Staffordshire County Council

Stoke-on-Trent & Staffordshire Enterprise Partnership

Staffordshire
Means
Back to Business

Economic Bulletin - Issue 20 – March 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

COVID Context

- Over the last month the Prime Minister announced more details of the government's **'Living with COVID 19' plan,** including the removal of all COVID 19 restrictions and self isolation laws and changes to testing and isolation rules.
- The **Scientific Advisory Group for Emergencies (Sage)** has also been stood down in a clear sign that the Government believes the coronavirus pandemic is over. Although the group "stands ready if required" it will no longer meet regularly, the first time it has halted its ongoing response since January 2020, after the Government acknowledged that Britain has entered a new phase of its response.
- However, the **British Medical Association** has said that ending all COVID 19 restrictions is premature and "not based on current evidence", with concern that dropping testing and self isolation could lead to a surge in cases.
- Latest **COVID infections** data shows that cases are rising, with the figures from the UK Health Security Agency showing a rise of more than half a million infections to 516,289 cases within 28 days of a positive test have been reported in the last seven days, as of Wednesday 16 March.
- England's COVID **R number** currently stands between at 1.1 to 1.4, has increased from 0.8 to 1.1. An R number between 1.1 and 1.4 means that for every 10 people infected, they will on average infect between 11 and 14 other people.
- Health and Social Care Secretary Sajid Javid said this rise was "expected" following the easing of restrictions in England and that the UK remains in a "very good position".
- There is also a **new sub variant of Omicron, dubbed 'Stealth Omicron'** is thought to be more transmissible and currently the most common in the UK, but the **ONS** say it is too early to attribute the rise in cases to this.
- **Hospital admissions** have also seen a slight rise recently to 13.4 per 100,000 but remain far lower than previous waves (36 per 100,000 in January 2021).
- However, although infections and hospitalisations have increased there has been a steep reduction in **fatalities** linked to the virus, with a study by **Cambridge University** showing that around 1 in 1,000 Covid infections proving fatal.
- The Government is now urging adults eligible for **booster jabs** to get them to help prevent the spread of COVID and reduce the likelihood of severe illness from infection.
- An additional booster dose is now available to all adults aged 75 and over and the most vulnerable over 12s in the UK including residents in care homes and those with weakened immune systems, to help top up their protection against severe COVID 19. The UK's vaccines advisers said many of the oldest received their latest shot last autumn and immunity may now be waning, while an autumn booster programme aimed at a

wider group of people is also planned later this year.

- It is clear that although the Government has made further steps aimed at **transitioning "back to normality"** as part of living with COVID, the virus is still prevalent and poses a risk. The pandemic has and continues to have an **impact on the health of the UK population** with more than a third of working age people in the UK now suffer from a long term illness, with latest ONS figures showing that nearly 14.2 million people in the UK aged 16 to 64 said they had a health condition lasting for at least 12 months in 2021 a rise of 1.2 million during the two years of the pandemic. Post Covid conditions, including Long Covid, breathing difficulties and mental health problems, are among the causes, according to disability charities and health campaigners.
- As well as the ongoing impact of COVID there remain real concerns regarding the **threat of potential new variants**, with Government advisors raising the possibility that the next coronavirus variants "could be more severe" than Omicron and future winters will be "tricky". England's Chief Medical Officer Professor Sir Chris Whitty stressed that new Covid variants may cause "significant problems", including potentially a higher risk of hospitalisation than Omicron, while Chief Scientific Adviser Sir Patrick Vallance added that "the virus will continue to evolve and it will probably be quite fast for the next five years".
- Clearly, the continuing protection provided by the **vaccination programme and further scientific advancements** to address COVID will be crucial in ensuring the plan to live with COVID is achieved without further avoidable loss of life.

Economic Impact and Support

War in Ukraine, Inflation and Cost of Living Crisis

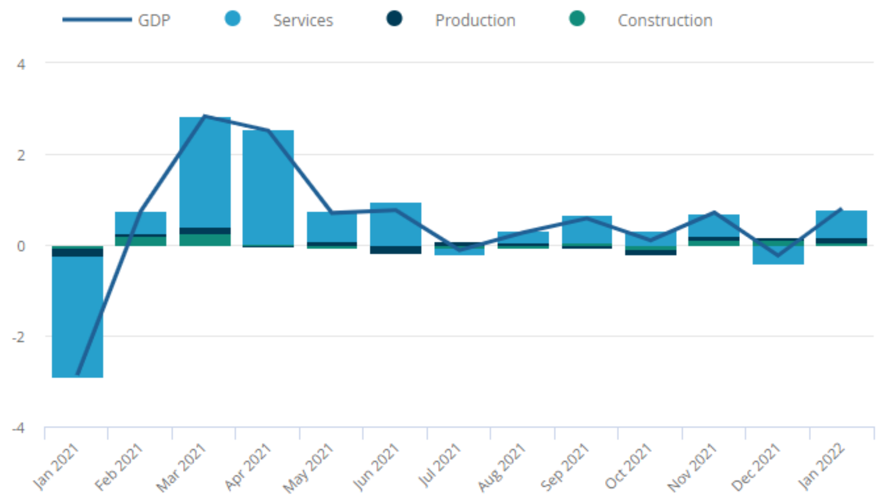
- Although clearly the loss of lives in Ukraine is by far the biggest concern, at a time when we were continuing to see the economy recover from COVID the destabilising shock from the **war in Ukraine** is expected to slow the recovery and brings significant economic uncertainty for the global and UK economy.
- The **World Bank** has called the war in Ukraine "**a catastrophe**" for the world which will cut global economic growth due to the impact on energy, fuel and food prices at a time of already rising inflation.
- The **UK economy (GDP)** grew by 0.8% in January as the impact of the Omicron variant began to ease and is now 0.8% above its pre pandemic level (February 2020). While UK finances also improved in January as **tax revenues** grew.
- All sectors contributed positively to GDP growth in January 2022. **Services** were the main driver contributing 0.6 percentage points, with **production and construction** both contributing 0.1 percentage points.
- **Services** output grew by 0.8% in January 2022 and is 1.3% above its pre pandemic level.

- **Wholesale and retail trade** grew by 2.5% in January 2022 and was the main contributor to January's growth in services. The main driver of this growth was wholesale trade, which grew by 3.8%. This partly reflects a bounce back following weakness in December because of the impact of the Omicron variant.
- **Production** output increased by 0.7% in January 2022, primarily driven by 0.8% growth in manufacturing and is now 2.0% below pre pandemic level.
- **Construction** output increased 1.1% in January and is now 1.4% above pre pandemic level. This is the third consecutive monthly growth greater than 1.0%.

