Staffordshire County Council

Stoke-on-Trent & Staffordshire Enterprise Partnership

Staffordshire **Means** **Back to Business**

Economic Bulletin - Issue 19 – February 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 Government start to **phase out Plan B rules**, with face coverings and Covid passes are no longer legally required in England. However, guidance urging people to wear a face covering in crowded and enclosed spaces when coming into contact with strangers still remains.
- **Compulsory isolation** for people with COVID 19 is also to be scrapped in England this month with **free tests wound down from the spring.**
- Although **infections** remain high, the number of **cases** has been slowly decreasing since a wave of Omicron cases at the start of the year, with the **R rate** also slightly dropping to between 0.8 and 1.
- Importantly, **hospitalisations** have also been decreasing and remain far lower than previous waves (13 per 100,000 compared to 36 per 100,000 in January 2021).
- The **Intensive Care National Audit and Research Centre** has reported that the number of people being admitted to **intensive care** units with COVID 19 is decreasing and now as low as 20 each day, compared to around 400 at the daily peak last January.
- Thankfully **deaths** also remain comparatively low and are declining.
- This improving picture is reflective of the increased protection provided by **vaccine boosters**, with protection against death from the Omicron variant increasing to 95 per cent in people aged 50 and over two weeks after a booster dose, according to the **UK Health Security Agency.**
- It has also been shown that the **Omicron BA.2 mutation** is slightly more transmissible but vaccines are more effective against it compared to the main dominant Omicron BA.1 strain.
- The **first protein based coronavirus vaccine** made by US firm **Novavax** has been approved by the Medicines and Healthcare products Regulatory Agency (MHRA). The vaccine provided 89 per cent protection against symptomatic disease caused by the original strain and Alpha variant in trials, and it is being tweaked to protect against Omicron, as the UK looks to tackle "next phase" of the pandemic.
- We have also heard that **Pfizer BioNTech and Moderna** have started **trials of Omicron based COVID 19 vaccines.**
- It is increasingly accepted that Covid 19 will likely resemble flu as we emerge from the pandemic and in light of this the Government continues to draw up it's **"living with Covid" plan** which is to be revealed in the week commencing February 21st. As part of the Government's plan it is expected that **NHS Test and Trace** will be gradually wound down.
- Although there are encouraging signs it is clear that Covid continues to have an impact on society and the economy, with significant issues such as reducing the **NHS waiting**

list for hospital treatment potentially taking two years before it begins to fall.

Economic Impact and Support

- The Government finally unveiled its long awaited plans to deliver its manifesto commitments up to 2030 to **level up the country** by closing the prosperity gap between the South East and the rest of the UK.
- The highly ambitious **Levelling Up White Paper** is aimed at tackling regional inequality through substantial systems reform. The paper outlines **12 missions** promising improvements in education, skills, jobs, productivity, broadband, transport and more. Michael Gove, Secretary of State for Levelling Up, Housing and Communities, has said that while the strategy was **not aimed at providing new funding**, it will ensure already announced money is spent effectively on local priorities.

12 Levelling Up missions include:

Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging

- **Living Standards** By 2030, pay, employment and productivity will have risen in every area of the UK, with each area containing a globally competitive city, and the gap between the top performing and other areas closing.
- **Research & Development (R&D)** By 2030, domestic public investment in R&D outside the Greater South East will increase by at least 40%, and over the Spending Review period by at least one third. This additional government funding will seek to leverage at least twice as much private sector investment over the long term to stimulate innovation and productivity growth.
- **Transport Infrastructure** By 2030, local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing.
- **Digital Connectivity** By 2030, the UK will have nationwide gigabit capable broadband and 4G coverage, with 5G coverage for the majority of the population.

Spread opportunities and improve public services, especially in those places where they are weakest

- **Education** By 2030, the number of primary school children achieving the expected standard in reading, writing and maths will have significantly increased. In England, this will mean 90% of children will achieve the expected standard, and the percentage of children meeting the expected standard in the worst performing areas will have increased by over a third.
- **Skills** By 2030, the number of people successfully completing high quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.
- **Health** By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where

it is highest and lowest will have narrowed, and by 2035 HLE will rise by five years.

- **Well being** By 2030, well being will have improved in every area of the UK, with the gap between top performing and other areas closing.

Restore a sense of community, local pride and belonging, especially in those places where they have been lost

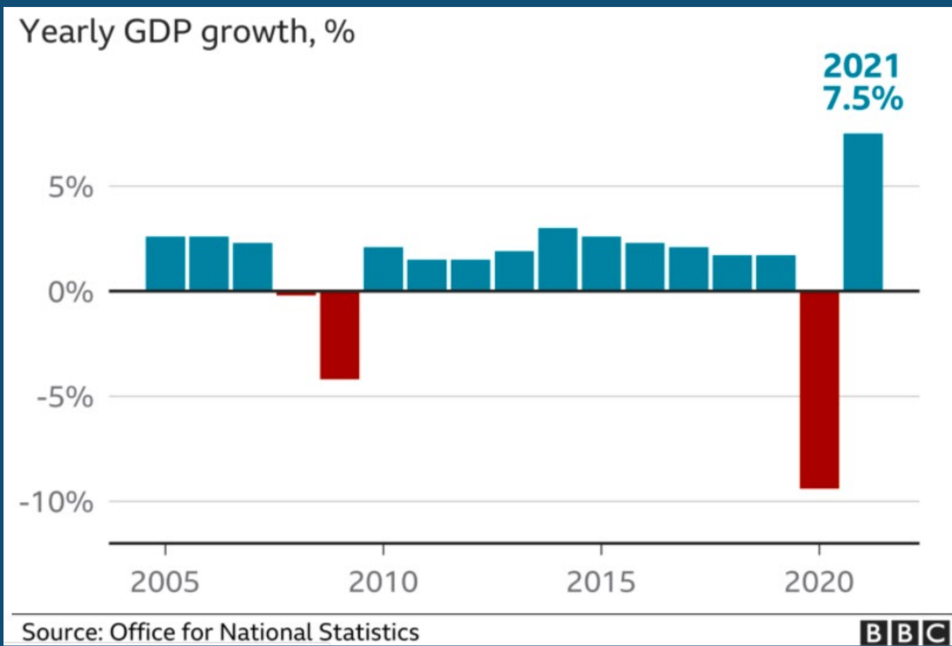
- **Pride in Place** By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between top performing and other areas closing.
- **Housing** By 2030, renters will have a secure path to ownership with the number of first time buyers increasing in all areas; and the government's ambition is for the number of non decent rented homes to have fallen by 50%, with the biggest improvements in the lowest performing areas.
- **Crime** By 2030, homicide, serious violence and neighbourhood crime will have fallen, focused on the worst affected areas.

Empower local leaders and communities, especially in those places lacking local agency

- **Local Leadership** By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long term funding settlement.
- These twelve policy objectives will be put into legislation and overseen by a **new levelling up advisory council.**
- The paper invites nine English counties to apply for **county devolution deals**, including Cornwall; Derbyshire and Derby; Devon, Plymouth and Torbay; Durham; Hull and East Yorkshire; Leicestershire; Norfolk; Nottinghamshire and Nottingham; and Suffolk, with the aim of agreeing a number of these deals by autumn 2022. While some existing mayors will be offered further powers akin to those in London.
- The Government has also announced Wolverhampton and Sheffield will be the first of 20 areas selected to benefit from a "radical new regeneration programme" launched by the Department for Levelling Up, Housing and Communities, with the chosen locations to be prioritised for a £1.5 billion Brownfield Fund made available from April 2022, which is part of a £1.8 billion sum for brownfield regeneration promised by the Chancellor at the last Budget.
- Although the release of the Levelling Up White Paper is positive with a number of clearly important policy and strategic objectives, there are concerns regarding the lack of **funding** to deliver such ambitious objectives.
- Michael Gove, Secretary of State for Levelling Up, Housing and Communities, has called for control of **business rates** to be devoted to elected mayors to boost investment in their areas.
- As well as issues over the funding and resource to deliver Levelling Up, green

campaigners and businesses feel that **green opportunities** to reach net zero carbon emissions and create green jobs in doing so have been missed in the Levelling Up Strategy with a lack of commitment to insulate UK homes, or move the country away from imported gas.

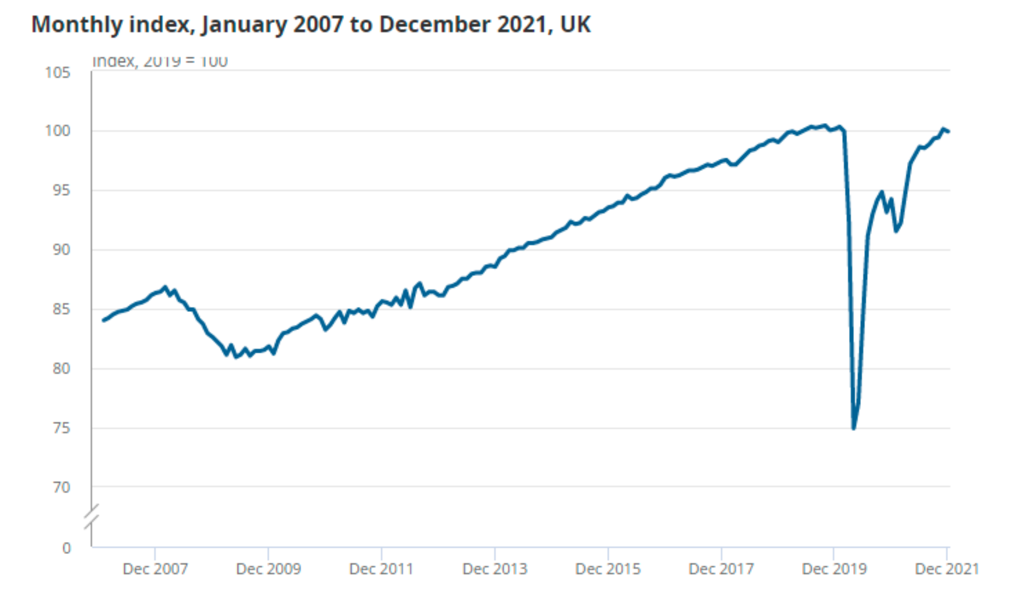
- **Government borrowing** last month was the fourth highest for December on record as the cost of supporting the economy through the pandemic continued. The gap between spending and tax receipts reached £16.8 billion in December, slightly smaller than many economists had forecast.
- **The Institute for Fiscal Studies (IFS)** has warned that the UK must choose between higher taxes for the next 20 years or stripping back the welfare state as it faces a **spending black hole of £60 billion each year**.
- As well as short falls in spending, the **economic recovery hinges on a delicate balance amid high Covid 19 infections, persistent labour market challenges, lingering supply chain constraints and raising inflationary pressures.**
- Positively, the **UK economy (GDP)** grew by 7.5 per cent last year despite falling back in December due to Omicron restrictions hitting the hospitality and retail sectors with cancellations and declining high street footfall. However, this follows a 9.4 per cent fall in 2020 due to the pandemic.

