where hospitality businesses such as pubs and restaurants will be able to apply for cash grants of up to £6,000 per premises and the Government would also help some firms with the cost of sick pay for Covid related absences, while also announcing another £30 million to help theatres and museums.
- As well as trade being impacted there are also increasing concerns regarding **staff shortages due to isolation**, particularly in health and social care, schools, nurseries, pubs, shops and restaurants which could see services impacted or businesses having to close.
- **Council services** such as social care, children's services and waste collections are also being impacted by increasing numbers of staff having to isolate causing capacity issues, but the LGA has stated that such councils are redeploying resources they have to try and make sure those frontline critical services do continue.
- **Care homes** are missing a third of the staff they need and more than one in four have closed their doors to new admissions. A survey by **the National Care Forum** showed that absences are running at 14 per cent on top of an 18 per cent vacancy rate. We have also seen more than 90 care home operators declare a "red" alert, which means staffing ratios have been breached.
- To help address the care home crisis the Government has added up to 32,000 **asylum seekers** to the Government's shortage occupation list making them eligible for jobs as care workers.
- **Schools** are struggling with staff absence and finding it difficult to find temporary staff to cover learning, with new figures from a survey conducted by the **teaching union**

NASUWT showing 8.6 per cent of teachers and school leaders were absent, while 4.9 per cent were absent because of Covid, in the first week back to school. While 46 per cent of teachers say they have been asked to cover lessons for absent colleagues.

- To help ease staff shortage issues the Government has announced that the minimum period of **self isolation** for people testing positive for coronavirus in England has been cut to five full days meaning people can return to work quicker than previously.
- The Government has also **eased immigration rules for care workers** allowing thousands of additional care workers are to be recruited from abroad to fill chronic gaps in the workforce, after figures showed more than 40,000 social care staff had left the sector in the past six months. Immigration rules will be relaxed for care workers, care assistants and home care workers, who will be added to the Home Office's shortage occupation list, following a recommendation from the Migration Advisory Committee.
- The Government is also ramping up **DfE Skills Bootcamps** such as for **HGV drivers** with free courses for adults to train to be HGV drivers are now under way across England. The Bootcamps will support up to 11,000 adults aged 19 and over to start, resume or progress their career in transport and logistics. The courses are available now in various locations, with the first drivers expected to be on the road from March 2022.
- The **TUC Union** is also urging ministers to **delay making COVID 19 vaccination mandatory for NHS staff** because the feared exodus it will trigger will worsen the health service's staffing crisis. All frontline staff are required to have had two jabs by 1 April, meaning the first dose must have been administered by 3 February, while more than 80,000 six per cent of the workforce remain unvaccinated despite repeated efforts to boost take up.
- In terms of the wider economy, we saw the UK economy bounce back to pre pandemic levels in November, with **GDP** rising by 0.9 per cent and the economy 0.7 per cent larger than in February 2020. However, the outbreak of the Omicron variant of COVID 19 is likely to have impacted this increase in December and into January 2022.
- **Services** (0.7%), **production** (1.0%) and **construction** (3.5%) output all increased between October and November 2021; this means that services and construction output are both 1.3% above their pre coronavirus levels while production remains 2.6% below.
- In the latest month, output in **consumer facing services** grew by 0.8%, mainly because of a 1.4% increase in retail trade, while all other services rose by 0.6%; consumer facing services are still 5.0% below their pre coronavirus levels, while all other services are 2.9% above.

GDP Monthly index, January 2007 to November 2021, UK

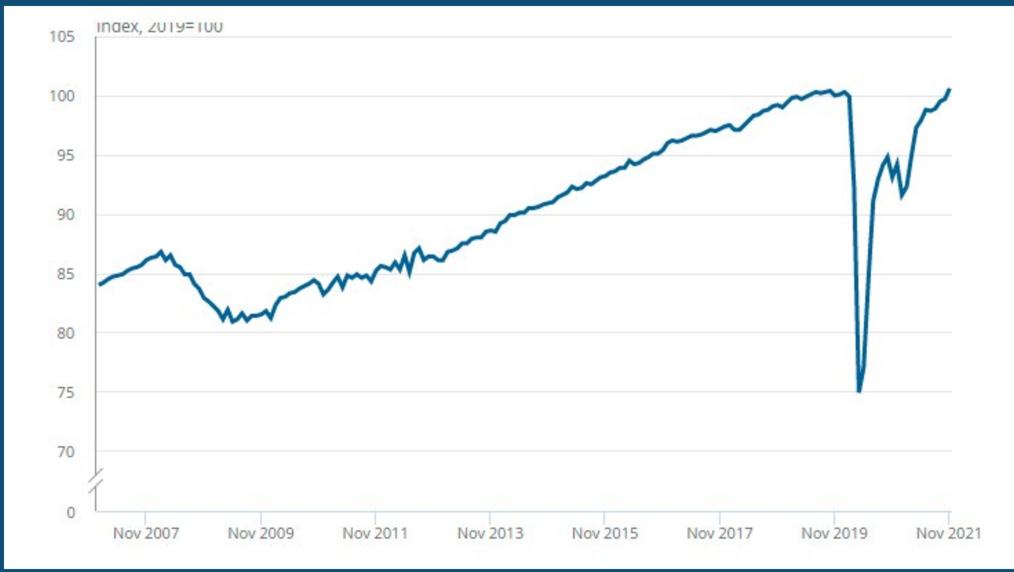
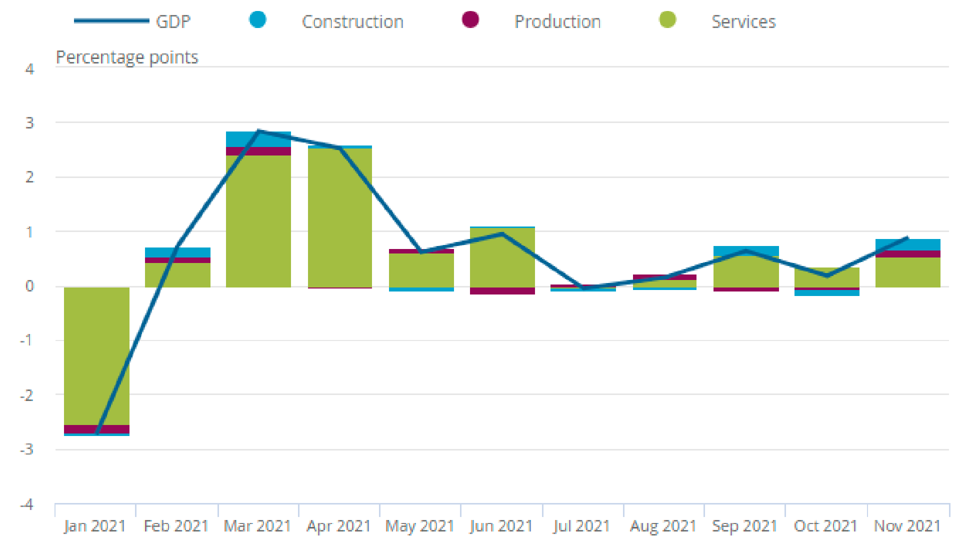


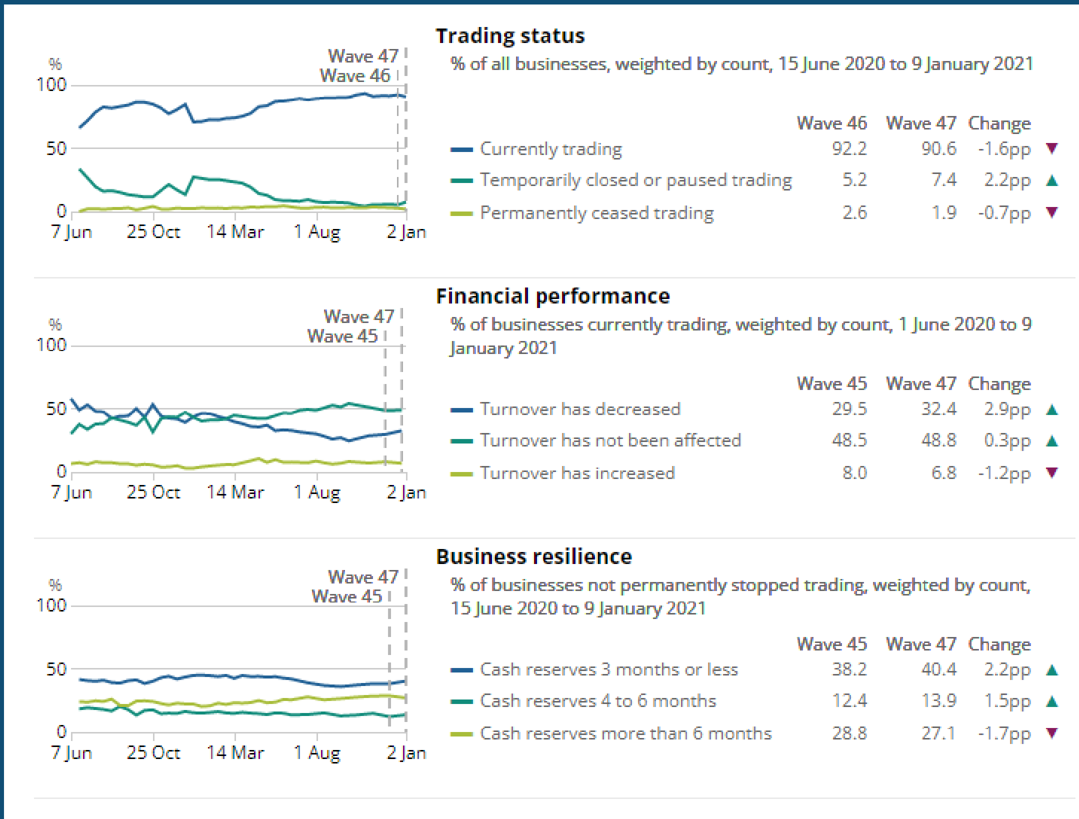
Figure 2: Services were the main contributor to GDP's 0.9% growth in November 2021, but all sectors saw positive monthly growth

Contributions to monthly GDP growth, January to November 2021, UK



Source: Office for National Statistics – GDP monthly estimate

- The following charts show the latest results from Wave 47 of the **ONS Business Insights and Conditions Survey (BICS)**, which was live for the period 29 December 2021 to 9 January 2022.