GDP Monthly index, January 2007 to January 2022, UK

Services were the main contributor to GDP's 0.8% rise in January 2022

Contributions to monthly GDP growth, percentage points, January 2021 to January 2022, UK



Source: Office for National Statistics – GDP Monthly estimates

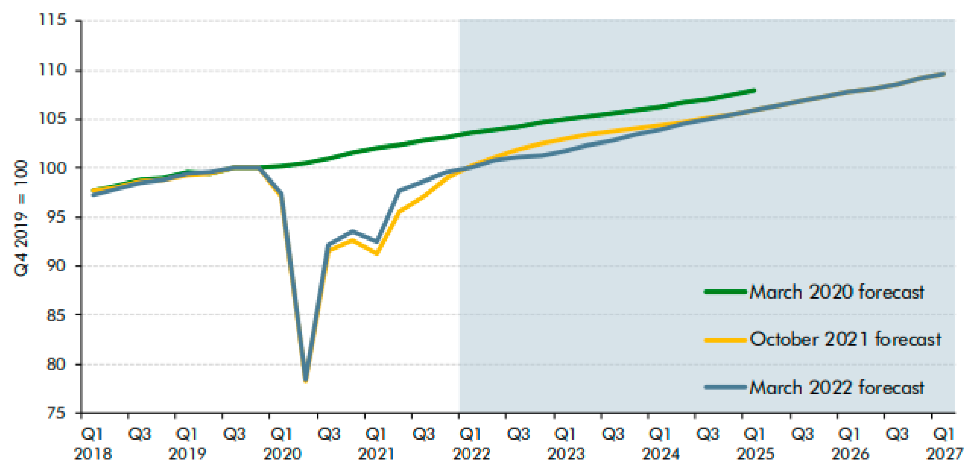
- However, there are growing concerns regarding the **impact of the war on the UK economy** and **raising inflationary pressures** further impacting the **cost of living**. The

British Chamber of Commerce has warned that the UK faced a **higher risk of recession** as the impact of the Ukraine conflict would add to the **sharp rise in living costs.**

- The conflict in Ukraine pushed the **price of oil** to its highest level for nearly 14 years at one point and this has had a knock on impact on **fuel costs**, with UK petrol prices hitting record highs. Positively motoring groups including **The AA** feel that fuel prices may start to ease due to trade figures showing fuel wholesale costs were beginning to drop. Although they have also stated that this was a "lull before the storm" of more price hikes where if more stringent sanctions are imposed upon Russia and five million barrels a day is truly taken out of the market, then oil prices would have “no ceiling”.
- **Gas prices** have also soared, in April the Ofgem price cap will rise to nearly £2,000, equivalent to a 54 per cent increase which is at least 14 times faster than the 3.75 per cent rise in average wages this year, potentially wiping out or exceeding pay rises, according to research by the **Trades Union Congress.** However, **National Energy Action** are predicting that the war in Ukraine could continue to push up wholesale prices and mean that average energy bills could reach £3,000 per year in October. This could lead to the number of households in **fuel poverty** doubling in a year to 8.5 million households in serious financial difficulty from fuel bills, equivalent to 30% of homes.
- Plans to **ban or curb Russian oil and gas imports** will further hit UK living standards. The UK gets 8 per cent of its oil from Russia and the UK Government has introduced plans to phase out these imports by the end of 2022.
- **Food prices** such as grain have also jumped as both Russia and Ukraine are major global producers, particularly of wheat, alongside essential raw materials for food production such as fertiliser.
- In the **UK retail price annual inflation** accelerated to 1.8 per cent in February, up from 1.5 per cent in January, the highest rate of inflation since November 2011. Rapidly rising food prices, particularly for fresh produce remained the key driver behind inflated prices. Ronald Kers, the boss of food firm **2 Sisters** has forecast that the cost of food could rise by up to 15% this year due to the war.
- The Bank of England has further raised **interest rates** to try to calm inflation with a rise from 0.5% to 0.75% the highest level since March 2020, when COVID lockdowns began. The Bank has warned **inflation** which stands at a 30 year high of 6.2% may reach 8% and possibly higher in the coming months.
- Overall, **higher commodity prices and a potential Russian recession** are likely to dampen growth and risk a recession in the UK by exacerbating the already acute inflationary squeeze on consumers and businesses and derailing the supply of critical commodities to many sectors of the economy.

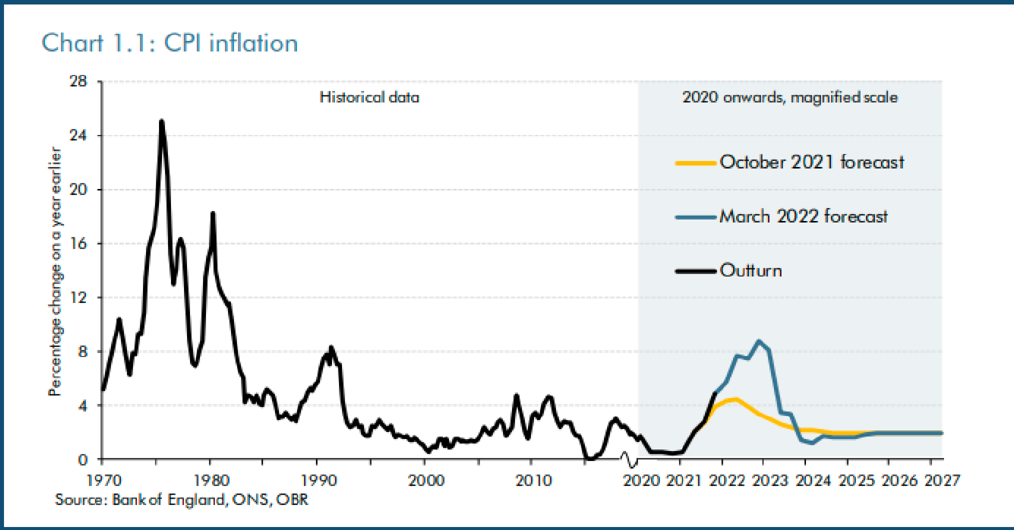
- In the **first major forecast of the UK economy since the Russian invasion of Ukraine**, the **British Chambers of Commerce (BCC)** said it expected an inflation rate of 8% to cut disposable incomes in 2022, putting the brakes on the recovery from the pandemic. In its previous forecast, the BCC expected GDP to expand by 4.2%, but after a wide ranging review it said growth would fall to 3.6%   less than half the 7.5% expansion in national income seen last year.
- To ease this pressure on consumers and businesses there have been increasing calls for the Chancellor to halt the intended **tax rises** this year. Business leaders are asking for a delay to a **planned £12 billion rise in national insurance**. The manufacturing trade body **Make UK** said the tax rise planned for April should be pushed back until the UK economy is in a stronger position, while the **Confederation of British Industry** urged the Chancellor to set out a range of tax cuts and spending commitments to offset the impact of rising inflation on firms.
- In light of this the Chancellor has outlined his plans to tackle inflationary pressures and the rising cost of living in his **Spring Statement**, main points and measures include:
  State of the economy and public finances
    - The **UK economy is forecast** to grow by 3.8% this year, according to the **Office for Budget Responsibility (OBR)**, a sharp cut from its previous prediction of 6.0%. The economy is then forecast to grow by 1.8% in 2023 and 2.1% in 2024;