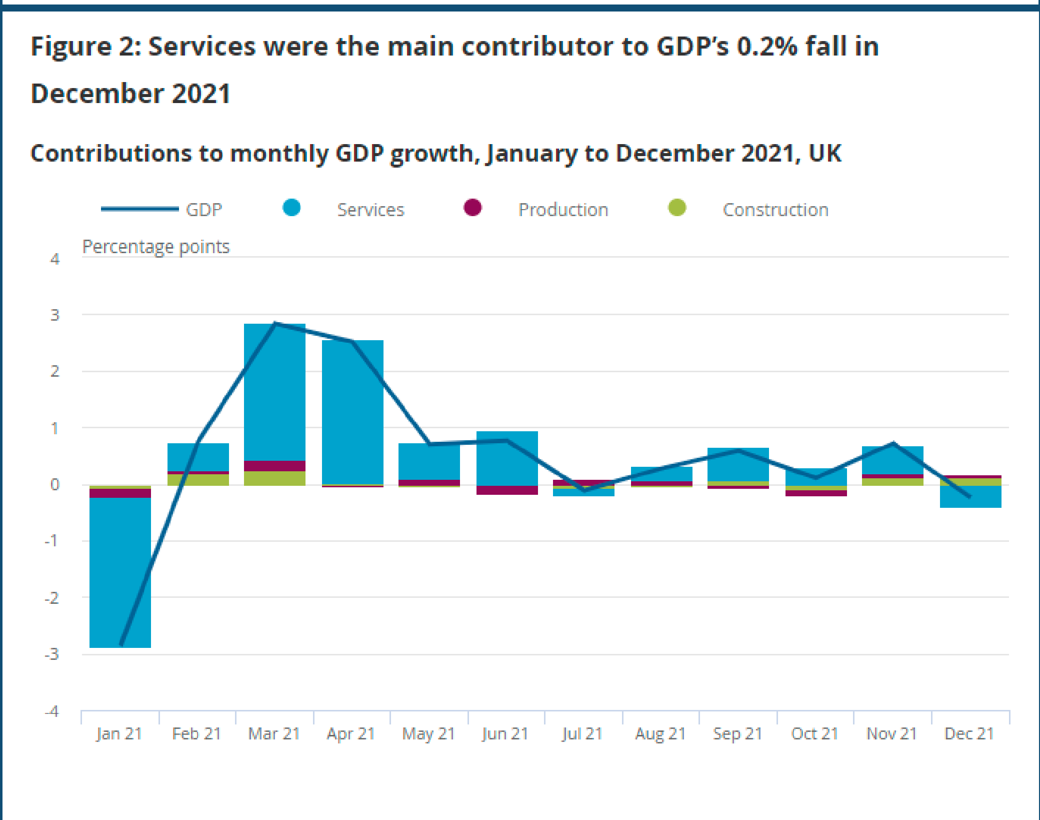


- Monthly GDP fell by 0.2% in December 2021 to equal its pre pandemic level (February 2020); while the Quarter 4 (Oct to Dec) 2021 estimate was still 0.4% below its pre coronavirus level (Quarter 4 2019).
- **Services** output was down 0.5% in December 2021, while **production** rose 0.3% and **construction** increased by 2.0%; services and construction were both above pre coronavirus levels, by 0.5% and 0.3% respectively, while production remained 2.6% below.

- Output in **consumer facing services** fell by 3.0% in the month, mainly driven by a 3.7% fall in retail trade, while all other services rose by 0.1%; consumer facing services were 8.4% below their pre coronavirus levels, while all other services were 2.8% above.

GDP Monthly index, January 2007 to December 2021, UK

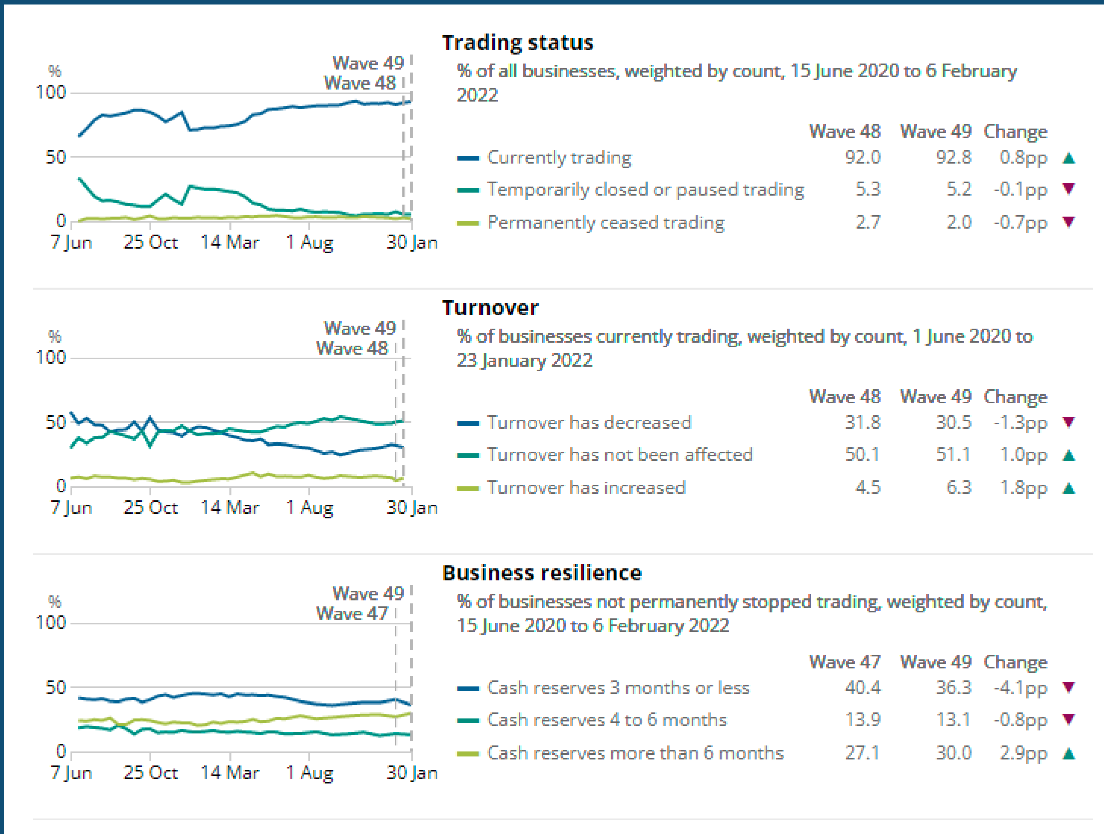




Source: Office for National Statistics - GDP monthly estimate

- Although the recovery from the pandemic continues, it is increasingly clear of the major impact that COVID has had on many parts of the UK, with a study by the **Centre for Cities** think tank finding that the **UK's biggest cities lost nearly a year of sales during the coronavirus pandemic** as lockdowns and lack of office workers and tourists caused a collapse in spending.

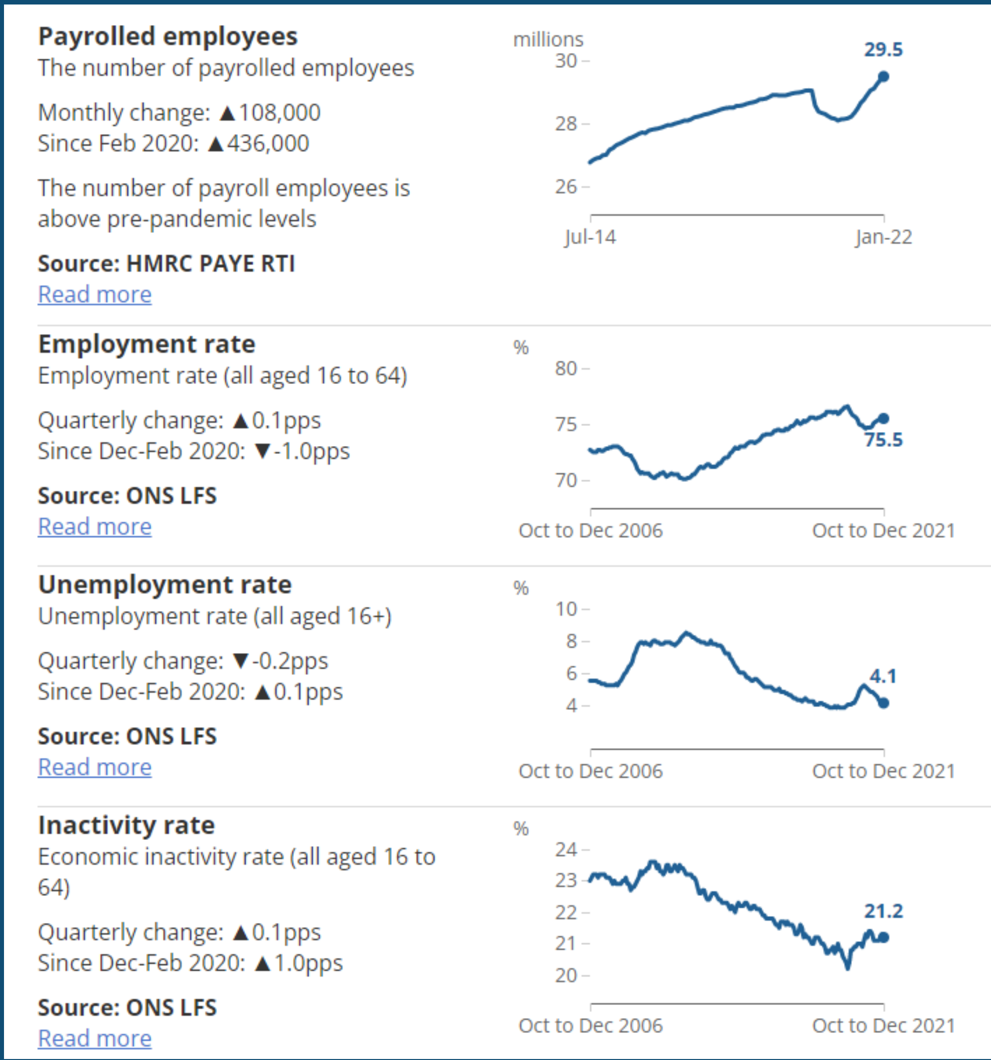
- The impact of COVID 19 on the region's key automotive and manufacturing sectors means the **West Midlands is expected to be one of the slowest regional economies to recover from the pandemic**. According to **EY's latest Regional Economic Forecast**, the more significant impact of the pandemic on the region's economy in 2020 and 2021 means the West Midlands' Gross Value Added (GVA) is forecast to be only 5.3% larger in 2025 than it was in 2019. By comparison, the UK's GVA is forecast to have increased by 8.3%.
- More than **1,700 Stoke on Trent businesses** found themselves in **'significant' financial distress** during the final quarter of 2021, according to a new report. The latest figures from **Begbies Traynor's 'Red Flag Alert'** which monitors the financial health of British companies found that the city saw a four per cent increase in the number of businesses struggling between October and December 2021 to 1,723. In Stoke on Trent, real estate and property and manufacturing experienced the biggest quarterly increases, seeing five and six per cent rises respectively between the third and fourth quarters of last year. The increase is in line with the national picture highlighted in the research which found there were **589,168 businesses in 'significant distress' for the final quarter of 2021, which is a five per cent increase on the previous quarter**. There are also concerns about a **steep increase in County Court Judgements (CCJs),** which are often a key early sign for future insolvency, as official data shows a **106 per cent rise.**
- The following charts show the latest results from Wave 49 of the **ONS Business Insights and Conditions Survey (BICS)**, which was live for the period 24 January to 6 February 2022.