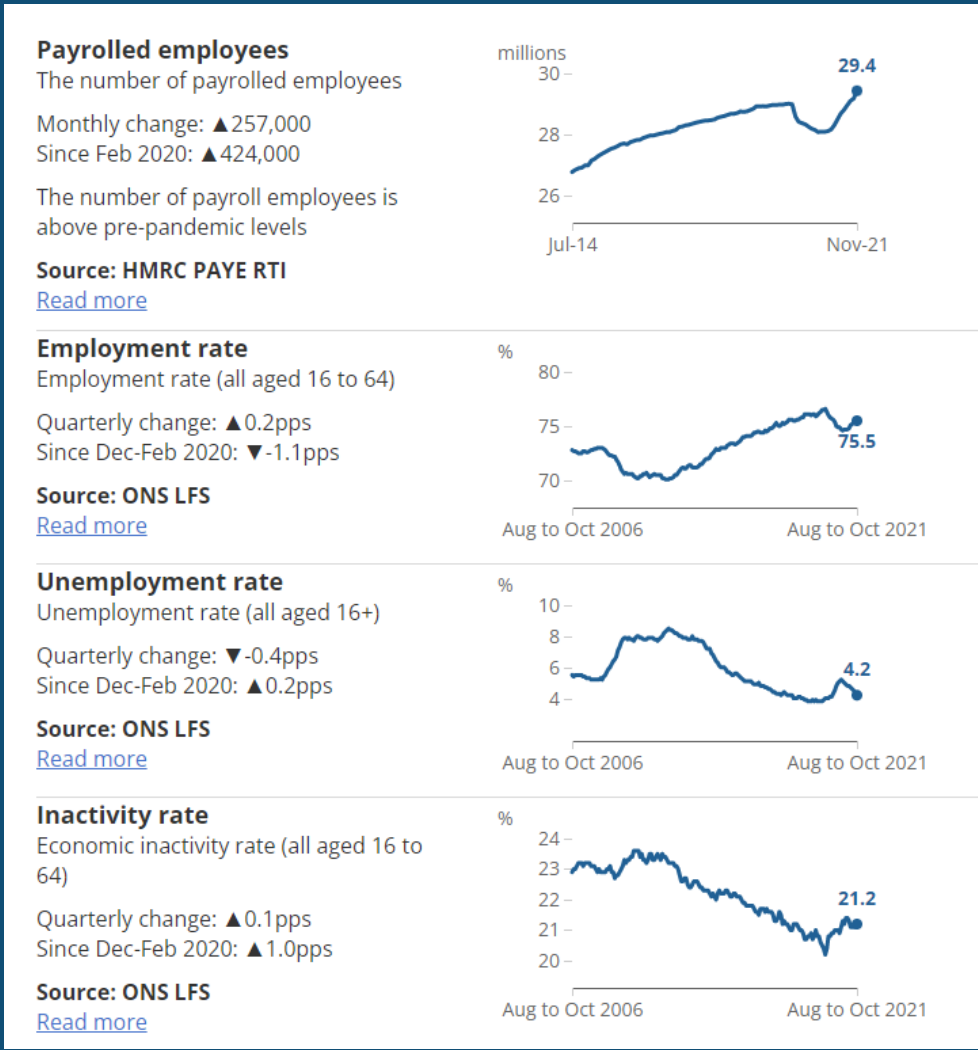


Source: Office for National Statistics – Business Insights and Conditions Survey

- In late December 2021, approximately 3% of the **workforce** were estimated to be on sick leave or not working because of coronavirus (COVID 19) symptoms, self isolation or quarantine, this is the highest the figure has been since comparable estimates began in June 2020; the other service activities industry, which includes hairdressing and other beauty treatments, reported the highest absence levels (7%).
- Just over one fifth (21%) of businesses reported increased **cancellations** from customers in the last month, with 64% of businesses in the other service activities industry and nearly half (44%) of businesses in the accommodation and food service activities industry reporting an increase.
- More than half (55%) of businesses reported that **implementing safety measures** resulted in an increase in their **operating costs**, with 8% reporting costs increased substantially and 47% reporting costs had increased a little.
- Businesses within the accommodation and food service activities industry reported the highest percentage of businesses having less than three months of **cash reserves** (including no cash reserves), at 54% in early January 2022, up from 44% in early December 2021.
- Of not permanently stopped trading businesses, 16% reported experiencing **global supply chain disruption** in the last month, with the percentage highest in the manufacturing industry (35%).
- Around four fifths (79%) of currently trading importing businesses reported they had

experienced a challenge **importing** in the last month, while for **exporting** this figure was 66%; both figures have increased, from 75% and 65% respectively, from the month before.

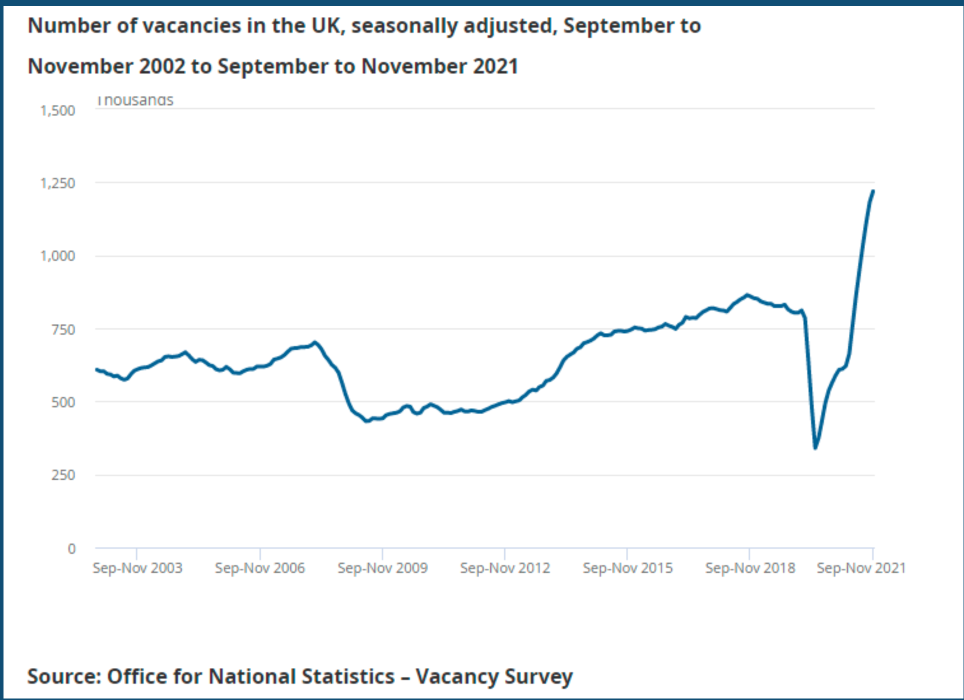
- Rishi Sunak has been urged to put a **£12 billion tax increase** on hold after the **Bank of England** warned that the new coronavirus variant poses a risk to the British economy. The Chancellor is to increase **National Insurance contributions** in April by 1.25 per cent and plans to put up **corporation tax** in 2023, but the head of lobby group the Confederation of British Industry said it is "absolutely the wrong time" to raise taxes given the economic threat.
- **Inflation** surged more than expected to its highest level in more than a decade in December rising to 5.4 per cent, up from 5.1 per cent in November. It means inflation has jumped by 3.4 percentage points in the space of just five months the fastest rise on record. The Bank of England predicts inflation could rise as high as 7 per cent, a level not seen since 1991.
- **Interest rates** have increased to 0.25 per cent from 0.1 per cent, a rise for the first time in more than three years. The Bank of England's move came despite fears that the Omicron variant could slow the economy.
- The rise in inflation and interest rates comes at the same time as continuing concerns regarding significant increases in **energy prices** with warnings that bills could soar to a record £2,000 a year from April, with the regulator set to increase the price cap by more than 50 per cent, due to a global shortage of gas supplies.
- A study by the **Resolution Foundation** has estimated that the number of households suffering from "fuel stress" those spending at least 10 per cent of their family budgets on energy bills is set to treble to 6.3 million overnight when the new energy price cap comes in on 1 April. Ministers are now weighing up options to reduce the scale of the increase, with the collapse of more than two dozen UK energy companies adding to the strain.
- Rising inflation, taxes, interest rates and energy prices all adds up to many household facing **a cost of living crisis** with The Resolution Foundation estimating that on average every home is set for a £1,200 increase in bills this year.
- More positively fears of rising **unemployment** have been largely unfounded, but **furlough** was high and **vacancies** remain high. **Economic participation** has taken a hit particularly through younger and older workers leaving the labour force.
- 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 **payrolled employees** in November 2021 was 29.4 million employees in the UK, up 257,000 on the revised October 2021 level and up 424,000 on the pre coronavirus (COVID 19) February 2020 level. It is possible that those made redundant at the end of the furlough scheme will be included in the Real Time Information (RTI) data for a few further months, while they work out their notice period. However, responses to the ONS BICS business survey suggest that the numbers made redundant were likely to be a small share of those still on furlough at the end of September 2021.
- The latest **Labour Force Survey estimates** for August to October 2021 show the **employment rate** increased by 0.2 percentage points on the quarter, to 75.5%. The number of **part time workers** decreased strongly during the coronavirus pandemic, but has been increasing since April to June 2021, driving the quarterly increase in employment. The **unemployment rate** decreased by 0.4 percentage points on the quarter to 4.2% while the **inactivity rate** increased by 0.1 percentage points to 21.2%, with younger and older workers particularly leaving the labour force.
- **Young people** (those aged 16 to 24 years) have been particularly affected by the pandemic, with the employment rate decreasing and the unemployment and economic inactivity rates increasing by more than for those aged 25 years and over. Over the last