Chart 1.4: Real GDP

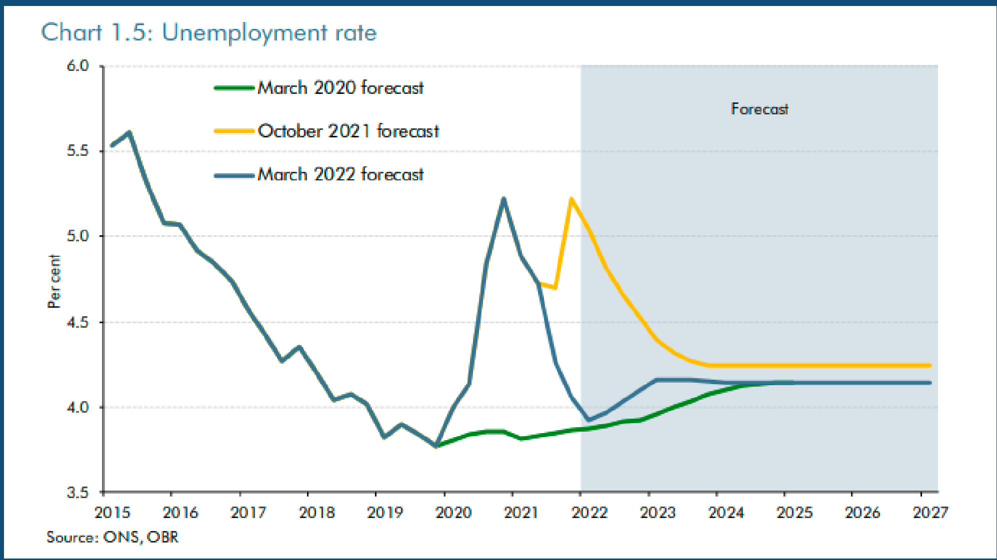


Note: Outturn data are consistent with the first estimate of the fourth quarter of 2021.
Source: ONS, OBR

    - The annual **inflation** rate was 6.2% in February, and is likely to average 7.4% for the rest of this year, but with peak of 8.7% in the final quarter of 2022;



- The **unemployment rate**, which is currently at 3.9%, is now predicted to be lower in every year of the OBR's forecast;



- The number of **people employed** between now and 2027 is expected to be 400,000 lower than before the pandemic. This is because of early retirements, long term sickness and fewer workers arriving in the UK;
- **Borrowing** as a percentage of GDP is expected to fall from 83.5% of GDP in 2022/23 to 79.8% in 2026/27;
- The government is forecast to spend £83bn on **debt** interest in the next financial year, the highest on record.

Fuel, energy and living costs

- **Fuel duty** will be cut by 5p per litre until March 2023;
- Homeowners installing **energy efficiency** materials such as solar panels, heat pumps, or insulation installed will not pay **VAT**;
- Local authorities will get another £500m for the **Household Support Fund** from April, creating a £1bn fund to help vulnerable households with rising living costs.

Taxation

- The income threshold for at which point people start paying **National Insurance** will rise by £3,000 to £12,570 in July, which Mr Sunak said was tax cut for employees worth over £330 a year;
- Mr Sunak pledged to cut basic rate of **income tax** from 20p to 19p in the pound before the end of Parliament in 2024;
- The **Employment Allowance**, which gives relief to smaller businesses' National Insurance payments, will increase from £4,000 to £5,000 from April;
- Retail hospitality and leisure sectors will have a 50% discount in **business rates** up to £110,000.

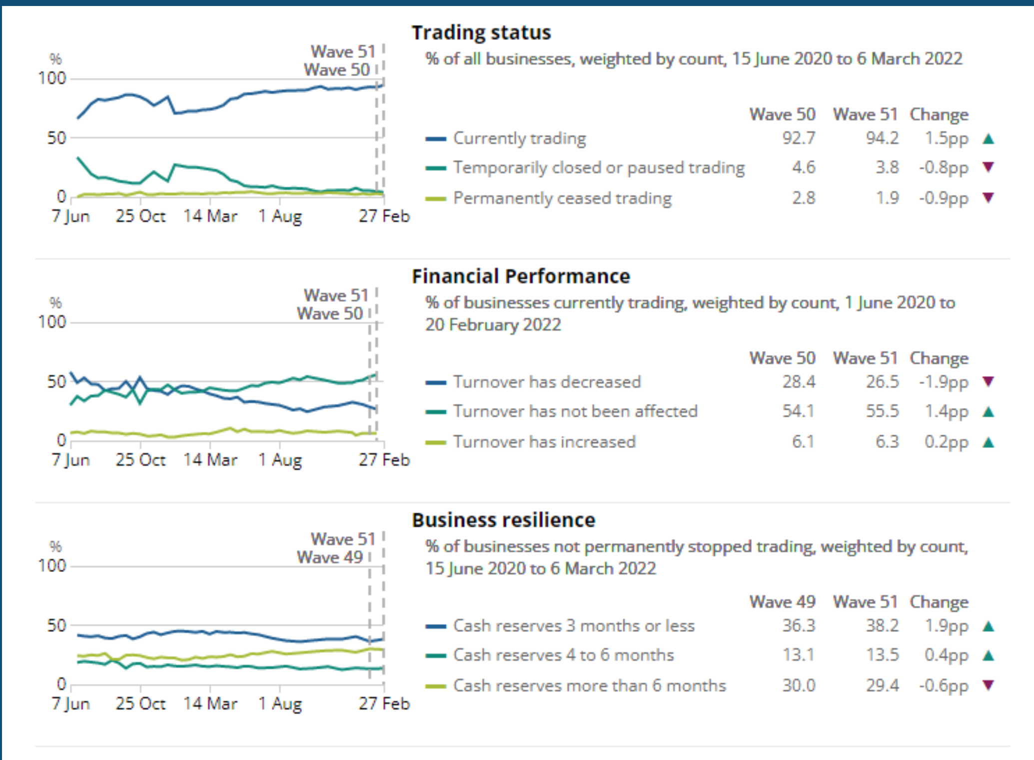
- The Chancellor has also given the go ahead for cheap **taxpayer backed loans to help homeowners install heat pumps, solar panels and other energy efficiency measures to combat rising fuel bills**. The Chancellor has reportedly told the Government's new infrastructure bank to use some of its £22 billion of investment funds to tackle the rising cost of living, with the move expected to help high street banks offer loans at low interest rates for energy efficiency projects which will pay for themselves by reducing utility bills.
- The Government has launched a consultation on whether to introduce an **online sales tax** which would help to **fund a reduction in business rates**. A three month consultation into the new levy will look at issues such as which products and services could be targeted and whether it would be a flat rate per transactions or per delivery.
- The **Public Account Committee** has said "taxpayers will be exposed to financial risks for decades" following **fraudulent use of the Government's support schemes** during the pandemic. Previous official figures estimated the Government is unlikely to recoup up to £21 billion of COVID 19 loans to business.
- Britain's **pay squeeze** deepened at the start of the year as wages fell in real terms at the sharpest rate for more than seven years. Average earnings increased by 3.8 per cent in the three months to January according to the **Office for National Statistics**, up from 3.7 per cent the month before but are not keeping up with inflation, which is now at a three decade high and expected to intensify.
- Unless further support is put in place the **Resolution Foundation** has estimated that the increase in cost of living is likely to see the typical **household income fall** by around £1,000 this year in real terms, the biggest real terms fall in incomes since the mid 1970s. This situation is likely to be further worsened by the impact of the war in Ukraine.
- The Resolution Foundation has also warned that **inflation could reach more than 10 per cent for the poorest families** if there is a second sharp rise this autumn. It said food price inflation is two percentage points above its historic average and the poorest

tenth of households spend twice the share of their family budgets on food and energy bills compared with the richest tenth.