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

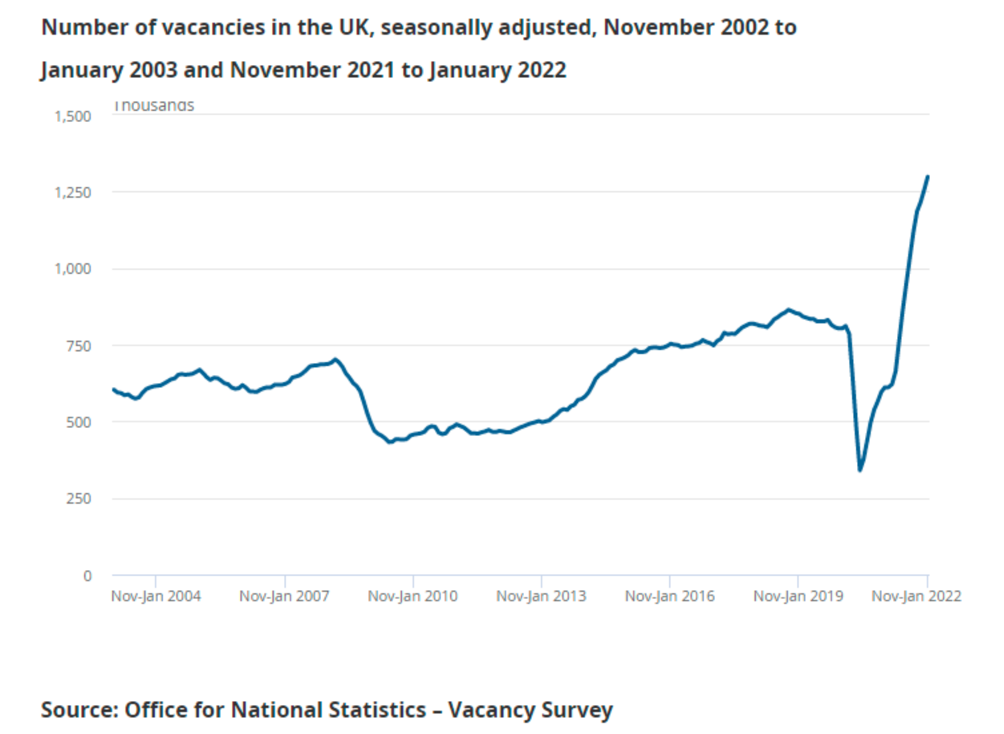
- In late January, the transportation and storage industry reported the lowest percentage of **businesses currently fully trading**, at 64%.
- Approximately a third (31%) of all businesses currently trading reported that their **turnover** in the last two weeks had decreased compared with normal expectations for this time of year, with the accommodation and food service activities industry reporting the highest at 63%.
- Nearly three quarters (72%) of currently trading importing businesses with 10 or more employees reported they had experienced a challenge while **importing** in the last month; for **exporting,** this figure was 67%.
- In mid January 2022, approximately 2% of the workforce were estimated to be on **sick leave or not working because of coronavirus (COVID 19),** this is the lowest figure recorded since early December 2021 (1%); while 15% of employees were estimated to be **working from home** in mid January 2022, a decrease from 17% in late December 2021.
- Of all not permanently stopped trading businesses, approximately 1 in 10 businesses (9%) reported **hourly wages** were higher than normal for both new and existing employees, in the last month; these percentages rose to 23% and 24% respectively for businesses with 10 or more employees.
- Approximately 15% of businesses reported increased **customer cancellations** in the last month, this figure is down from 21% reported the month before.

- **Trading conditions problems with supply chains persist, including difficulties accessing materials, price rises and persistent challenges surrounding EU Exit rules**. The impact of EU Exit are likely to heighten as the effect of new 2022 rules play out especially on **importing**. To reduce the potential issues, businesses are still calling for support and grants help in association with EU trading in particular. Their concern is reflected in the findings from a survey carried out by the **British Chambers of Commerce (BCC),** demonstrating the worsening of the situation post Brexit. Firms are also concerned by **high energy costs and other increasing overheads**. Businesses are alarmed by the **significant cost pressures** they are facing in all areas, including **wages and increasing costs of raw materials**. Overall, according to BDO mid sized businesses in the Midlands fear supply chain disruption will impact their ability to offer the usual range of products and services. The bi monthly Rethinking the Economy survey of 500 leaders of medium sized businesses reveals a third of businesses in the region are planning to **increase the prices of their goods and services** as a result.
- Alongside trading issues, **labour market challenges** continue to persist with unemployment declining while job vacancies are at record levels leading to an incredibly **tight labour market** with employers findings it difficult to recruit the talent that they need to aid economic recovery.
- The following charts shows the latest **labour market position** and the most recent data show the UK labour market continuing to recover, with a quarterly increase in the employment rate and a decrease in the unemployment rate. However, economic inactivity has increased slightly on the quarter.



- The UK **employment rate** increased by 0.1 percentage points on the quarter to 75.5%. The number of **self employed workers** remains low following decreases seen during the coronavirus (COVID 19) pandemic, however the number of **employees** increased on the quarter to another record high. Job to job moves reached record numbers in October to December 2021, driven by resignations.
- **Payrolled employees** shows another monthly increase (up 108,000) in January 2022 to a record 29.5 million.
- The **unemployment rate** decreased by 0.2 percentage points on the quarter to 4.1%, while the **economic inactivity rate** increased by 0.1 percentage points to 21.2%. The increase in economic inactivity since the start of the coronavirus pandemic was largely driven by those who are economically inactive because they are students or for "other" reasons. In the latest three month period however, those who are inactive because they are students continued to decrease, while the increase was driven by those who are inactive because of long term sickness (including long COVID) and "other" reasons.
- The number of **job vacancies** in November 2021 to January 2022 rose to a new record of 1,298,400, an increase of 513,700 from its pre pandemic January to March 2020 level. However, the rate of growth in vacancies continued to **slow down**. The ratio of

vacancies to every 100 employee jobs continued to rise, reaching a record high of 4.3 in November 2021 to January 2022, with the majority of industry sectors displaying record high ratios.



- Growth in **average total pay (including bonuses)** was 4.3% and growth in **regular pay (excluding bonuses)** was 3.7% among employees in October to December 2021. In real terms (adjusted for inflation), total and regular pay fell on the year at negative 0.1% for total pay and negative 0.8% for regular pay. 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.
- Although furlough helped many workers remain in their jobs and unemployment continues to fall, employment remains far lower than before the crisis. This is in the main due to a big rise in the number of people classed as "economically inactive" that is, people who are not looking for jobs and are not available for work.
- The rise in **economic inactivity alongside Brexit has caused the UK labour market to shrink.**
- The **Office for National Statistics (ONS)** estimates that there are 400,000 more **economically inactive** people than there were before the virus hit, there was a sharp rise at the start of the pandemic when redundancies hit and as the economy was closed many did not search of new work. However, since then we have not seen falls in economic inactivity like there have been for unemployment.
- The reasons for economic inactivity are complex and vary by demographic groups. Those over 50 will include some people who have chosen to take early retirement or

have taken on caring responsibilities for family members. While fewer young men are now economically active, perhaps due to fear of illness or suffering with long Covid, while more women have taken up roles due to the rise in flexible working. There will also be young people that chose to stay in education at the start of the pandemic due to limited job opportunities. More recently there has been an increase due to longer term ill health including long Covid and mental health issues.

- However, the **Institute for Employment Studies (IES)** feel that due to the labour market growing pretty consistently over the last few decades, the fact that it's now gone into reverse means that the current half a million gap in employment is even larger when you account for the growth in the labour market that we were seeing.
- Overall, the IES estimates that there are **a million fewer workers than prior to Brexit and the pandemic.** Recognising that many of the labour shortages in particular sectors have been attributed to a decline in the number of foreign workers in the UK, where the combination of Covid and Brexit has seen many EU nationals who worked in the UK return to their countries of origin. The IES believe that the **lack of migrant workers is responsible for the one third of the shortfall in the labour market, while the rise in economic inactivity accounts for the other two thirds.**
- The **Resolution Foundation** has found that young people who lost their jobs during the pandemic in the UK have returned to less secure work with temporary or zero hours contracts, often in gig economy roles. It also found nearly 50,000 more men under the age of 24 are now economically inactive. Although the youth unemployment rate decreased from 10.5% to 9.8% from spring 2020 to autumn 2021, the number of 18 to 24 year olds who are economically inactive and not in full time education, known as **Neets**, rose by 75,000 last year with young men accounting for more than 60% of the increase. The research also found about two thirds of those who lost work reported **mental health problems**.
- To help address the smaller labour market and shortage of skilled workers to fill record high vacancies the government announced plans to get **500,000 jobseekers into jobs by the end of June through the 'Way to Work' initiative**, with those claiming Universal Credit having to look for jobs outside their chosen field more quickly or face sanctions.
- To ease the pressure on the health and social care sector the Government is also planning to scrap NHS and social care staff **mandatory jabs**.
- It is also important that **terms and conditions** are improved to help retain and attract workers to areas of demand within the economy. The Trades Union Congress (TUC) have raised concerns that care home staff and nurses are among **key workers** facing the prospect of being paid less this year than last, calling on the Government to ensure public sector workers receive a "decent" pay rise.