quarter, however, there was an increase in the employment rate and a decrease in the unemployment rate to below pre coronavirus rates.

- In August to October 2021, annual growth in **average total pay (including bonuses)** was 4.9% and **regular pay (excluding bonuses)** was 4.3%. Previous months' strong growth rates were affected upwards by base and compositional effects; these temporary factors have largely worked their way out of the latest growth rates, however, a small amount of base effect for certain sectors may still be present.
- The number of UK **job vacancies** hit another record high in the October to December period, with 1.24 million openings during this period, which was 462,000 higher compared to the three months before the pandemic, although growth is slowing and came as the overall unemployment rate edged downwards and more young and part time workers found jobs.



- **Stoke on Trent** will become home to one of the fastest rates of employment growth by the end of 2022, according to a new report. The UK Powerhouse study, released by law firm Irwin Mitchell and the Centre for Economics and Business Research (Cebr), analyses 50 of the largest local economies by employment and GVA (gross added value) growth. The latest report has revealed that Stoke on Trent is predicted to see employment levels grow the sixth fastest over the next 12 months, increasing year on year by 2.2 per cent to 130,500. It means jobs growth in the Potteries is expected to be higher than 44 other major UK locations including Birmingham, Manchester, Cardiff and Edinburgh.

Local Picture

- The claimant count in Staffordshire saw a further **decrease of 360 claimants between November and December 2021 to a total of 17,035 claimants**, which was a higher proportional decline than seen regionally and nationally. The claimant rate has remained at 3.2% of the working age population in December.
- This reflects the continued recovery in the labour market 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 and the increase in seasonal jobs to support Christmas trade.
- However, **the total number of Universal Credit (UC) claimants remains 41% or 4,985 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.
- Given that the **furlough scheme** ended at the end of 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.
- 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 3.2% of the working age population in December compared to 5.5% regionally and 4.5% nationally.**
- However, it is young people, women, the lowest paid (including those in manual occupations, more routine or less skilled jobs) and part time workers who continue to feel the impact of the economic shock the most. For example, the **proportion of young people in Staffordshire aged 18 24 that are claiming work related Universal Credit currently stands at 4.5% compared to 3.7% in March 2020** and still well above the rate for the working age population. Encouragingly this month

Staffordshire has seen a further decrease in the youth claimant count with a decline of 160 to a total of 2,935, 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 still remains important that the Government's 'Plan for Jobs' schemes such as Kickstart and Restart continue to support these groups and help prevent them becoming long term unemployed.

- The overall number of **company insolvencies increased by 88% in November 2021 when compared to the same month last year and is now 11% higher than two years previously.** We have seen a rapid increase over recent months with levels now above pre COVID due at least in part to government support measures which were put in place to reduce insolvencies in response to the pandemic now either ended or reduced. The main concern is a continued rise in company and individual insolvencies now that Government support has at least partly been withdrawn and associated issues such as homelessness.
- As seen nationally, in December we continued to see an increase in job vacancies in Stoke on Trent and Staffordshire, however the increase is slowing. This is reflective of the increasing demand we are seeing for workers across most parts of the economy to aid the recovery from the pandemic which has been further heightened by seasonal job opportunities. **Staffordshire saw vacancies increase by 1% between November and December equivalent to over 400 more job vacancies, this was in line with the increase seen nationally. Stoke on Trent saw no change in the number of vacancies in December compared to November.**
- The **occupations** to see the most significant increases during December 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 **education, logistics, manufacturing, health and social care, and retail.**
- It is clear that there are a record number 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.
- 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 such as through Modern Methods of Construction 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.
- **Staffordshire Means Back to Business Scheme 'To Thrive' Grants** of up to £5,000 are now available to Staffordshire small businesses from the partnership scheme that brings together funding from the county council and district and borough councils to help businesses to thrive through the pandemic. Thanks to a £5K growth grant from the scheme Wombourne based digital company **eighty3creative** saw its turnover double to almost a quarter of million pounds last year. Grants of between £2,000 to £5,000 are available here for small business to use in a range of ways, from new kit and machinery and business advice, and even getting set up to trade online.
- 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.

- **Work to fit out a new enterprise hub providing workspace for over 20 small businesses in Stafford's Shire Hall has begun.** The £2million project will see the area of the building which formerly housed the town's library transformed into the fully serviced business hub. Like the county council's other enterprise centres, it will offer office space, reception facilities, meeting areas, networking opportunities and business advice and support. The hub will aim to attract businesses from a range of professional services including solicitors, ICT firms and digital/tech businesses. It offers an ideal town centre location, close to amenities like the railway station. Work is scheduled to be completed in early 2022. Read More
- **Staffordshire County Council** are planning to spend £3.5m to help unlock a major development site which could create up to 1700 jobs. The 43 hectare site called **Chatterley Valley West** will be part funded with £3.68m of Government funding through the Kidsgrove Town Deal.
- **An extra £1million annual investment in Staffs economy set to go ahead.** The county council funding will support existing programmes and further their reach over the next four years. It will help strengthen the successful working between the county council, district and borough councils and other public and private sector organisations to ensure businesses can thrive and people can access better paid jobs. Funding will support the county council's highly successful Staffordshire Means Back to Business programmes and work to promote the county as a place to invest and visit through the Destination Management Partnership (DMP). In addition, it will enable the county council to strengthen its work with district and borough councils to revitalise Staffordshire's town centres, attracting major investment as ambitious plans for development get up and running. Other priority areas over the next four years include

a focus on delivering new infrastructure projects, following on from the success of projects such as i54 South Staffordshire and the Stafford Western Access Route and ensuring there is support for businesses, particularly small and medium sized ones, to access a skilled workforce through a range of initiatives.

- **Staffordshire Ambassador event January 27.** Following the launch of the Staffordshire Story and placemaking identity in 2020, a series of Ambassador events have been launched to showcase exciting projects and success stories from businesses across Staffordshire. With a line up of inspirational speakers, you'll hear about the latest developments and businesses that are shaping our great county. The January Ambassador Event kicks off the new year with a bold vision for a prosperous and thriving Staffordshire where people choose to live, work, visit and study. For the first time, the Staffordshire Ambassador Network is joining forces with Make It Stoke on Trent and Staffordshire to bring you this event, where people will be hearing from businesses and leaders who are evolving our places to meet the needs of our communities and deliver places that are fit for tomorrow's society. Register Here
- **New Growth Hub campaign sets the pace for business growth in 2022.** Stoke on Trent and Staffordshire Growth Hub is launching a new campaign, engineered to get businesses in prime position for the new year. #GearingForGrowth2022 will celebrate the resilience of Staffordshire businesses throughout the pandemic and promote business growth moving forwards into 2022. Through access to accredited and qualified business advisors and specialists, the initiative offers a gateway to a variety of CPD accredited workshops, webinars and seminars developed to help accelerate business growth. These will include a diverse range of specialist subjects of wide appeal to SMEs, including a value proposition series, BID writing techniques, emerging technologies, starting out in export and user experience. Stoke on Trent & Staffordshire Growth Hub has also brought together all the relevant partners and topics able to fuel business growth aspirations in 2022 from the 150 plus referral partners and organisations it works alongside, in areas ranging from business support programmes and mentoring to grant funding and finance. Find out more
- **Stoke on Trent and Staffordshire LEP seeking the views of local businesses.** The Stoke on Trent and Staffordshire LEP has commissioned the development of a local Economic 'SITREP' to help further understand the dynamics of the local economy and more importantly the needs of local businesses. The LEP is working with two specialist companies to speak directly with local businesses and to analyse that and other data to provide a granular level insight into the local economy. The data and analysis will give the LEP a clear understanding of local business demographics and dynamics which will help guide the LEP's and local partner economic priorities to drive growth in the Stoke on Trent and Staffordshire area. As a partnership organisation, the LEP will also

use the findings of the report to share a single and real time view of the business base. The SITREP is currently in its testing phase and will be rolled out more widely to full pilot stage at the start of 2022. If successful, this will become a regular and ongoing asset for partners charged with delivering economic growth. Businesses contacted to take part in the survey are encouraged to share their views and feedback. Read more