- Clearly, there are growing concerns regarding the **level and extent of debt** across communities, with a survey by debt charity **StepChange** finding that one in five people think they will end up in debt this year and won't be able to pay it back. It found 42 per cent of people will struggle to pay energy and council tax bills. A report by the **Centre for Social Justice** has also found more than one million people are in debt to loan sharks 700,000 more than previously thought and includes middle income families.
- The number of people **homeless** in England is predicted to increase by a third by 2024 with councils warning of a "tidal wave" of need caused by benefits freezes, soaring food and energy bills and the end of Covid eviction bans. More than 66,000 more people will be homeless by 2024, with the bulk of the increase being among people forced to "sofa surf", according to annual forecasts by housing charity **Crisis and Heriot Watt University**, with 8,000 more people rough sleeping and 9,000 people forced into unsuitable temporary accommodation.

Business challenges

- Beyond the cost of living crisis, there are lingering **business issues including commodity costs, wage pressures and supply chain constraints** and persistent **labour market challenges.**
- The following charts show the latest results from Wave 51 of the **ONS Business Insights and Conditions Survey (BICS)**, which was live for the period 21 February to 6 March 2022.



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

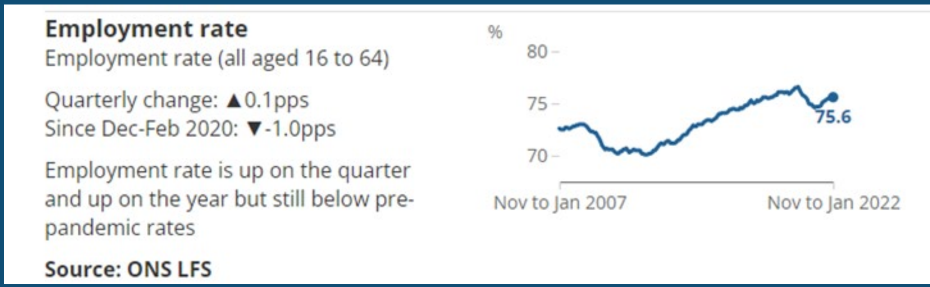
- In late February 2022, the percentage of **currently trading businesses** rose to 94%, its highest level since comparable estimates began in June 2020.
- For businesses not permanently stopped trading, data suggest that fewer employees were **working from home** (11%), and more have moved to using a **hybrid model of working** (19%) in early February 2022; these figures have changed from 15% and 16% respectively in early January 2022.
- According to a survey for the **Chartered Institute of Management (CMI)** around 80 per cent of firms have adopted **hybrid working**, the highest level since the pandemic. Large companies were more likely than small ones to have brought in hybrid working practices, while jobs in factories, transport and trades were less likely to offer the option.
- Approximately one in six (16%) businesses not permanently stopped trading experienced **global supply chain disruption** in the last month; this is unchanged from January 2022.
- Businesses not permanently stopped trading reported **hourly wages were higher than normal** for both existing (12%) and new employees (10%) in the last month; among businesses in the **accommodation and food service activities industry**, 37% and 33% reported hourly wages were higher for existing and new employees in the last month, up by 22 and 9 percentage points respectively, from January 2022.
- Three in five (60%) of businesses not permanently stopped trading reported they have **concerns for their business in the next month; the top two concerns were inflation of goods and services prices** (21%) **and energy prices** (15%).
- In late February 2022, 5% of businesses reported that they have **low or no confidence of surviving the next three months**; this percentage has fallen steadily since early December 2021; meanwhile, 38% of businesses reported to have **three months or less of cash reserves**, including no reserves.
- Problems with **trading conditions and 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

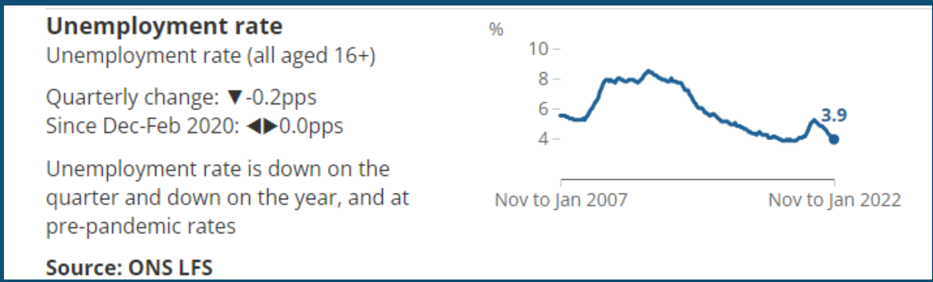
survey of 500 leaders of medium sized businesses reveals a third of businesses in the region are planning to **increase the prices of their goods and services** as a result.

- The overall number of **company insolvencies in England and Wales increased by more than double (121%) in February 2022 when compared to the same month last year and is now 13% 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 the coming months, the impact of the energy crisis and the phased withdrawal of temporary prohibitions are likely to push recorded corporate insolvencies materially higher. Inflationary pressures also loom, with materially rising input costs such as shipping, haulage, supply chain issues, wages, and commodities impairing cash flows, and few costs dropping to counterbalance those increases.
- More than 17,000 **retail chain store outlets** closed across Britain last year, according to figures compiled by the **Local Data Company** for the accountancy firm PwC, reflecting the rise of online shopping and the impact of the pandemic. However, the data suggests the rate of closures is slowing as more independent firms take on space.
- **RedFlagAlert data for Stoke and Staffordshire** (February) shows that 9.9% of firms (with 10 or more employees) show some signs of **financial stress**, which is in line with the national average. However, financial stress was higher than average for firms with 250+ employees, some 14.8% of firms in that employment size band, compared with the equivalent national average of 10.5%.

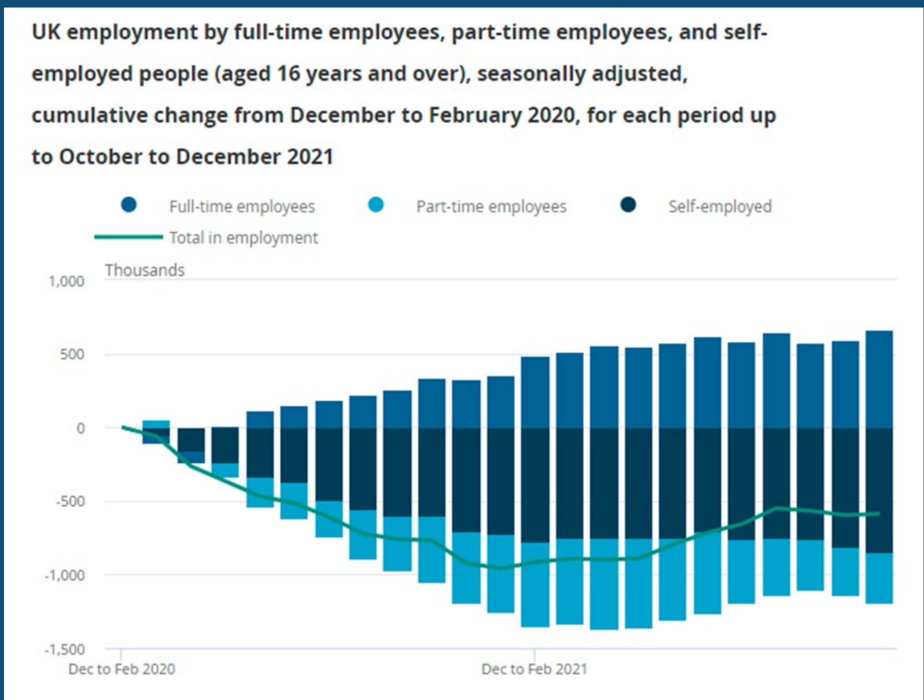
Labour Market

- 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.