- About one in six white collar workers want to change jobs because their employer is forcing them to return to the office, according to a survey by Slack. The survey found that those who work in IT, telecoms, sales, legal and marketing are the most determined to continue **working from home**.
- There are growing concerns regarding **raising inflationary pressures** and the impact on the **cost of living**.
- The UK rate of **inflation** has climbed higher to 5.5 per cent in the 12 months to January, the increase means the rate of Consumer Prices Index (CPI) inflation remains at a near 30 year high.
- Economists warned the **Commons Treasury Select Committee** that while the whole country would be "squeezed" due to cost of living pressures due to the **energy price caps and the increase in national insurance payments in April**, it will be the UK's poorest households who have lost the £20 Covid uplift in Universal Credit who will be impacted most.
- We have also seen **petrol and diesel prices** reach new record high with fears that the escalating crisis between Russia and Ukraine potentially further raising wholesale prices.
- **Private rents** in the UK are rising at the fastest rate in five years, increasing the cost of living for millions of households. Figures from the Office for National Statistics show the average cost of renting for UK tenants rose by 2 per cent in 2021, the largest annual increase since 2017.
- A million UK adults went an entire day without eating over the past month because they could not afford to put a meal on the table, according to research highlighting how the cost of living crisis has driven up **food insecurity**. The **Food Foundation thinktank** said more than one in five households have already faced a "heat or eat" dilemma, cutting back on the quality or quantity of food to pay energy or other essential bills, while 59 per cent of households fear the cost of living squeeze will leave them with less to spend on food in the future.
- This comes as shoppers are already being warned that the **price of household goods** will go up due to increased manufacturing costs, with **Unilever** saying that it was facing £2.95 billion of higher costs this year, almost three times as much as the increase in costs it had struggled to absorb last year.
- To help ease cost of living pressures the Government has announced that there will be **£150 council tax rebate** for most households in England to tackle a rise in energy costs. The council tax rebate will apply from April to homes in council tax bands A to D, benefiting about 80 per cent of households.
- All eligible households will also get an upfront **£200 discount on their energy bill** in October this year. Everyone will have to repay the money from April 2023, with £40

automatically taken off their accounts each year for five years.

- The **Bank of England** has warned that the cost of living crisis will last until 2023 and there will be a **fall in living standards** with take home pay expected to fall by five times the amount it did during the financial crisis of 2008 this year. The Bank of England also confirmed that **interest rates** would rise from 0.25 per cent to 0.5 per cent.
- The cost of living crisis is also likely to impact businesses with Britain's biggest retailers have warned that soaring living costs will hit **consumer spending** after a mixed start to the year amid concerns about the Omicron variant. The British Retail Consortium, which represents more than 5,000 businesses across the country, said soaring household energy prices would mean consumers tightening their purse strings over the coming months, with a knock on effect on high streets.

Local Picture

- The claimant count in Staffordshire saw a small **increase of 85 claimants between December 2021 and January 2022 to a total of 16,785 claimants**, which was in contrast to the small decline seen nationally. The **claimant rate has remained at 3.1%** of the working age population in January.
- Having witnessed a long period of labour market recovery with declining work related benefit claimants, these latest figures likely reflect the impact of Omicron restrictions hitting the hospitality and retail sectors with cancellations and declining high street footfall alongside the decline in seasonal jobs that we witness every year between December and January.
- However, **the total number of Universal Credit (UC) claimants remains 39% or 4,735 higher than the level seen in March 2020 (pre COVID)** however, not all will be out of work.
- These increases need to be viewed in the context of the move to Universal Credit. Before Universal Credit, the Claimant Count was based upon Jobseeker's Allowance claimants people out of work but looking for a job. However, in response to COVID 19 the Government changed the criteria for Universal Credit to allow some people on low income to claim whilst in work. Therefore, there will be **a proportion of claimants currently that will still be in work but claiming Universal Credit because they are on a low income**, although from the data released by Government it is not currently possible to quantify the proportion of people that are indeed unemployed or employed but on a low income.
- It is important to recognise that although we have seen a rise in claimant numbers due to COVID given our strong position going into the pandemic we still perform comparatively well for **our claimant rate which stood at 3.1% of the working age population in January compared to 5.4% regionally and 4.4% nationally.**
- However, it is young people, 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 4.2% compared to 3.1% for the working age population.** Encouragingly this month Staffordshire has seen a further decrease in the youth claimant count with a decline of 90 to a total of 2,760, 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, Restart and Skills Bootcamps continue to support these groups and help prevent them becoming long term unemployed.

- The overall number of **company insolvencies increased by more than double (106%) in January 2022 when compared to the same month last year and is now similar (3% higher) than two years previously (pre COVID).** 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.
- In January we saw a slight decline in **job vacancies** in Stoke on Trent and Staffordshire, which was also the case nationally but to a lesser extent. This is likely reflective of reduced recruitment demand following the Christmas period with a decline in seasonal jobs, however, there remains high demand for workers across most parts of the economy to aid the recovery from the pandemic.
- **Staffordshire saw vacancies decrease by 3% between December and January equivalent to over 1,200 fewer job vacancies, this was higher than the 1% decline seen nationally.**
- **Stoke on Trent saw a 6% decline in vacancies between December and January equivalent to over 700 fewer job vacancies.**
- The **occupations** to see the most significant increases during January include roles in sectors experiencing recruitment difficulties and occupations to support business recovery and growth including **manufacturing, logistics**, **hospitality**, **health and social care and retail.**
- We continue to hear 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 and new Skills Bootcamps has a vital role in upskilling and reskilling jobseekers into areas of demand.

- 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. Also encouraging those that have become **economically inactive** due to COVID will further help to address the labour and skills gap.
- 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.
- Applications for business loans and grants have reopened to small businesses based anywhere in Staffordshire. The **Staffordshire Means Back to Business Scheme**, a unique partnership between the county council and the county's district and borough councils to support businesses through the pandemic and into recovery, has been so popular that funding was totally allocated in some areas of the county. Now, thanks to a successful bid to the UK Government to the **UK Community Renewal Fund**, businesses can get the help they need wherever they're based. Options include:
  - **'To Thrive' growth grant** £5000 grants to grow, thrive, transform or diversify your business.
  - **Up to 100% funding for staff training** £5,000 grants to skill up your staff with the skills they need for your business' present and future.

- **Apprenticeship grant** £5,000 to support the recruitment and support of your apprentice to hone their skills.
- **Start Up loans** Interest free loans of up to £5,000 if you have some business experience and want to set up and get those key purchases you need to get off the ground.
- **Get Started** support for new businesses or budding entrepreneurs to get the professional advice they need.

- 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.
- **Help To Grow: Management programme** is 90% funded by the government so you only pay £750. Delivered in partnership with Small Business Charter, courses are running at leading business schools across the UK. This programme includes:
  - access 12 weeks of learning designed to fit alongside work commitments
  - develop a bespoke business growth plan to help your business reach its full potential
  - get 1:1 support from a business mentor
  - learn from peers and network with businesses just like yours
- To find out more visit.
- Through **Help to Grow: Digital** businesses can access free, impartial online support about how digital technology can boost your business's performance. If your business is eligible, you can also access a discount of up to 50% towards the costs of buying approved software, worth up to £5,000. To find our more visit.
- The Government has launched the **Skills for Life** campaign which highlights the range of training and employment schemes available for businesses wanting to boost their workforce capabilities, including apprenticeships, traineeships and T Levels. Find out

more.

- **Keele University** is celebrating two years of the **Smart Innovation Hub** which has already supported over 200 local SMEs. The Hub provides fully funded business support programmes, flexible workspace and a collaboration hub to help local businesses grow. The collaborative workspace is uniquely co located alongside the University's Business School and Innovation Centre 6, a collaboration between Staffordshire County Council, Keele University and the Stoke on Trent and Staffordshire Local Enterprise Partnership. How Keele University can support your business.
- A road scheme to create a roundabout providing access to a job boosting business development north of Stafford has begun. Commercial property developer, Stoford is building a new 670,000sq ft **storage and distribution centre at Stafford North Business Park**, off the A34, on behalf of the UK's leading pet care business, **Pets at Home**. The development is expected to employ more than 750 people when it opens later this year.
- A revolutionary **pothole machine developed by JCB** has helped Stoke on Trent City Council to complete three years of repairs in just four months. The Staffordshire digger maker launched its **PotholePro** machine last year in an effort to help tackle the UK's pothole problem. The Council became the first in the UK to invest in the machine which can repair a pothole in less than eight minutes and at half the cost of current solutions after successfully trialling the technology months before. Now the council has used to machine to fix 10,000 square metres of road across the city in just 130 days. That is the equivalent to eight Olympic sized swimming pools. It is thought that without the machine, and using traditional methods, it would have taken the authority 1,040 days almost three years to complete the work.
- **The Stoke on Trent and Staffordshire LEP Skills Advisory panel (SAP) is seeking the views of local businesses on current and future skills needs.** The **Business Skills for Growth Survey** is designed to get granular data and understanding of what businesses need to overcome their skills challenges from the skills needed to make the digital and green transition, to the bespoke skills new and future generations of staff need, to the skills and training existing staff need to help build business resilience from adapting employee skills and roles to new agile ways of working and even crossing over specialisms and building effective, virtual customer relationships. By completing the survey you'll be helping to shape evolution of skills provision across Stoke on Trent and Staffordshire that will come together through a network of support organisations and learning providers. The survey takes just 20 minutes to complete and is open during February and March 2022 here.