- **Staffordshire University** have announced this week that they are powering the future of Higher and Degree Apprenticeships with a full week of celebrations during **National Apprenticeship Week.** Between 7 11 February 2022, daily events will be held at the University to help both employers and employees gain an insight into what apprentices can do for your workforce.
- **Staffordshire University and the Staffordshire Chambers of Commerce** have teamed up to help businesses get on the right foot in 2022 by delivering the importance of innovation sessions for start up's and SME's. The One2Three Club has partnered with Staffordshire University to deliver an insightful workshop that will explore how innovation and funding work hand in hand. Staffordshire University has funding opportunities specifically engineered to drive innovative solutions and support people who are looking to take the step into the world of self employment or level up their SME.
- The £9.5m phase two of the **Tunstall Arrow development** will be delivered by Caddick Construction. Network Space acquired the site in 2013 and appointed the constructor following planning approval last summer. The development will provide an additional 109,250 sq ft of industrial workspace on an 8 acre plot. 200 jobs will be created from the site and the building will be ready this autumn. The site is a 28 acre former colliery site in Stoke on Trent and phase two will regenerate a brownfield site, with five self contained units ranging from 13,000 to 30,000 sq ft. The transformation will also include significant remediation to address historic coal workings and disused mine shafts. Tunstall Arrow is one of six sites in the Ceramic Valley Enterprise Zone.
- A **Keele University** leadership development programme is set to reach a century of businesses supported, following the release of dates for its next cohorts. The Innovation Leadership programme, which is fully funded and available exclusively to local SMEs, has already supported more than 80 businesses across the region and this number is expected to exceed 100 within the coming year.
- In conclusion, the **Omicron variant** has been a further set back to economic recovery with issues including **worker isolation** leading to **labour and skills shortages**, **reduced consumer confidence** during key period for many businesses with declining high street footfall around Christmas, and **home working** impacting town and city centres footfall and spending. Given the impact of Omicron there are concerns that the increase in **National Insurance contributions** in April and plans to put up **corporation**

tax in 2023 are at the wrong time. There is also the ongoing concern regarding the surge in **inflation** to its highest level in more than a decade and the expectation that it is likely to rise further over the coming months. The COVID 19 lockdowns pushed an estimated 900,000 people into **poverty** with cost of living pressures including rising fuel cost, energy bills, taxes and interest payments likely to see this figure rise further. 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: December 2021

Area	Claimant Count Rate (December 2020)	Claimant Count Rate (November 2021)	Claimant Count Rate[1] (December 2021)	Number of Claimants (December 2021)	Monthly Change in Claimants (Numbers)	Monthly Change in Claimants (%)	Change in Claimants since March 2020 (Numbers)	Change in Claimants since March 2020 (%)
England	6.3	4.6	4.5	1,589,200	-28,605	-1.8%	525,695	49.4%
West Midlands	7.1	5.6	5.5	200,965	-3,350	-1.6%	56,615	39.2%
SSLEP	5.4	3.9	3.9	26,865	-515	-1.9%	7,495	38.7%
Birmingham	11.1	9.4	9.3	68,080	-915	-1.3%	18,710	37.9%
Wolverhampton	10.2	8.3	8.2	13,345	-270	-2.0%	2,965	28.6%
Sandwell	9.5	7.5	7.4	15,145	-140	-0.9%		
Walsall	8.4	6.6	6.5	11,365	-190	-1.6%	2,760	32.1%
Stoke on Trent	**7.8**	**6.3**	**6.2**	**9,830**	**150**	**1.5%**	**2,510**	**34.3%**
Dudley	7.3	5.6	5.5	10,625	-220	-2.0%	2,110	24.8%
Coventry	6.4	5.1	5.0	12,710	-265	-2.0%	4,710	58.9%
Telford and Wrekin	6.0	4.4	4.3	4,810	-110	-2.2%	1,380	40.2%
Solihull	5.8	4.1	3.9	5,075	-190	-3.6%	1,425	39.0%
Worcestershire	5.1	3.6	3.6	12,625	-175	-1.4%	4,320	52.0%
Warwickshire	4.6	3.3	3.3	11,665	-225	-1.9%	3,835	49.0%
Staffordshire	**4.6**	**3.2**	**3.2**	**17,035**	**360**	**2.1%**	**4,985**	**41.4%**
Shropshire	4.4	3.0	3.0	5,645	-75	-1.3%	1,635	40.8%
Herefordshire, County of	4.0	2.7	2.7	3,015	-65	-2.1%	905	42.9%
Tamworth	6.1	4.3	4.2	1,960	-65	-3.2%	470	31.5%
Cannock Chase	5.3	3.7	3.6	2,320	-20	-0.9%	665	40.2%
East Staffordshire	5.0	3.7	3.5	2,605	-115	-4.2%	885	51.5%
South Staffordshire	4.4	3.2	3.2	2,155	10	0.5%	845	64.5%
Newcastle-under-Lyme	4.6	3.1	3.1	2,525	-20	-0.8%	545	27.5%
Stafford	4.1	2.9	2.9	2,370	-30	-1.3%	715	43.2%
Lichfield	4.4	3.0	2.8	1,770	-70	-3.8%	450	34.1%
Staffordshire Moorlands	3.7	2.4	2.3	1,335	-45	-3.3%	415	45.1%

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

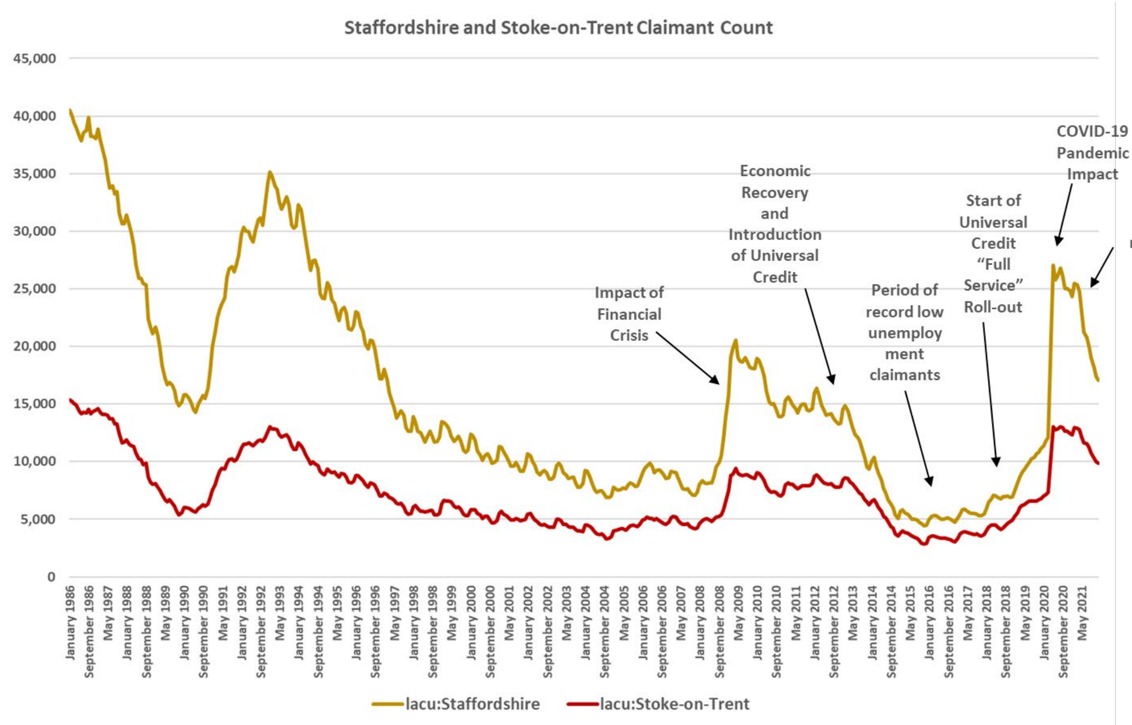
- The claimant count in Staffordshire saw a further decrease of 360 claimants between November and December 2021 to a total of 17,035 claimants, which was a higher proportional decline than seen regionally and nationally. The claimant rate has remained at 3.2% of the working age population in December.