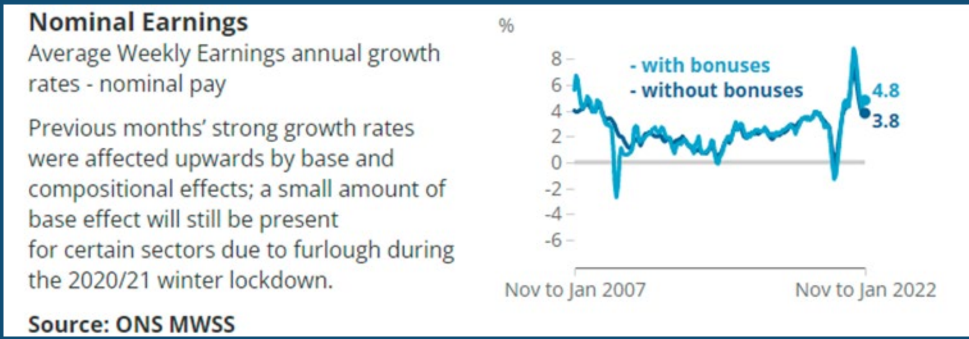




- The UK **employment rate** increased by 0.1 percentage points on the quarter to 75.6%. **Full time employees** drove the increase in the employment rate during the latest three month period. While the number of **part time employees** decreased strongly during the coronavirus (COVID 19) pandemic, it has been increasing since April to June 2021. However, the number of **self employed workers** remains low following decreases through the coronavirus pandemic. Overall, the number in employment is still 580,000 below pre pandemic level.



- **Payrolled employees** shows another monthly increase (up 275,000) in February 2022 to a record 29.7 million.
- The **unemployment rate** decreased by 0.2 percentage points on the quarter to 3.9% the same as pre pandemic, while the **economic inactivity rate** increased by 0.1 percentage points to 21.3%. During the coronavirus pandemic, increases in economic inactivity compared with the previous three month period were largely driven by those aged 16 to 24 years. However, the number of economically inactive people aged 16 to 24 years has been decreasing since early 2021, with **those aged 50 to 64 years driving the recent increases in economic inactivity**. Overall, the number economically inactive is 420,000 above pre pandemic level.
- The **new Over 50s Lifestyle Study (OLS)** asks those who left work during the pandemic about why they left and whether they intend to return. Of those who had not returned to work, retirement was by far the most common reason for leaving paid work among people aged 50 to 70 years (47%), followed by the coronavirus pandemic (15%). Compared with those who left work before the pandemic, those who left during the pandemic were more likely to:
    - have left work sooner than they were expecting (63% compared with 54%)
    - have left work not by choice (25% compared with 20%)
    - consider returning to work (39% compared with 19%)
- The latter point indicates that there is an opportunity to potentially attract such workers back into the workforce.
- The number of **job vacancies** in December 2021 to February 2022 rose to a new record of 1,318,000. This is an increase of 105,000 from last quarter, with half of the industry sectors showing record highs. However, the rate of growth in vacancies continued to slow down. The ratio of unemployed people to every vacancy fell to a new record low of 1.0.
- Growth in **average total pay (including bonuses)** was 4.8% and growth in **regular pay (excluding bonuses)** was 3.8% among employees in November 2021 to January 2022. However, in **real terms (adjusted for inflation),** growth in total pay was 0.1% and regular pay fell on the year at negative 1.0%; strong bonus payments over the past 6 months have kept recent real total pay growth positive. 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 **Local Government Association (LGA)** has warned that children could be put at risk as the number of **children's social care workers** quitting their roles has hit a five year high. Councils have warned that the COVID 19 pandemic, rising demand for help and funding reductions have created staffing pressures.
- While in **adult social care** record high **petrol prices** are threatening the future of care companies as they struggle to compensate staff who are at risk of leaving the sector. Cathie Williams, chief executive of the Association of Directors of Adult Social Services, said: "The continued rising costs of petrol in addition to fuel, food and national minimum wage increases are of concern. This will mean even fewer people getting the care and support they need and more providers going out of business."
- More positively for the social care sector, we saw **regulations requiring care workers to be vaccinated** against COVID 19 lifted from 15 March in England. The Government says things have changed since the policy was made in preparation for a tough autumn and winter and it says the UK population now has lots of immunity to the virus thanks to vaccines.
- It has been found that **caring roles block career advancement** with three out of five women say their caring responsibilities for children and other vulnerable or elderly relatives are preventing them from applying for a new job or promotion, while only one in five men say the same, according to new research. The poll of 5,444 people by **Ipsos Mori** and the charity **Business in the Community** found that nearly half the workforce are combining paid work and care, while almost three in 10 adults have left or considered leaving a job because of difficulties in balancing work and care.

Local Picture

- The claimant count in Staffordshire saw an **increase of 325 claimants between January and February 2022 to a total of 16,810 claimants**, this was a 2.0% increase which was in line with the increase seen nationally and below the 2.4% rise seen regionally. The **claimant rate has remained at 3.1%** of the working age population in February.
- Having witnessed a long period of labour market recovery with declining work related benefit claimants, these latest figures reflect the decline in seasonal jobs that we witness every year at this time of the year.
- However, **the total number of Universal Credit (UC) claimants remains 39.5% or 4,760 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 February 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 4.3% compared to 3.1% for the working age population.** Following a long period of decline in the youth claimant count this month Staffordshire saw an increase of 110 to a total of 2,800, reflective of the decline in seasonal jobs which we see every year particularly in sectors which young people often work including retail and hospitality. However, there continue to be record levels of job vacancies currently available across the full economy. 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.