- In conclusion, it appears that the social and economic impact felt by the **Omicron variant** has started to ease with infections starting to decline with fewer workers isolating and more returning to their place of work. However, the **economic recovery hinges on a delicate balance amid high Covid 19 infections, persistent labour market challenges, lingering supply chain constraints and raising inflationary pressures.** The cost of living crisis is hear to stay until 2023 and there will be a **fall in living standards** for most people.
- 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: January 2022

Area	Claimant Count Rate (January 2021)	Claimant Count Rate (December 2021)	Claimant Count Rate[1] (January 2022)	Number of Claimants (January 2022)	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	4.4	4.4	1,557,415	-2,865	-0.2%	493,910	46.4%
West Midlands	7.0	5.4	5.4	197,850	170	0.1%	53,500	37.1%
SSLEP	5.3	3.8	3.8	26,480	95	0.4%	7,110	36.7%
Birmingham	11.0	9.1	9.1	67,055	-40	-0.1%	17,685	35.8%
Wolverhampton	10.2	8.0	8.0	13,075	-40	-0.3%	2,695	26.0%
Sandwell	9.4	7.2	7.3	14,880	50	0.3%	4,100	38.0%
Walsall	8.4	6.4	6.4	11,165	5	0.0%	2,560	29.8%
Stoke on Trent	**7.7**	**6.1**	**6.1**	**9,690**	**5**	**0.1%**	**2,370**	**32.4%**
Dudley	7.2	5.4	5.4	10,530	80	0.8%	2,015	23.7%
Coventry	6.3	4.9	4.9	12,505	10	0.1%	4,505	56.3%
Telford and Wrekin	5.8	4.2	4.2	4,715	-30	-0.6%	1,285	37.5%
Solihull	5.7	3.9	3.9	4,985	10	0.2%	1,335	36.6%
Worcestershire	5.0	3.5	3.5	12,495	60	0.5%	4,190	50.5%
Warwickshire	4.5	3.2	3.2	11,425	-40	-0.3%	3,595	45.9%
Staffordshire	**4.5**	**3.1**	**3.1**	**16,785**	**85**	**0.5%**	**4,735**	**39.3%**
Shropshire	4.3	2.9	2.9	5,580	5	0.1%	1,570	39.2%
Herefordshire, County of	3.9	2.6	2.6	2,960	5	0.2%	850	40.3%
Tamworth	5.9	4.0	4.2	2,000	90	4.7%	510	34.2%
Cannock Chase	5.2	3.6	3.5	2,255	-25	-1.1%	600	36.3%
East Staffordshire	4.9	3.4	3.4	2,535	0	0.0%	815	47.4%
Newcastle-under-Lyme	4.5	3.0	3.1	2,545	55	2.2%	565	28.5%
South Staffordshire	4.4	3.2	3.1	2,085	-25	-1.2%	775	59.2%
Lichfield	4.2	2.8	2.8	1,730	-5	-0.3%	410	31.1%
Stafford	3.9	2.8	2.8	2,310	-15	-0.6%	655	39.6%
Staffordshire Moorlands	3.6	2.3	2.3	1,320	5	0.4%	400	43.5%

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

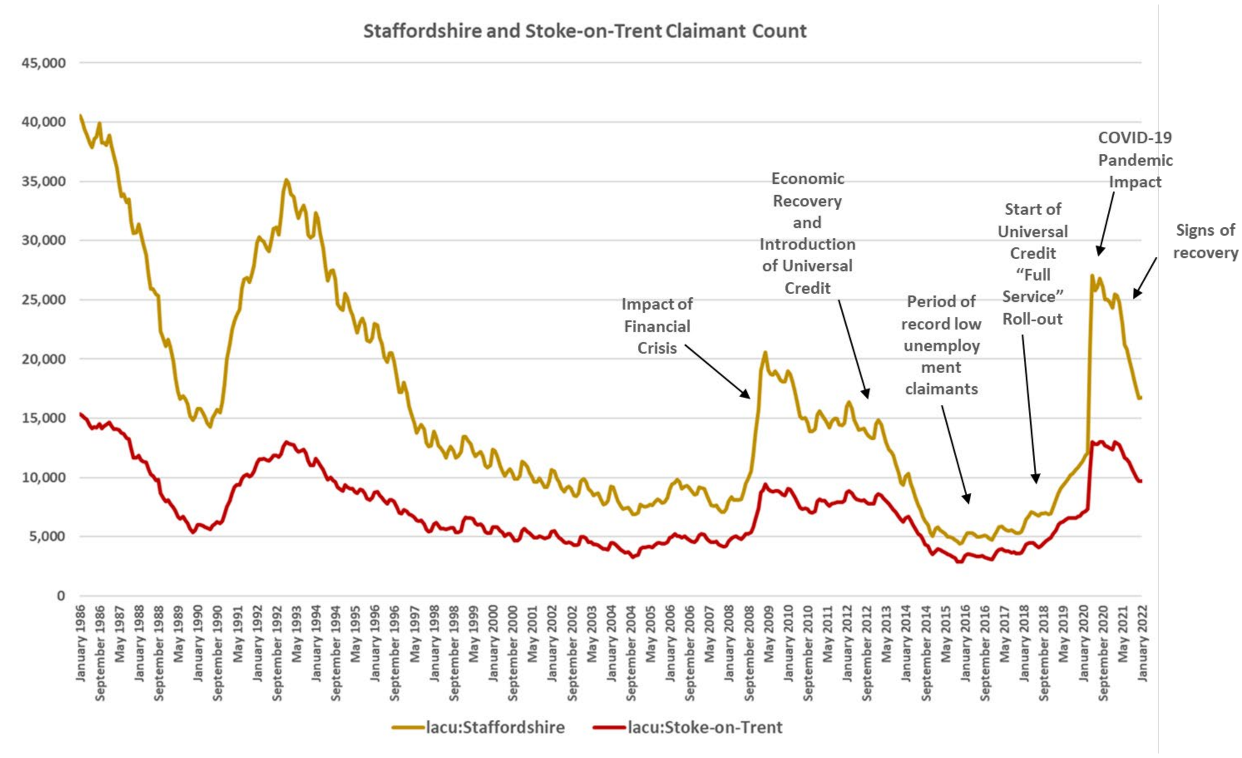
- The claimant count in Staffordshire saw a small increase of 85 claimants between December 2021 and January 2022 to a total of 16,785 claimants, which was in contrast to the small decline seen nationally. The claimant rate has remained at 3.1% of the working age population in January.

- While Stoke-on-Trent saw an increase of 5 over the same period with a total of 9,690 claimants in January, with the rate remaining at 6.1%.

- Having witnessed a long period of labour market recovery with declining work related benefit claimants, these latest figures likely reflect the impact of Omicron restrictions hitting the hospitality and retail sectors with cancellations and declining high street footfall alongside the decline in seasonal jobs that we witness every year between December and January.

[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 39% or 4,735 higher than the level seen in March 2020 (pre-COVID) - however, not all will be out of work.



- 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 3.1% in January compared to 5.4% regionally and 4.4% nationally. In Stoke-on-Trent the Claimant Count rate has declined but remains above both the regional and national averages at 6.1%.

- This month half of the Staffordshire Districts have seen a decline in the number of claimants, with Cannock Chase and South Staffordshire seeing the largest declines of 25 each. While Tamworth with an increase of 90 and Newcastle-under-Lyme with an increase of 55 saw the largest increases in 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.

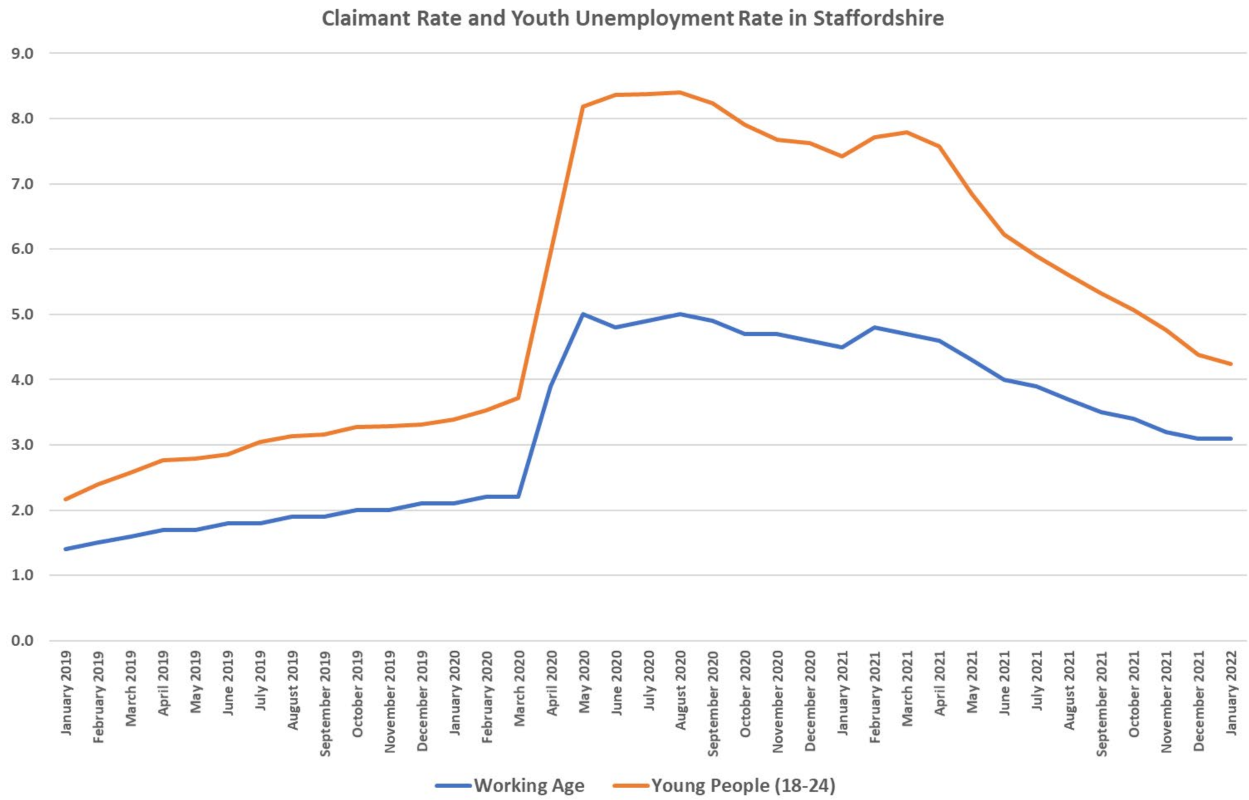
- As well as workers across sectors being impacted differently, there are also signs that it is the lowest paid, young people (particularly apprentices), and part-time workers that are being hardest hit. These groups are more likely to work in sectors that have been impacted the most, such as hospitality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