- While Stoke-on-Trent saw a decrease of 150 over the same period with a total of 9,830 claimants in December, with the rate dropping from 6.3% to 6.2%.

- This reflects the continued recovery in the labour market 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 and the increase in seasonal jobs to support Christmas trade.

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

- Although there has been 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 41% or 4,985 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 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 3.2% in December compared to 5.5% regionally and 4.5% nationally. In Stoke-on-Trent the Claimant Count rate remains above both the regional and national averages at 6.2%.

- This month all of the Staffordshire Districts have seen a decline in the number of claimants, with the exception of South Staffordshire which saw a small increase of 10 claimants. The largest decline was in East Staffordshire with 115 fewer claimants while both Cannock Chase and Newcastle-under-Lyme saw the lowest decrease with 20 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.

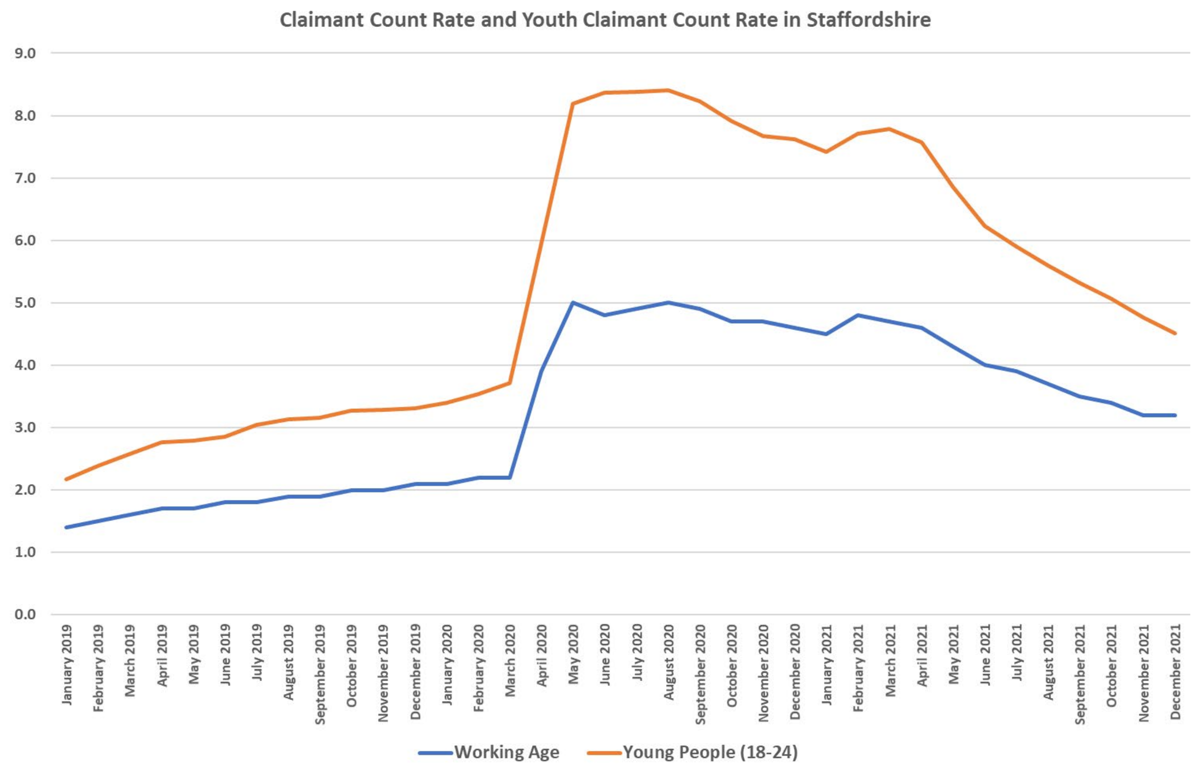
- As well as workers across sectors being impacted differently, there are also signs that it is the lowest paid, young people (particularly apprentices), women, and part-time workers that are being hardest hit. These groups are more likely to work in sectors that have shut down or reduced activity, such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

Youth Claimant Count (Universal Credit) Statistics: December 2021

Area	Youth Claimant Count Rate (Dec 2020)	Youth Claimant Count Rate (Nov 2021)	Youth Claimant Count Rate1 (Dec 2021)	Number of Youth Claimants (Dec 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	8.9	5.6	5.4	252,965	-11,395	-4.3%	55,235	27.9%
West Midlands	9.9	6.8	6.5	34,025	-1,625	-4.6%	6,120	21.9%
SSLEP	8.3	5.5	5.3	4,665	-185	-3.8%	845	22.1%
Wolverhampton	15.5	11.3	10.6	2,200	-145	-6.2%	290	15.2%
Sandwell	15.2	10.4	10.0	2,640	-90	-3.3%	525	24.8%
Walsall	13.7	9.7	9.4	2,145	-80	-3.6%	230	12.0%
Birmingham	11.4	8.5	8.1	11,340	-575	-4.8%	2,235	24.5%
Dudley	12.9	8.6	7.9	1,890	-145	-7.1%	140	8.0%
Stoke on Trent	**10.3**	**7.6**	**7.4**	**1,725**	**30**	**1.7%**	**320**	**22.8%**
Telford and Wrekin	10.3	6.9	6.5	955	-55	-5.4%	195	25.7%
Solihull	11.1	6.5	6.2	950	-45	-4.5%	125	15.2%
Worcestershire	8.7	5.1	4.8	1,965	-110	-5.3%	370	23.2%
Staffordshire	**7.6**	**4.8**	**4.5**	**2,935**	**160**	**5.2%**	**520**	**21.5%**
Shropshire	8.3	4.5	4.3	880	-35	-3.8%	55	6.7%
Warwickshire	6.5	4.3	4.1	1,885	-65	-3.3%	550	41.2%
Coventry	6.0	3.9	3.8	2,075	-45	-2.1%	540	35.2%
Herefordshire, County of	6.9	4.1	3.6	435	-55	-11.2%	20	4.8%
Tamworth	11.1	7.3	6.8	380	-30	-7.3%	85	28.8%
Cannock Chase	10.4	6.2	6.0	435	-10	-2.2%	70	19.2%
South Staffordshire	7.7	5.1	4.9	385	-15	-3.8%	135	54.0%
East Staffordshire	7.9	5.3	4.6	395	-55	-12.2%	75	23.4%
Lichfield	7.6	4.4	4.3	300	-10	-3.2%	30	11.1%
Stafford	6.9	4.4	4.3	375	-10	-2.6%	60	19.0%
Newcastle-under-Lyme	5.7	3.5	3.3	455	-30	-6.2%	30	7.1%
Staffordshire Moorlands	6.3	3.4	3.3	205	-5	-2.4%	30	17.1%

[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 4.5% compared to 3.2% for all working-age residents, while in Stoke-on-Trent the rate is now at 7.4% in December 2021.



- Encouragingly this month Staffordshire has seen a further decrease in the youth claimant count with a decline of 160 to a total of 2,935, 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.
- All Staffordshire Districts have seen decreases in youth claimants this month, with East Staffordshire seeing the largest decline of 55 and Staffordshire Moorlands the lowest decline of 5 youth claimants. 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

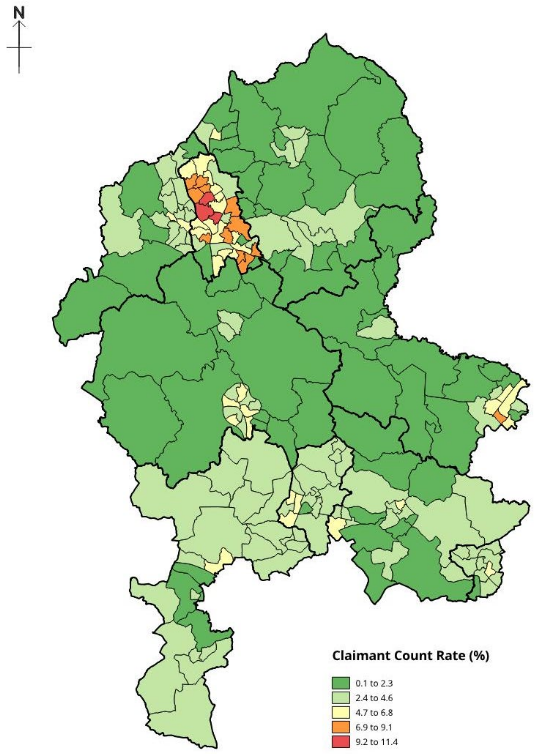
The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

Claimant Count Rate December 2021

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 50 were above the England average of 4.5% for the number of claimants as a proportion of the working age population.

Of the top 10 wards with the highest claimant count rate all 10 were in Stoke-on-Trent with Joiner's Square (11.4% or 515 claimants), Etruria and Hanley (10.7% or 560) and Moorcroft (10.3% or 380) having the highest rates.