- In February we saw an increase in **job vacancies** in Staffordshire, which was in line with the increase seen nationally, this is reflective of the continuing high demand for workers across most parts of the economy to aid the recovery from the pandemic.
- **Staffordshire saw vacancies increase by 8% between January and February equivalent to over 1,100 more job vacancies, this was in line with the rise seen nationally.**
- **Stoke on Trent saw a 5% rise in vacancies equivalent to over 260 more job vacancies.**
- The **occupations** to see the most significant increases during February include roles in sectors experiencing recruitment difficulties and occupations to support business recovery and growth including **manufacturing, logistics, and hospitality**.
- However, even with these changes in recruitment during the last month, demand for roles in health and social care including **social care workers and home carers and nurses** alongside roles in logistics such as **elementary storage occupations** (and van drivers and LGV drivers to a lesser extent) remain the strongest of all occupations.
- There is also high demand for **'sales related occupations', 'customer service occupations', 'administrative occupations', 'human resources and industrial relations officers' and 'IT user support technicians'** to support business in their recovery and new ways of working.
- In hospitality **kitchen and catering assistants and chefs** are most in demand.
- While in manufacturing **science, engineering and production technicians and engineering technicians** are the occupation in most demand.
- There is also high demand for digital roles in particular **programmers and software development professionals.**
- In education there also remains demand for **teaching assistants and 'teaching and other educational professionals'**, which is an area which was badly impacted during lockdown and where there are increasing skills gaps.
- However, the increase in job 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 skills providers and 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 e commerce) and the green economy (including retrofitting homes to improve energy efficiency, electric cars e.g. Jaguar Land Rover and hydrogen e.g. JCB).**
- We will also look to build on our existing strengths including **advanced manufacturing** through the adoption of AI, Automation and Machine Learning, **construction** to achieve Government house building targets and build major new infrastructure projects such as HS2 and West Midlands Freight Interchange, and **advanced logistics** with the ecommerce and 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 and Pets At Home in Stafford.

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.
- A joint venture partnership has agreed to fund the speculative development of 330,000 sq ft of logistics space in Staffordshire. Aver, a partnership between NFU Mutual and Ergo Real Estate, will fund the development at **Novus Point in Newcastle under**

Lyme for investment and development company Cole Waterhouse, working in partnership with Peveril Securities. The development will support more than 130 full time employees during construction and approximately 500 full time roles once the site is in operation.

- A prospectus to attract global investors to Staffordshire has been launched at the international **MIPIM** property marketplace in Cannes, France. We Are Staffordshire, the place marketing delivery vehicle for Staffordshire County Council, unveiled the new Staffordshire Investment Prospectus. MIPIM is the world's leading property market and attracts around 20,000 property professionals from around the world, including more than 5,000 investors, collectively representing hundreds of billions of pounds in capital. The new prospectus has been delivered by We Are Staffordshire, in partnership with Staffordshire's inward investment service, Make It Stoke on Trent & Staffordshire and sets the vision for a 'Prosperous Staffordshire'. Showcasing Staffordshire as the place to live, visit, study and invest, the prospectus and new proposition brings together the county's unique investment and development opportunities across all eight district and borough councils. It also presents key major projects that will be regenerating and transforming Staffordshire over the next five years, including Stafford town centre regeneration, the West Midlands Interchange in South Staffordshire and Chatterley Valley West the latest addition to UK's most successful enterprise zone. People can find out more about Staffordshire's investment offering and download the prospectus at www.wearestaffordshire.co.uk/a place to prosper or by visiting the dedicated investment service website, Make it Stoke on Trent and Staffs: https://www.makeitstokestaffs.co.uk/.
- Businesses will soon be able to shape **Staffordshire's long term economic growth plan**. Building on recent successes and Staffordshire's resilience through the pandemic period, the county council's economic strategy will help to strengthen partnerships with district and borough councils and other organisations, in addition to influencing central Government and attracting investors. People and businesses in Staffordshire can soon help to shape an eight year plan setting out the county's economic growth priorities which will support increased prosperity and opportunities. Main priorities are the regeneration of town centres, supporting start up and growing small businesses, ensuring Staffordshire has a higher skilled and higher paid workforce, supporting development of sites so they're ready for business and strengthening transport corridors such as the A50/A500 and A38. The strategy also identifies the county's reputation for innovation, the importance of supporting businesses on their journey to net zero carbon and maximising the use of county council investment to unlock external funding. A four week consultation will now take place. Watch this space and our Twitter and LinkedIn feed for more details on how to take part from next week.

- You can now sign up now for the spring **#WeAreStaffordshire Ambassador event**. Following the launch of the Staffordshire Story and place making identity in 2020, a series of Ambassador events to showcase exciting projects and business success stories from across Staffordshire are now taking place. With a line up of inspirational speakers, the events are all about the latest developments and businesses that are shaping our county. Speakers at the spring culinary event include presentations from the founder and owner of the Great British Experience Company, an experiential events producer, and Lunar by Niall Keating, a fine dining experience at World of Wedgwood. Sign up for the event at Denstone Hall Farm Shop, Denstone in Uttoxeter 3pm to 5pm.
- Regional transport body **Midlands Connect** has released its plans to **upgrade the 90km long A50/A500 corridor**. Targeted at reducing congestion and promoting greener transport use, the 'Levelling up Stoke, Staffordshire, Derby & Derbyshire: The 'road to success' plan could add £12bn to the Midlands economy and create 12,000 jobs. Research from Midlands Connects says 60,000 to 90,000 drives are passing along the route every day and drivers are losing 37 minutes every weekday due to congestion on this route. The route which links Derby, Nottingham and Leicester to Stoke on Trent, Staffordshire and the North West is relied upon by major manufacturers like JCB, Rolls Royce, Toyota and Alstom to keep the firms moving.
- A deal has been struck to save a famous biscuit factory in Uttoxeter from closure after months of uncertainty, a move which saves 500 jobs. Workers at the **Elkes Biscuits** factory were told in September the business was up for sale and all jobs were at risk. But now the factory has been sold by 2 Sisters Food Group to Bernard Matthews owner Boparan Private Office for an undisclosed sum.
- Staffordshire County Council have announced that **A road scheme** is beginning in Stafford to provide access to a new development. Commercial property developer Stoford is building a 670,000 sq ft storage and distribution centre at Stafford North Business Park for **Pets at Home**. The development is set to employ 750 people when it opens later this year. Stoford is also funding the construction of a roundabout on the A34 north of Redhill to create access to the development and ensure traffic can continue to flow. The scheme will take 18 months and will result in some overnight closures.
- An application has been submitted to Stoke on Trent City Council proposing the redevelopment of a site in Stoke On Trent to enable the creation of new employment units. **Moores Metals** has lodged plans to build 13 B2/B8 storage and distribution units at 530 Hartshill Road. The site comprises a timber yard used by Trentwood Timbers and a scrap metal yard used by Moores Metals, which would be demolished as part of the project. The 13 units would be housed within two buildings and total 22,250 sq ft. It is anticipated that the scheme would create between 40 and 50 jobs once

operational.

- Lichfield is being lauded as the 'foodie capital of Staffordshire' after **new restaurant Upstairs secured the county's first Michelin star** just four months after opening. Upstairs is the creation of Tom Shepherd, former head chef of Adams in Birmingham, where he retained a Michelin star and three AA rosettes. Named due to its position above his father's family run jewellery shop, City Jewellers, in the heart of Lichfield, Upstairs offers a contemporary British fine dining experience.