Youth Claimant Count (Universal Credit) Statistics: January 2022

Area	Youth Claimant Count Rate (Jan 2021)	Youth Claimant Count Rate (Dec 2021)	Youth Claimant Count Rate1 (Jan 2022)	Number of Youth Claimants (Jan 2022)	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	8.8	5.3	5.1	241,930	-5,570	-2.3%	44,200	22.4%
West Midlands	9.7	6.3	6.2	32,765	-585	-1.8%	4,860	17.4%
SSLEP	8.1	5.2	5.0	4,435	-125	-2.7%	615	16.1%
Wolverhampton	15.2	10.4	9.9	2,060	-105	-4.8%	150	7.9%
Sandwell	14.8	9.8	9.7	2,550	-25	-1.0%	435	20.6%
Walsall	13.5	9.2	9.3	2,125	20	1.0%	210	11.0%
Birmingham	11.1	8.0	7.9	10,990	-145	-1.3%	1,885	20.7%
Dudley	12.5	7.8	7.7	1,840	-20	-1.1%	90	5.1%
Stoke on Trent	**10.1**	**7.3**	**7.2**	**1,675**	**30**	**1.8%**	**270**	**19.2%**
Telford and Wrekin	9.7	6.4	6.1	905	-35	-3.7%	145	19.1%
Solihull	10.7	6.0	6.0	925	0	0.0%	100	12.1%
Worcestershire	8.3	4.7	4.7	1,940	15	0.8%	345	21.6%
Staffordshire	**7.4**	**4.4**	**4.2**	**2,760**	**90**	**3.2%**	**345**	**14.3%**
Shropshire	8.0	4.2	4.0	825	-40	-4.6%	0	0.0%
Warwickshire	6.4	4.0	3.9	1,765	-65	-3.6%	430	32.2%
Coventry	5.7	3.8	3.6	1,975	-70	-3.4%	440	28.7%
Herefordshire	6.8	3.5	3.5	425	0	0.0%	10	2.4%
Tamworth	10.9	6.6	6.6	370	0	0.0%	75	25.4%
Cannock Chase	10.1	5.9	5.7	410	-15	-3.5%	45	12.3%
South Staffordshire	7.5	4.8	4.7	365	-10	-2.7%	115	46.0%
East Staffordshire	7.8	4.5	4.2	360	-20	-5.3%	40	12.5%
Lichfield	7.1	4.2	4.1	285	-10	-3.4%	15	5.6%
Stafford	6.9	4.1	3.9	345	-15	-4.2%	30	9.5%
Newcastle-under-Lyme	5.4	3.2	3.2	445	0	0.0%	20	4.7%
Staffordshire Moorlands	6.2	3.2	2.9	180	-20	-10.0%	5	2.9%

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

- Young people aged 18-24 continue to be disproportionately impacted by unemployment where the claimant rate for young people in Staffordshire is now 4.2% compared to 3.1% for all working-age residents, while in Stoke-on-Trent the rate is now at 7.2% in January 2022.



- Encouragingly this month Staffordshire has seen a further decrease in the youth claimant count with a decline of 90 to a total of 2,760, 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 above pre-COVID levels.
- The majority of Staffordshire Districts have seen decreases in youth claimants this month, with the exception of Newcastle-under-Lyme and Tamworth which both saw no change. East Staffordshire and Staffordshire Moorlands saw the largest declines with both seeing a decline of 20 youth claimants.
- Tamworth and Cannock Chase continue to record the highest rates in Staffordshire, both above the national average.
- 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 and the new Skills Bootcamps 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

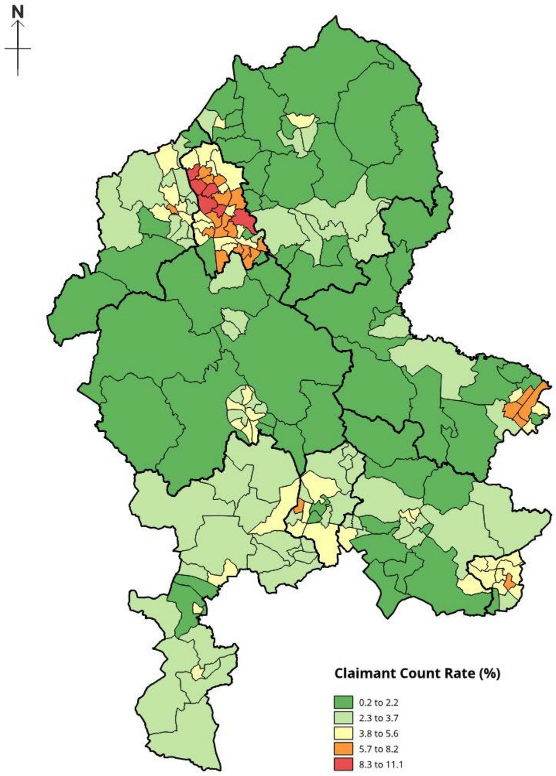
The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

Claimant Count Rate January 2022

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 53 were above the England average of 4.4% 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 (11.1% or 505 claimants), Etruria and Hanley (10.6% or 550) and Moorcroft (10.5% or 385) having the highest rates.

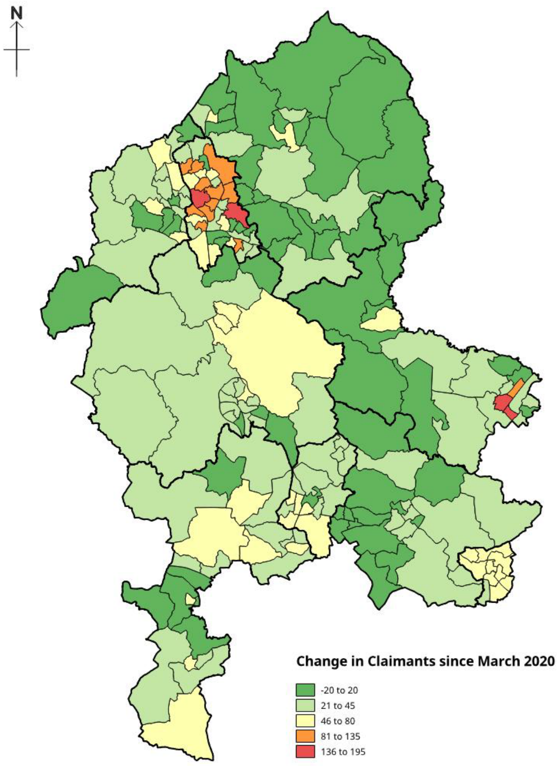
In Staffordshire the 4 wards with the highest claimant count rates were all in East Staffordshire, Anglesey (7.0% or 375), Burton (6.6% or 195), Shobnall (6.5% or 345), and Eton Park (6.0% or 290).



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 (195 increase to 550 claimants), Bentilee and Ubberley (195 rise to 595) and Joiner's Square (130 increase to 505 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 (135 increase to 345).



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

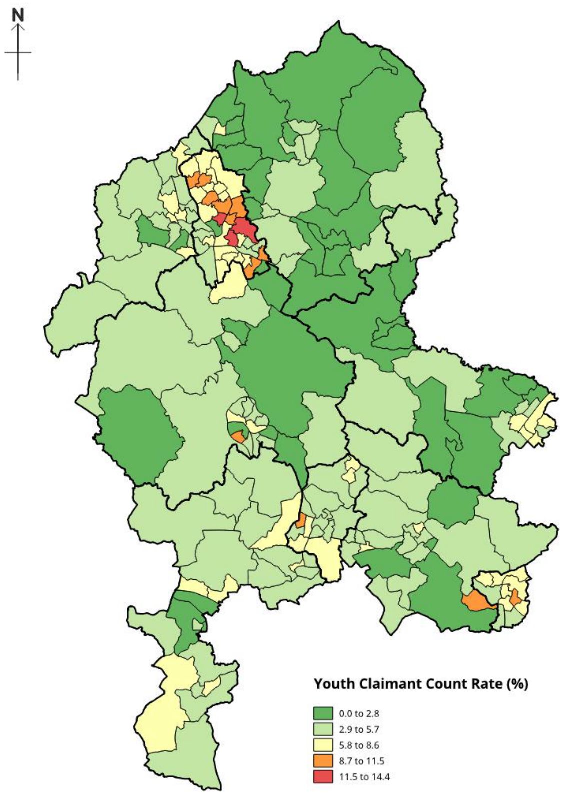
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

Youth Claimant Count Rate January 2022

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 82 were above the England average of 5.1% 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 (14.4% or 110 claimants), Bentilee and Ubberley (12.7% or 115) and Fenton East (11.8% or 55) having the highest rates.

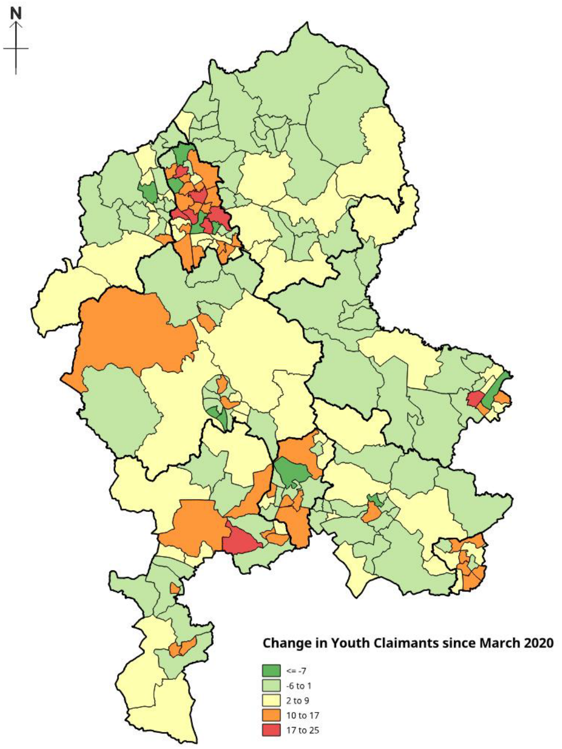
In Staffordshire, the highest rate was Fazeley in Lichfield with 10.9% or 35, followed by Cannock North in Cannock Chase with 10.3% or 55 and Glastcote in Tamworth with 9.5% or 55 youth claimants.



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 8 were in Stoke-on-Trent including Bentilee and Ubberley (25 rise to 115 youth claimants), Hanley Park and Shelton (25 increase to 55 claimants), and Fenton East (20 rise to 55) with the highest rises since March 2020.

In Staffordshire, the highest increases were seen in Shobnall in East Staffordshire (20 rise to 55) and Featherstone and Shareshill in South Staffordshire (20 increase to 50 youth claimants).



Business Insolvencies during the pandemic

This section covers the latest Insolvency Service monthly insolvency statistics[2] for January 2022, which show the number of new companies and individuals who are unable to pay debts and enter a formal insolvency procedure.