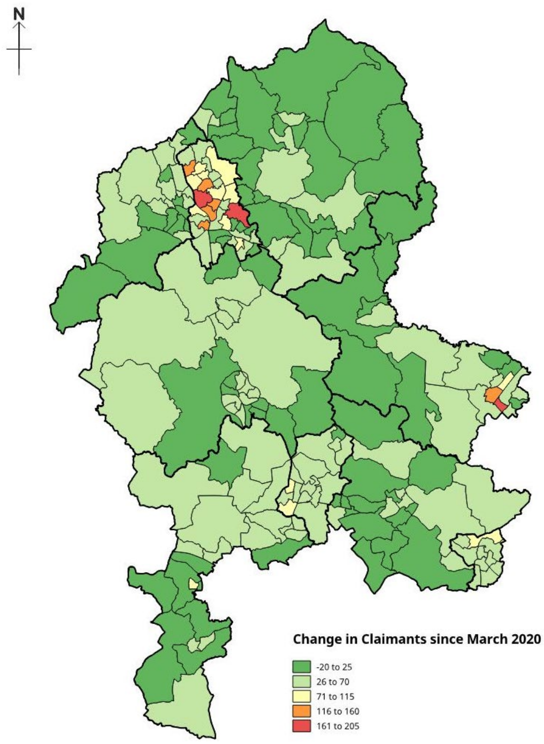
In Staffordshire the 3 wards with the highest claimant count rates were all in East Staffordshire, Anglesey (7.1% or 375), Burton (6.7% or 200), and Shobnall (6.4% or 340).



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 8 in Stoke-on-Trent and included Etruria and Hanley (205 increase to 560 claimants), Bentilee and Ubberley (180 rise to 580) and Joiner's Square (140 increase to 515 in total).

The remaining 2 wards in the top 10 were all in East Staffordshire the highest increases were seen in Anglesey (185 rise to 375), and Shobnall (130 increase to 340).



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

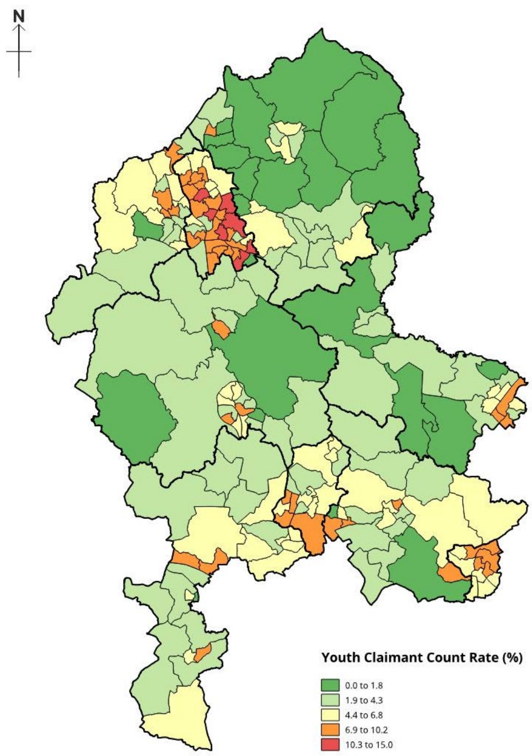
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

Youth Claimant Count Rate December 2021

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 79 were above the England average of 5.4% for the number of claimants aged 18-24 as a proportion of the 18-24 population.

Of the top 10 wards with the highest youth claimant count rate 8 were in Stoke-on-Trent with Joiner's Square (15.0% or 115 claimants), Bentilee and Ubberley (13.3% or 120) and Fenton East (12.9% or 60) having the highest rates.

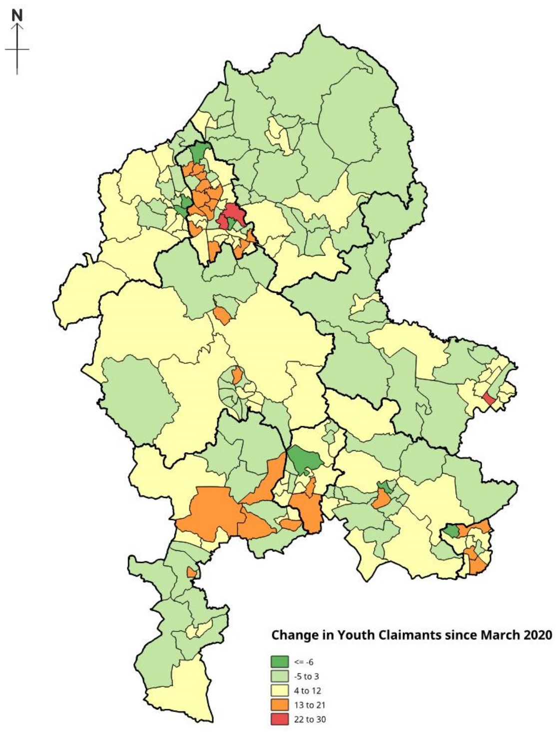
In Staffordshire, the highest rate was Highfields & Western Downs in Stafford with 9.7% or 50, followed by Glascote in Tamworth with 9.5% or 55 and Cannock North in Cannock Chase with 9.4% or 50 youth claimants.



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 Bentilee and Ubberley (30 rise to 120 youth claimants), Fenton East (25 increase to 60 claimants), and Moorcroft (20 rise to 65) with the highest rises since March 2020.

In Staffordshire, the highest increases were seen in Anglesey in East Staffordshire (25 rise to 55), Walton in Stafford (20 increase to 30) and Spital in Tamworth (20 rise to 40 youth claimants).



Business Insolvencies during the pandemic

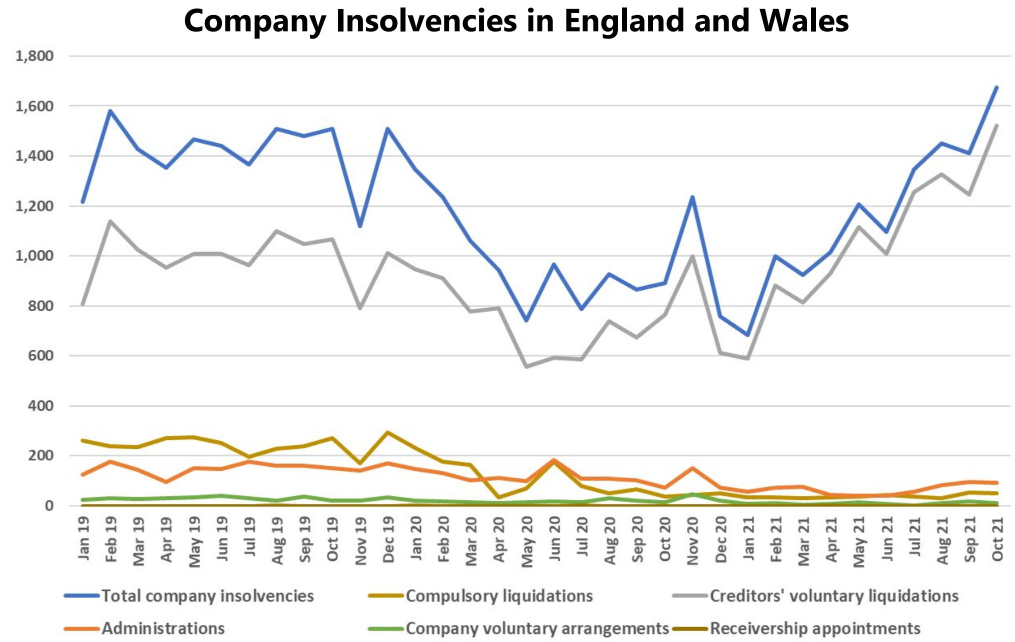
This section covers the latest Insolvency Service monthly insolvency statistics[2] for November 2021, which show the number of new companies and individuals who are unable to pay debts and enter a formal insolvency procedure.

Company Insolvencies

In November 2021 there were a total of 1,674 company insolvencies in England and Wales, comprised of 1,521 creditors' voluntary liquidations (CVLs), 93 administrations, 50 compulsory liquidations, and 10 company voluntary arrangements (CVAs).

The overall number of **company insolvencies increased by 88% in November 2021 when compared to the same month last year and is now 11% higher than two years previously (pre-COVID).** 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 December 2020 and November 2021 are now 7% higher compared to a year earlier, representing just over 900 more 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 November 2020 and October 2021 are construction (2,290), accommodation and food (1,612), and wholesale and retail (1,570). However, levels are still lower than those seen for the same period the previous year, with wholesale and retail 15% lower, accommodation and food 7% lower and construction 1% below levels seen a year earlier.