Conclusion

- In conclusion, having seen the social and economic impact felt by the Omicron variant start to ease the **war in Ukraine** has raised further concerns regarding the continued recovery of the economy. **Rising inflation** leading to **higher business costs** and a **cost of living crisis** is likely to see **economic growth stall** and a **decline in living standards**. There are also **ongoing supply chain issues** and **diminished consumer confidence impacting trade**.
- 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 **Government's 'Plan for Jobs' schemes such as Kickstart, Restart and Skills Bootcamps** 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.

Business Insolvencies during the pandemic

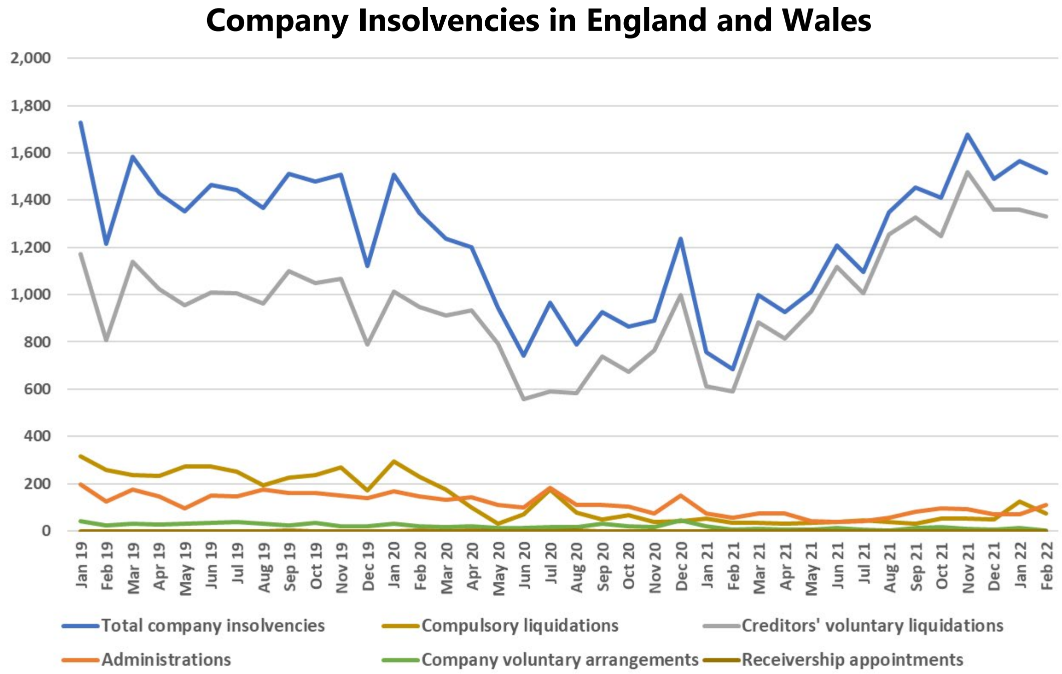
This section covers the latest Insolvency Service monthly insolvency statistics[1] for February 2022, which show the number of new companies and individuals who are unable to pay debts and enter a formal insolvency procedure.

Company Insolvencies

In February 2022 there were a total of 1,515 company insolvencies in England and Wales, comprised of 1,329 creditors' voluntary liquidations (CVLs), 109 administrations, 74 compulsory liquidations, and 3 company voluntary arrangements (CVAs).

The overall number of **company insolvencies increased by more than double (121%) in February 2022 when compared to the same month last year and is now 13% 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 March 2021 and February 2022 are now 35% higher compared to a year earlier, representing just over 4,100 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 February 2021 and January 2022 are construction (2,775), wholesale and retail (1,842) and accommodation and food (1,763). However, levels are now exceed those seen for the same period the previous year with construction 45% higher, wholesale and retail 16% higher, and accommodation and food 11% higher than levels seen a year earlier.

[1] Source: The Insolvency Service https://www.gov.uk/government/statistics/monthly_insolvency_statistics_february_2022/commentary_monthly_insolvency_statistics_february_2022

Individual Insolvencies

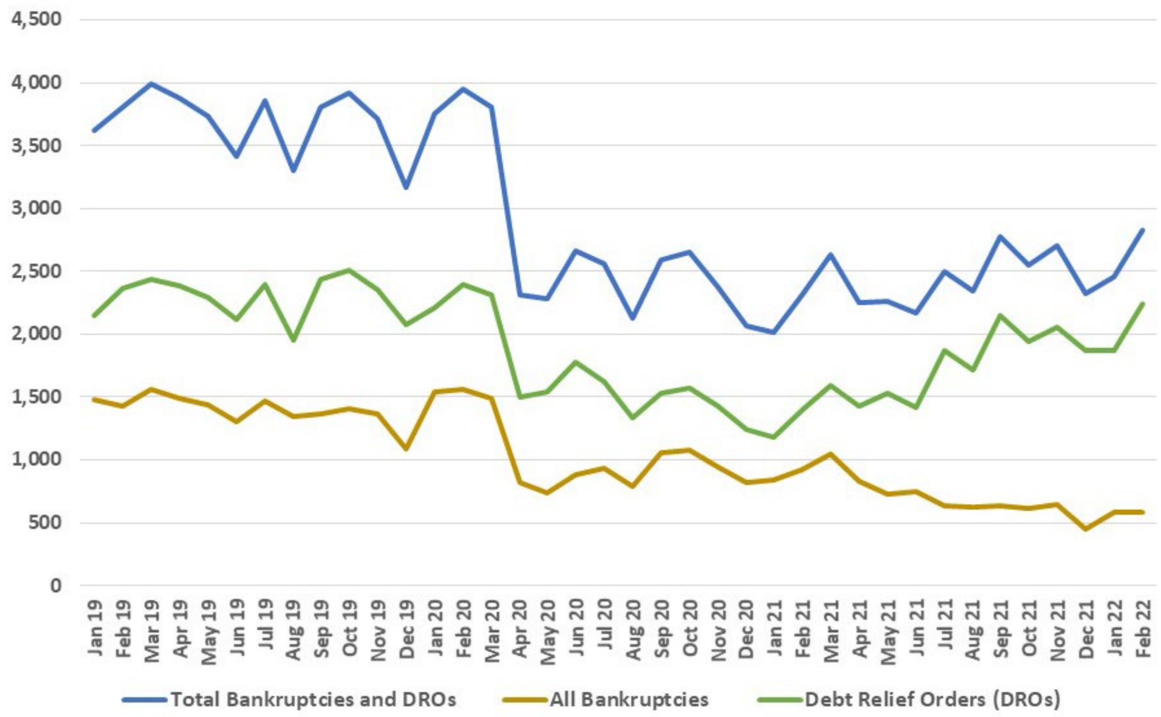
For individual insolvencies, the number of **bankruptcies in February 2022 was 588** (made up of 495 debtor applications and 93 creditor petitions), while the number of **Debt Relief Orders (DROs) was 2,242**.

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 36% lower than a year earlier and 62% lower than in February 2020, while DROs were 61% higher than in February 2021 but still 6% lower than two years earlier.

Total bankruptcies and DROs between March 2021 and February 2022 are 4% lower than the same period a year earlier, representing over 1,200 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, **6,384 IVAs registered per month in the three-month period ending February 2022,** which is 4% higher than the three-month period ending February 2021 but 15% higher than the three-month period ending February 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 28 February 2022, there were 52,201 registrations, comprised of 51,415 Standard breathing space registrations and 786 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.