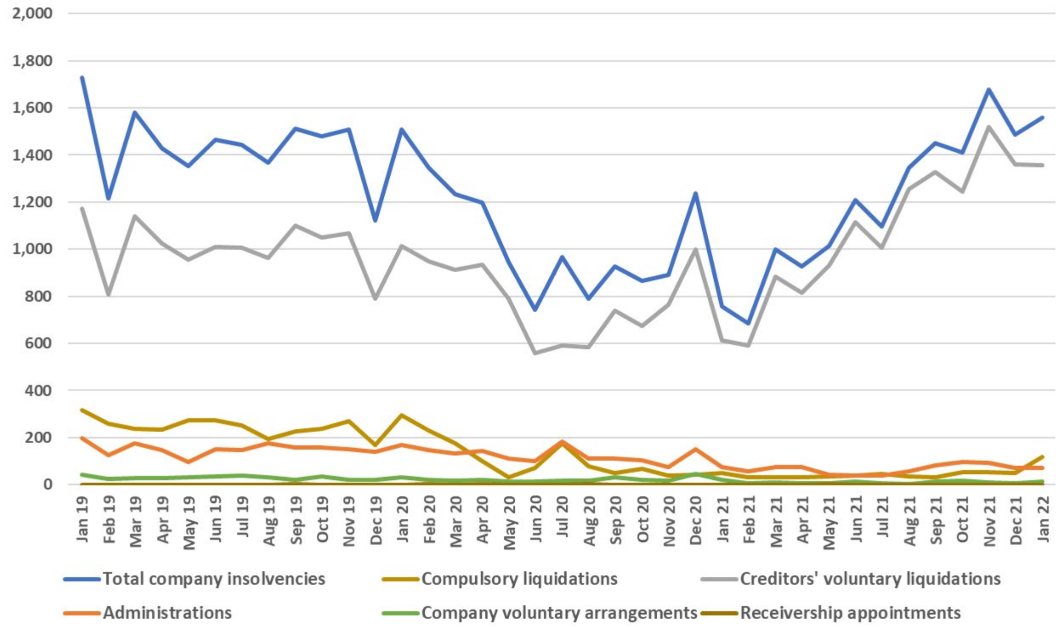
Company Insolvencies

In January 2022 there were a total of 1,560 company insolvencies in England and Wales, comprised of 1,358 creditors' voluntary liquidations (CVLs), 71 administrations, 118 compulsory liquidations, and 13 company voluntary arrangements (CVAs).

The overall number of **company insolvencies increased by more than double (106%) in January 2022 when compared to the same month last year and is now similar (3% 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 February 2021 and January 2022 are now 21% higher compared to a year earlier, representing just over 2,600 more businesses.

Company Insolvencies in England and Wales



Sources: Insolvency Service (compulsory liquidations only); Companies House (all other insolvency types) Figures are provisional.

The sectors to have seen the largest number of company insolvencies between January 2021 and December 2021 are construction (2,582), wholesale and retail (1,722) and accommodation and food (1,674). However, levels are now starting to exceed those seen for the same period the previous year with construction 25% higher, wholesale and retail 2% higher, and accommodation and food just 2% below levels seen a year earlier.

[2] Source: The Insolvency Service https://www.gov.uk/government/statistics/monthly_insolvency_statistics_january_2022

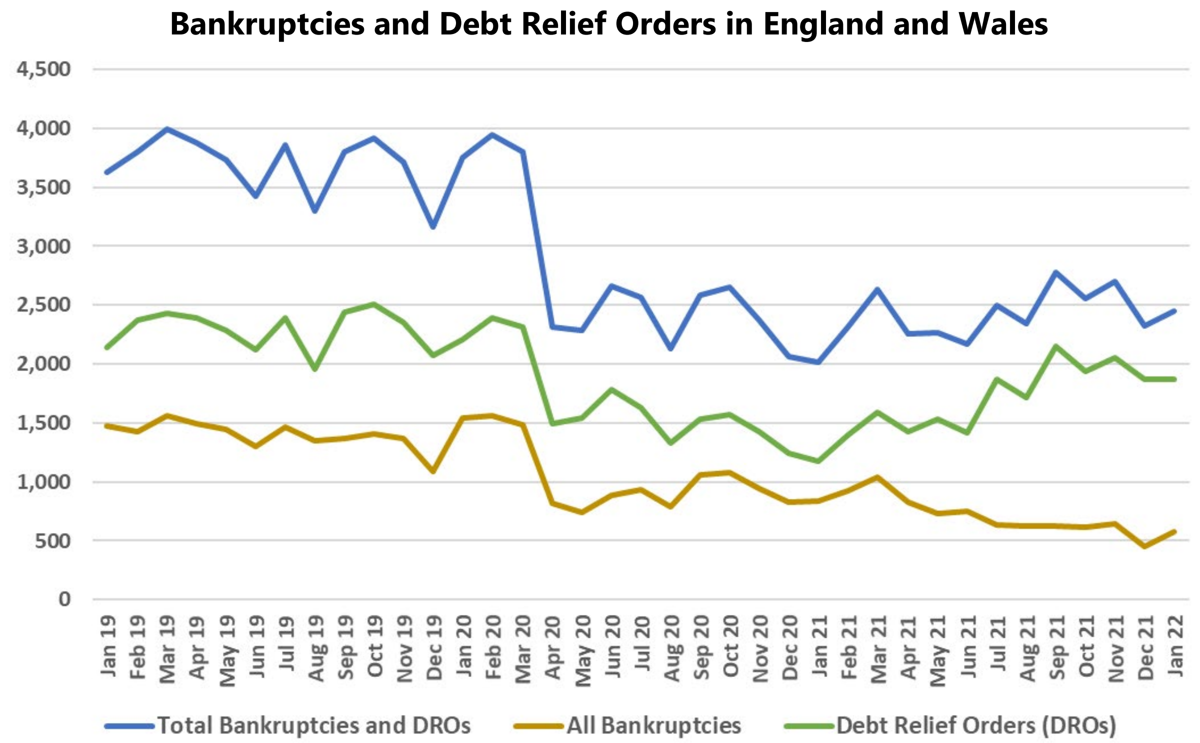
Individual Insolvencies

For individual insolvencies, the number of **bankruptcies in January 2022 was 575** (made up of 507 debtor applications and 68 creditor petitions), while the number of **Debt Relief Orders (DROs) was 1,873**.

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 32% lower than a year earlier and 63% lower than in January 2020, while DROs were 59% higher than in January 2021 but still 15% lower than two years earlier.

Total bankruptcies and DROs between February 2021 and January 2022 are 11% lower than the same period a year earlier, representing over 3,400 fewer.



Individual Voluntary Arrangements (IVAs) is a formal debt solution to pay back debts over a period of time. There were, on average, **6,281 IVAs registered per month in the three-month period ending January 2022,** which is 10% lower than the three-month period ending January 2021 but 5% higher than the three-month period ending January 2020. IVA numbers have remained fairly stable at around 6,000 to 7,000 per month over the past year.

Between the launch of the Breathing Space scheme on 4 May 2021, and 31 January 2022, there were 46,406 registrations, comprised of 45,710 Standard breathing space registrations and 696 Mental Health breathing space registrations.

From the start of the coronavirus (COVID-19) pandemic until mid-2021, overall numbers of company and individual insolvencies were 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. These trends are 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.

On 30 September 2021, some of these temporary measures either ended or were replaced by new tapering measures.

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]

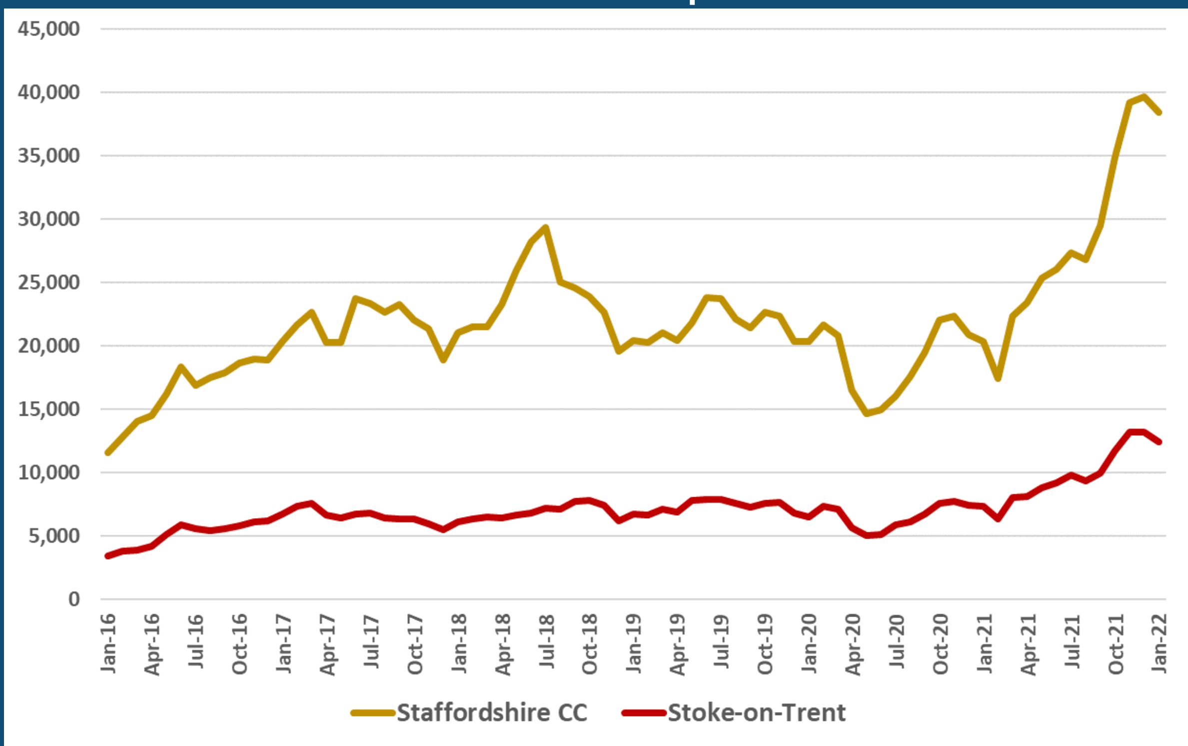
- In January we saw a slight decline in job vacancies in Stoke on Trent and Staffordshire, which was also the case nationally but to a lesser extent. This is likely reflective of reduced recruitment demand following the Christmas period with a decline in seasonal jobs, however, there remains high demand for workers across most parts of the economy to aid the recovery from the pandemic.

- We continue to hear 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 and new Skills Bootcamps has a vital role in upskilling and reskilling jobseekers into areas of demand.

- **Staffordshire saw vacancies decrease by 3% between December and January equivalent to over 1,200 fewer job vacancies, this was higher than the 1% decline seen nationally.**

- **Stoke on Trent saw a 6% decline in vacancies between December and January equivalent to over 700 fewer job vacancies.**

Staffordshire & Stoke on Trent Unique Job Vacancies Trend



[3] Source: EMSI

Monthly Trends in recruitment

- Most occupational groups saw a decline in vacancies during January with the largest falls seen in 'caring, leisure and other service occupations' and 'process, plant and machine operatives' (both 6% decline), while only 'skilled trade occupations' saw a very slight increase. Although it was 'professional occupations' which saw the largest actual decline with a decrease of over 400.