[2] Source: The Insolvency Service https://www.gov.uk/government/statistics/monthly_insolvency_statistics_december_2021

Individual Insolvencies

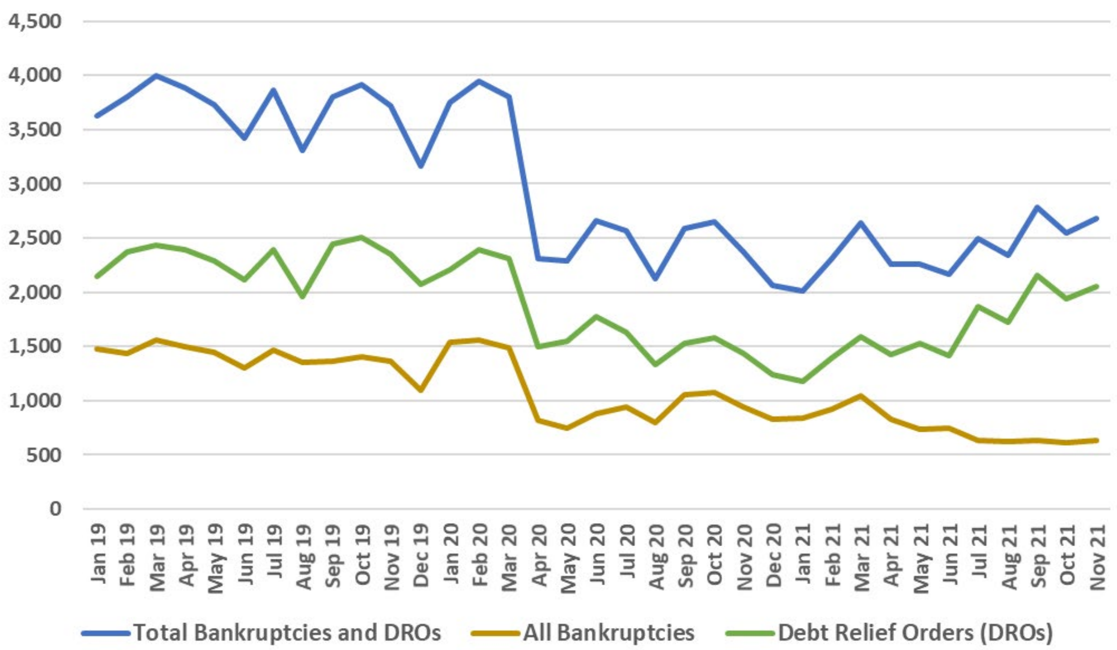
For individual insolvencies, the number of **bankruptcies in November 2021 was 630** (made up of 552 debtor applications and 78 creditor petitions), while the number of **Debt Relief Orders (DROs) was 2,054** the second highest monthly figure since the start of the pandemic.

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 33% lower than a year earlier and 54% lower than in November 2019, while DROs were 44% higher than in November 2020 but still 13% lower than two years earlier.

Total bankruptcies and DROs between December 2020 and November 2021 are 20% lower than the same period a year earlier, representing over 7,000 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, **6,648 IVAs registered per month in the three-month period ending December 2021,** which is 16% lower than the three-month period ending December 2020 but 15% higher than the three-month period ending December 2019.

Between the launch of the Breathing Space scheme on 4 May 2021, and 31 December 2021, there were 41,127 registrations, comprised of 40,503 Standard breathing space registrations and 624 Mental Health breathing space registrations.

From the start of the coronavirus (COVID-19) pandemic until mid-2021, overall numbers of company and individual insolvencies have remained low when compared with pre-pandemic levels. While CVL numbers are now 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[3]

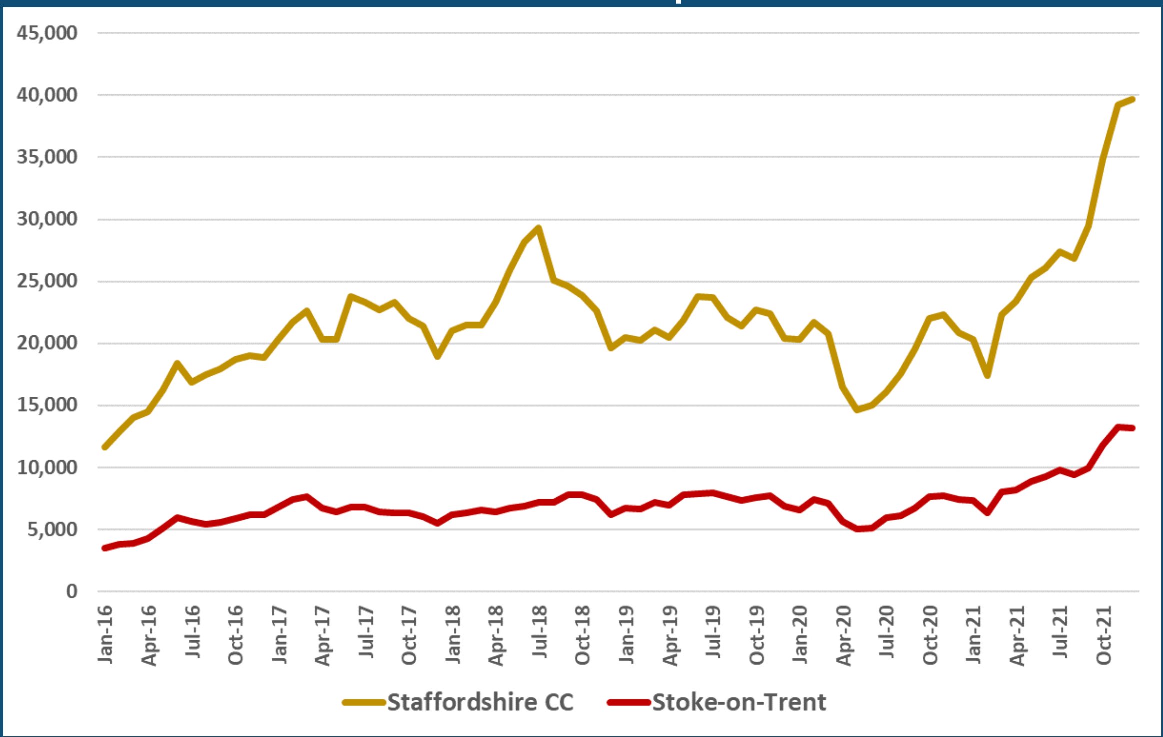
- As seen nationally, in December we continued to see an increase in job vacancies in Stoke on Trent and Staffordshire, however the increase is slowing. This is reflective of the increasing demand we are seeing for workers across most parts of the economy to aid the recovery from the pandemic which has been further heightened by seasonal job opportunities.

- However, as we have seen recently this increase in vacancies to record levels 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 1% between November and December equivalent to over 400 more job vacancies, this was in line with the increase seen nationally.**

- **Stoke on Trent saw no change in the number of vacancies in December compared to November.**

Staffordshire & Stoke on Trent Unique Job Vacancies Trend



[3] Source: EMSI

Monthly Trends in recruitment

- As expected the occupational group to see the largest increase during December was 'sales and customer service occupations' (5% rise), while the groups to see the largest declines were 'administrative and secretarial occupations' (6% fall) and 'elementary occupations' (2% fall). Although it was 'professional occupations' which saw the highest actual rise with an increase of just under 300.

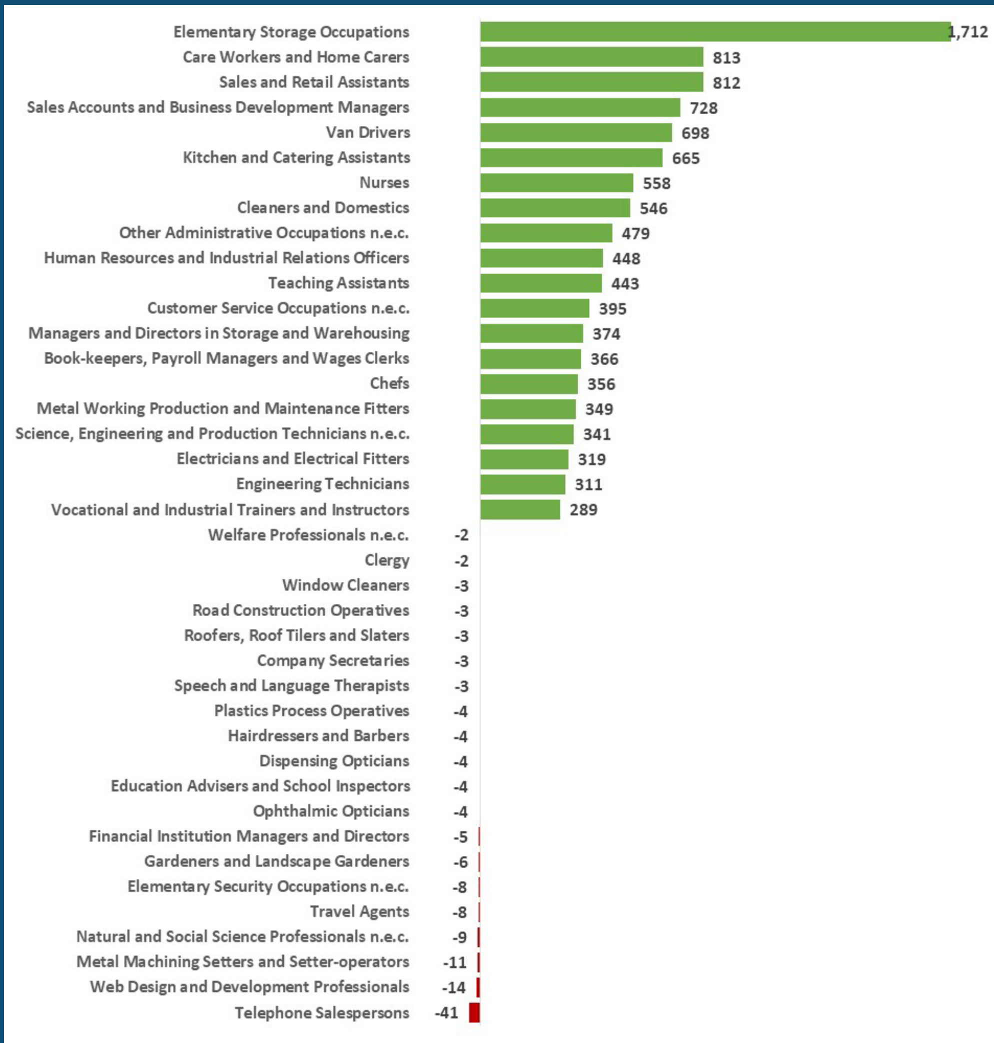
- The occupations to see the most significant increases during December continue to be roles in sectors experiencing recruitment difficulties and sectors which have been able to open up further due to reduced restrictions and occupations which support them including:
    - **Education** including 'primary and nursery education teaching professionals', 'teaching assistants', and 'secondary education teaching professionals';
    - **Logistics** including 'large goods vehicle drivers'
    - **Manufacturing** including 'production and process engineers' and 'welding trades';
    - **Health and Social Care** including 'care workers and home carers';
    - **Retail** including 'managers and directors in retail and wholesale'
    - **Cross cutting occupations** in demand include 'sales accounts and business development managers', 'programmers and software development professionals', 'customer service occupations n.e.c.', 'information technology and telecommunications professionals n.e.c.', 'business and related associate professionals n.e.c.', 'IT operations technicians', 'business sales executives', 'sales administrators', 'cleaners', 'customer service managers and supervisors' and 'buyers and procurement officers'.

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', 'managers and directors in storage and warehousing' and 'transport and distribution clerks and assistants';
    - **Health and Social Care** including 'care workers and home carers' and 'nurses';
    - **Retail** including 'sales and retail assistants';
    - **Hospitality** including 'kitchen and catering assistants' and 'chefs';
    - **Manufacturing** including 'metal working production and maintenance fitters', 'science, engineering and production technicians' and 'engineering technicians';
    - **Education** including 'teaching assistants' and 'primary and nursery education teaching professionals';
    - **Digital** including 'programmers and software development professionals' and 'information technology and telecommunications professionals n.e.c.';
    - **Construction** including 'electricians and electrical fitters' and 'electrical and electronic trades n.e.c.'.

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, education and construction.

Top 20 occupations increasing and top 20 declining between Feb 2020 (Pre COVID) and Dec 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 to a lesser extent) alongside roles in health and social care including **nurses and social care workers and home carers** remain by far the strongest of all occupations.

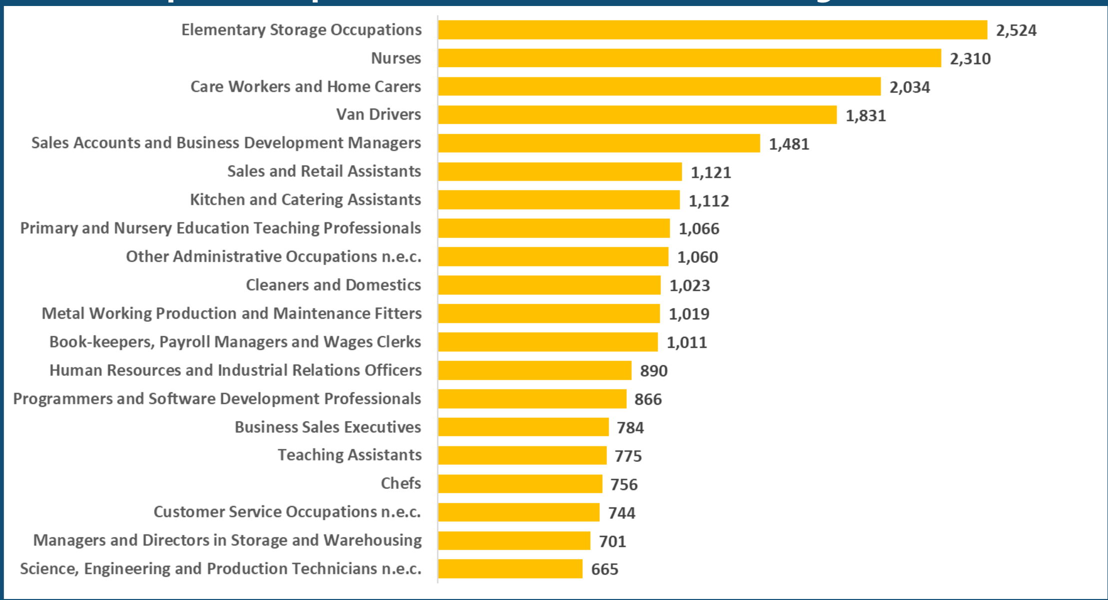
- There is also high demand for **sales accounts and business development managers** to support business in their recovery. In retail demand is highest for **sales and retail assistants** and in hospitality **kitchen and catering assistants and chefs** are most in demand, this is reflective of seasonal job opportunities heightening demand for such roles.

- 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 and teaching assistants**, which is an area which was badly impacted during lockdown and where there are increasing skills gaps.

- As well as these more sector specific roles, there is continuing demand for workers which support numerous sectors including **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 Dec 2021



- It is clear that there are a record number 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	Dec 2020 Unique Postings	Oct 2021 Unique Postings	Nov 2021 Unique Postings	Dec 2021 Unique Postings	Nov 2021-Dec 2021 (Month on Month Change)	Nov 2021-Dec 2021 Monthly % Change	Feb 2020-Dec 2021 (Month on Month Change)	Feb 2020-Dec 2021 Monthly % Change	Dec 2020 Dec 2021 (Year on Year Change)	Dec 2020 Dec 2021 Annual % Change
Staffordshire CC	21,679	20,851	34,879	39,209	39,655	446	1%	17,976	83%	18,804	90%
Stoke-on-Trent	7,379	7,437	11,770	13,218	13,184	-34	0%	5,805	79%	5,747	77%
SSLEP	29,058	28,288	46,649	52,427	52,839	412	1%	23,781	82%	24,551	87%
West Midlands	195,769	180,408	287,123	326,907	330,312	3,405	1%	134,543	69%	149,904	83%
England	2,233,275	2,099,835	3,127,720	3,555,018	3,605,711	50,693	1%	1,372,436	61%	1,505,876	72%
South Staffordshire	655	820	2,114	2,318	2,293	-25	-1%	1,638	250%	1,473	180%
Lichfield	2,544	2,579	4,723	5,442	5,547	105	2%	3,003	118%	2,968	115%
Stafford	4,916	5,352	8,599	9,697	10,087	390	4%	5,171	105%	4,735	88%
Newcastle-under-Lyme	1,680	1,695	3,228	3,483	3,358	-125	-4%	1,678	100%	1,663	98%
East Staffordshire	3,698	3,848	6,393	7,194	7,017	-177	-2%	3,319	90%	3,169	82%
Cannock Chase	2,669	2,642	3,968	4,565	4,633	68	1%	1,964	74%	1,991	75%
Tamworth	3,418	2,654	4,214	4,688	4,897	209	4%	1,479	43%	2,243	85%
Staffordshire Moorlands	2,099	1,257	1,638	1,815	1,812	-3	0%	-287	-14%	555	44%
Elementary Occupations	2,483	2,850	5,582	6,347	6,238	-109	-2%	3,755	151%	3,388	119%
Sales and Customer Service Occupations	1,251	972	2,431	2,703	2,845	142	5%	1,594	127%	1,873	193%
Managers, Directors and Senior Officials	1,955	2,088	3,174	3,661	3,664	3	0%	1,709	87%	1,576	75%
Administrative and Secretarial Occupations	3,003	2,519	5,372	5,884	5,549	-335	-6%	2,546	85%	3,030	120%
Skilled Trades Occupations	2,646	2,323	4,532	4,895	4,858	-37	-1%	2,212	84%	2,535	109%
Associate Professional and Technical Occupations	5,656	4,965	8,936	9,887	10,142	255	3%	4,486	79%	5,177	104%
Caring, Leisure and Other Service Occupations	2,697	2,707	3,788	4,491	4,604	113	3%	1,907	71%	1,897	70%
Process, Plant and Machine Operatives	2,244	2,237	3,279	3,649	3,738	89	2%	1,494	67%	1,501	67%
Professional Occupations	7,123	7,627	9,555	10,910	11,201	291	3%	4,078	57%	3,574	47%

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 <u>required</u> to look/be available for work as a condition of benefit, while the ILO measure is those who say that they <u>actually are</u> 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.