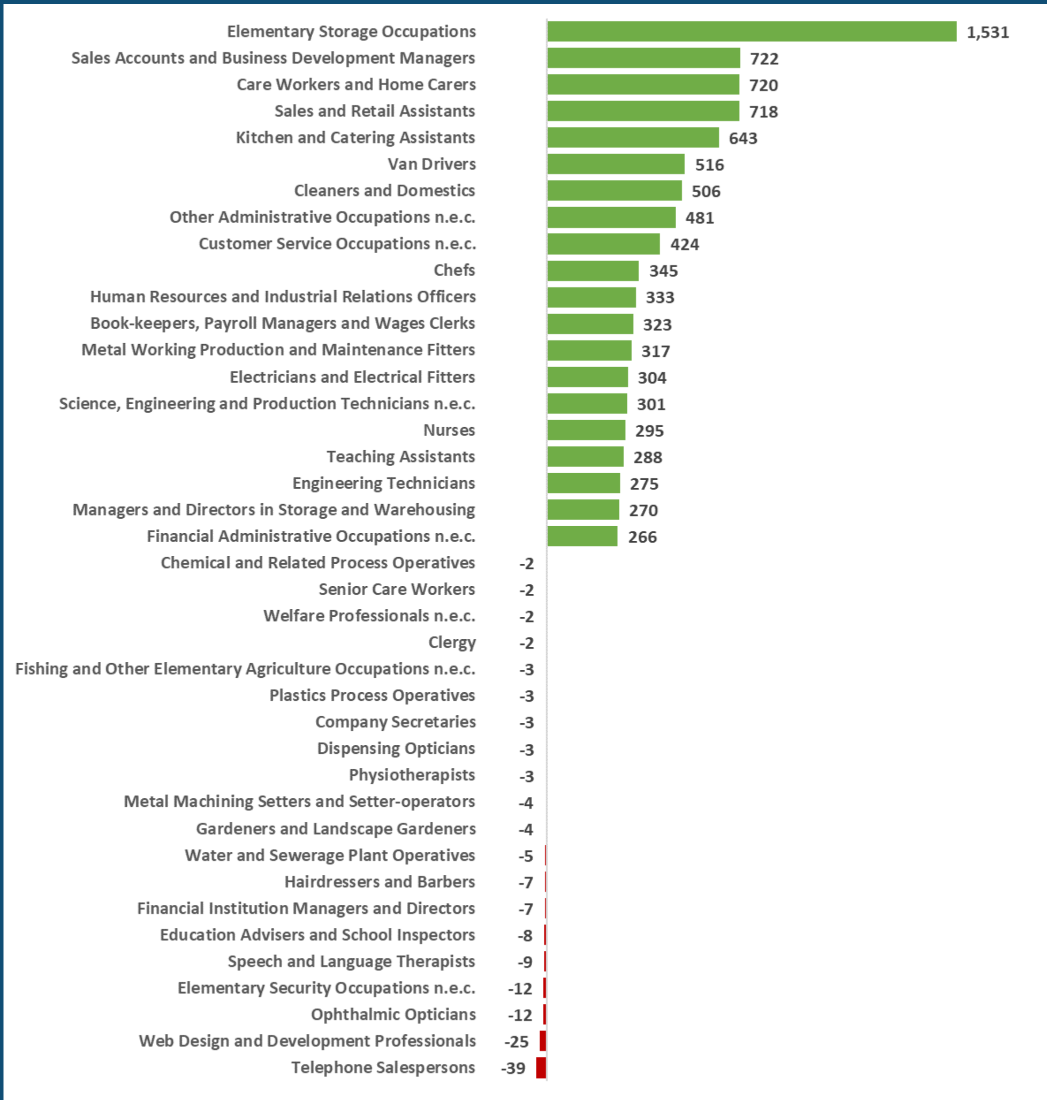
- The occupations to see the most significant increases during January include roles in sectors experiencing recruitment difficulties and occupations to support business recovery and growth including:
    - **Manufacturing** including 'welding trades', 'production and process engineers', 'quality control and planning engineers' and 'design and development engineers';
    - **Logistics** including 'heavy goods vehicle drivers' and 'pickers/packers';
    - **Hospitality** including 'chefs';
    - **Health and Social Care** including 'nurses' and 'social care workers';
    - **Retail** including 'retail sale assistants';
    - **Cross cutting occupations** in demand include 'financial administrative occupations n.e.c.', 'quality assurance and regulatory professionals', 'buyers and procurement officers', 'customer service occupations n.e.c.', 'customer service managers and supervisors', 'purchasing managers and directors', 'business and financial project management professionals', 'data analysts', and 'financial managers and directors'.

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';
    - **Digital** including 'programmers and software development professionals', 'IT specialist managers', 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 Jan 2022 in SSLEP



Top Occupations in Demand

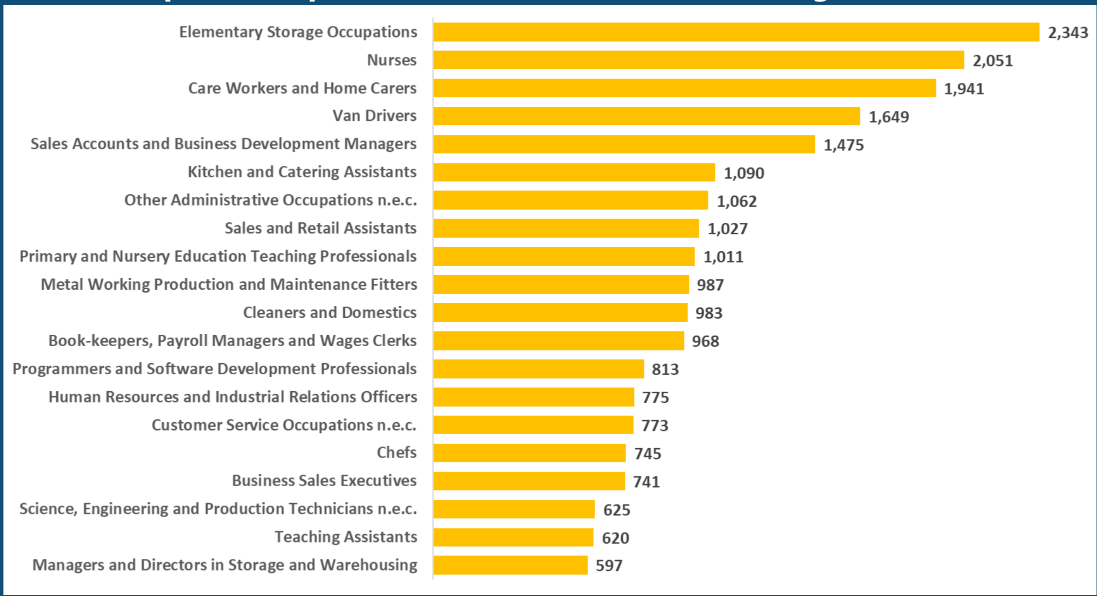
- However, even with these changes in recruitment during the last month, demand for roles in logistics such as **elementary storage occupations and van drivers** (as well as managers and directors in storage and warehousing to a lesser extent) alongside roles in health and social care including **nurses and social care workers and home carers** remain 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 **admin roles, cleaners, book keepers, programmers and software development professionals, human resources and industrial relations officers, customer service occupations, and business sales executives.**

Top 20 occupations in demand in SSLEP during Jan 2022



- 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. Also encouraging those that have become economically inactive due to COVID will further help to address the labour and skills gap.

Job Vacancies Summary Table

Area / SSLEP Occupational Group	Feb 2020 Unique Postings	Jan 2021 Unique Postings	Nov 2021 Unique Postings	Dec 2021 Unique Postings	Jan 2022 Unique Postings	Dec 2021-Jan 2022 (Month on Month Change)	Dec 2021-Jan 2022 Monthly % Change	Feb 2020-Jan 2022 (Month on Month Change)	Feb 2020-Jan 2022 Monthly % Change	Jan 2021-Jan 2022 (Year on Year Change)	Jan 2021-Jan 2022 Annual % Change
Staffordshire CC	21,682	20,324	39,212	39,646	38,427	-1,219	-3%	16,745	77%	18,103	89%
Stoke-on-Trent	7,380	7,345	13,219	13,180	12,434	-746	-6%	5,054	68%	5,089	69%
SSLEP	29,062	27,669	52,431	52,826	50,861	-1,965	-4%	21,799	75%	23,192	84%
West Midlands	195,778	177,439	326,913	330,222	314,794	-15,428	-5%	119,016	61%	137,355	77%
England	2,233,374	2,057,937	3,555,139	3,604,872	3,564,069	-40,803	-1%	1,330,695	60%	1,506,132	73%
South Staffordshire	655	781	2,318	2,293	2,144	-149	-6%	1,489	227%	1,363	175%
Lichfield	2,544	2,537	5,442	5,547	5,284	-263	-5%	2,740	108%	2,747	108%
Stafford	4,919	5,155	9,700	10,087	10,002	-85	-1%	5,083	103%	4,847	94%
East Staffordshire	3,698	3,815	7,194	7,017	7,181	164	2%	3,483	94%	3,366	88%
Newcastle-under-Lyme	1,680	1,662	3,483	3,358	3,224	-134	-4%	1,544	92%	1,562	94%
Cannock Chase	2,669	2,520	4,565	4,632	4,172	-460	-10%	1,503	56%	1,652	66%
Tamworth	3,418	2,572	4,688	4,897	4,555	-342	-7%	1,137	33%	1,983	77%
Staffordshire Moorlands	2,099	1,278	1,815	1,804	1,848	44	2%	-251	-12%	570	45%
Elementary Occupations	2,483	2,590	6,347	6,238	5,931	-307	-5%	3,448	139%	3,341	129%
Sales and Customer Service Occupations	1,251	830	2,703	2,842	2,761	-81	-3%	1,510	121%	1,931	233%
Skilled Trades Occupations	2,646	2,368	4,895	4,858	4,871	13	0%	2,225	84%	2,503	106%
Administrative and Secretarial Occupations	3,003	2,560	5,884	5,549	5,463	-86	-2%	2,460	82%	2,903	113%
Managers, Directors and Senior Officials	1,955	2,035	3,661	3,664	3,473	-191	-5%	1,518	78%	1,438	71%
Associate Professional and Technical Occupations	5,656	4,928	9,887	10,142	9,763	-379	-4%	4,107	73%	4,835	98%
Caring, Leisure and Other Service Occupations	2,697	2,621	4,491	4,604	4,331	-273	-6%	1,634	61%	1,710	65%
Process, Plant and Machine Operatives	2,244	2,096	3,649	3,734	3,512	-222	-6%	1,268	57%	1,416	68%
Professional Occupations	7,127	7,641	10,914	11,195	10,756	-439	-4%	3,629	51%	3,115	41%

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.