Claimant Count[2]

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: February 2022

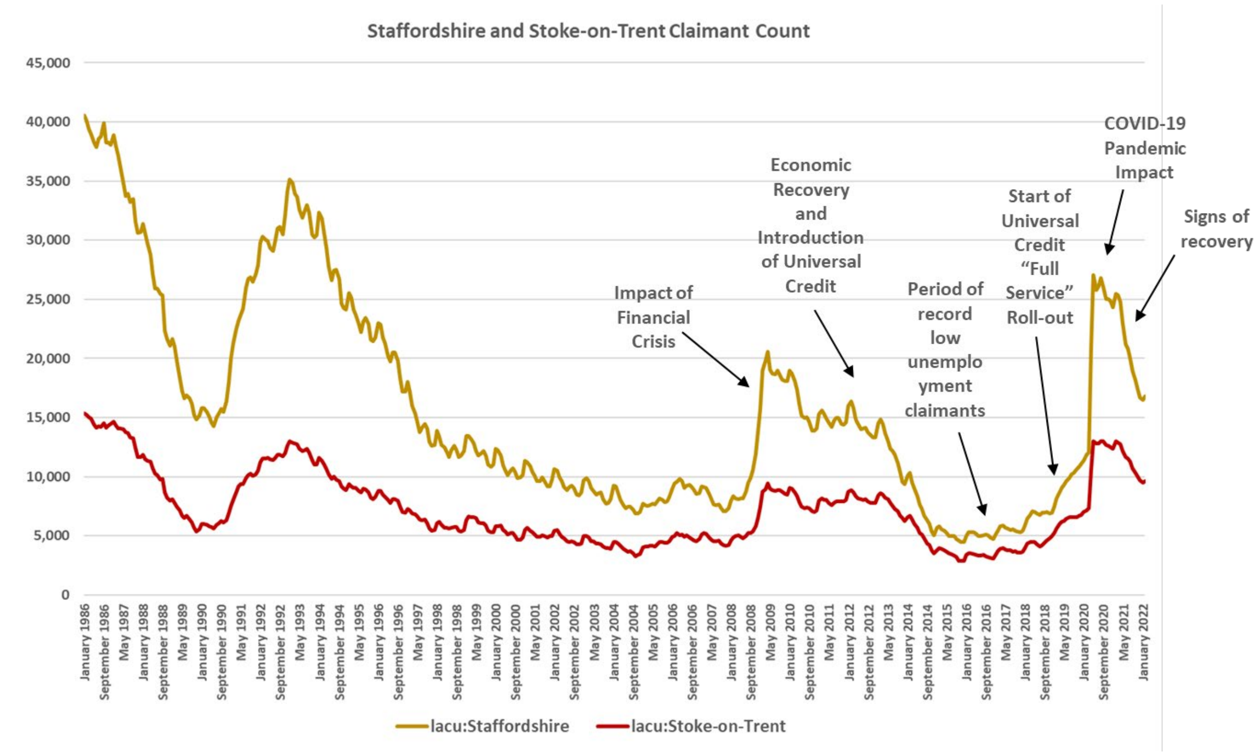
Area	Claimant Count Rate (February 2021)	Claimant Count Rate (January 2022)	Claimant Count Rate[1] (February 2022)	Number of Claimants (February 2022)	Monthly Change in Claimants (Numbers)	Monthly Change in Claimants (%)	Change in Claimants since March 2020 (Numbers)	Change in Claimants since March 2020 (%)
England	6.5	4.3	4.4	1,556,140	29,835	2.0%	492,635	46.3%
West Midlands	7.3	5.3	5.4	199,220	4,700	2.4%	54,870	38.0%
SSLEP	5.5	3.7	3.8	26,435	435	1.7%	7,065	36.5%
Birmingham	11.4	9.0	9.2	67,820	1,885	2.9%	18,450	37.4%
Wolverhampton	10.6	7.9	8.0	13,140	280	2.2%	2,760	26.6%
Sandwell	9.7	7.1	7.2	14,830	270	1.9%	4,050	37.6%
Walsall	8.8	6.3	6.3	11,065	115	1.1%	2,460	28.6%
Stoke on Trent	**8.1**	**6.0**	**6.0**	**9,630**	110	**1.2%**	2,310	**31.6%**
Dudley	7.5	5.3	5.4	10,510	145	1.4%	1,995	23.4%
Coventry	6.7	4.8	5.0	12,710	425	3.5%	4,710	58.9%
Telford and Wrekin	6.0	4.2	4.3	4,810	135	2.9%	1,380	40.2%
Solihull	5.9	3.8	3.9	5,055	155	3.2%	1,405	38.5%
Worcestershire	5.3	3.5	3.6	12,795	510	4.2%	4,490	54.1%
Warwickshire	4.8	3.2	3.2	11,460	165	1.5%	3,630	46.4%
Staffordshire	**4.8**	**3.1**	**3.1**	**16,810**	**325**	**2.0%**	**4,760**	**39.5%**
Shropshire	4.6	2.9	2.9	5,550	65	1.2%	1,540	38.4%
Herefordshire, County of	4.2	2.6	2.7	3,045	125	4.3%	935	44.3%
Tamworth	6.1	4.1	4.2	1,970	15	0.8%	480	32.2%
Cannock Chase	5.4	3.5	3.5	2,260	50	2.3%	605	36.6%
East Staffordshire	5.2	3.3	3.5	2,550	75	3.0%	830	48.3%
Newcastle-under-Lyme	4.7	3.0	3.1	2,555	60	2.4%	575	29.0%
South Staffordshire	4.6	3.1	3.1	2,075	25	1.2%	765	58.4%
Lichfield	4.4	2.8	2.8	1,720	-5	-0.3%	400	30.3%
Stafford	4.1	2.7	2.8	2,345	75	3.3%	690	41.7%
Staffordshire Moorlands	3.8	2.3	2.3	1,330	30	2.3%	410	44.6%

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

- The claimant count in Staffordshire saw an increase of 325 claimants between January and February 2022 to a total of 16,810 claimants, this was a 2.0% increase which was in-line with the increase seen nationally and below the 2.4% rise seen regionally.
- The claimant rate has remained at 3.1% of the working age population in February.
- While Stoke-on-Trent saw an increase of 110 over the same period with a total of 9,630 claimants in February, with the rate remaining at 6.0%.
- Having witnessed a long period of labour market recovery with declining work related benefit claimants, these latest figures reflect the decline in seasonal jobs that we witness every year at this time of the year.

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

- Although there has been improvement over the last year 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 39.5% or 4,760 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 increase in claimants the proportion of working age residents on such benefits remains comparatively low in Staffordshire with a rate of 3.1% in February compared to 5.4% regionally and 4.4% nationally. In Stoke-on-Trent the Claimant Count rate remains above both the regional and national averages at 6.0%.

- This month all the Staffordshire Districts with the exception of Lichfield have seen an increase in the number of claimants, with East Staffordshire and Stafford seeing the largest rises of 75 each. While Lichfield saw a decrease of 5 claimants.

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

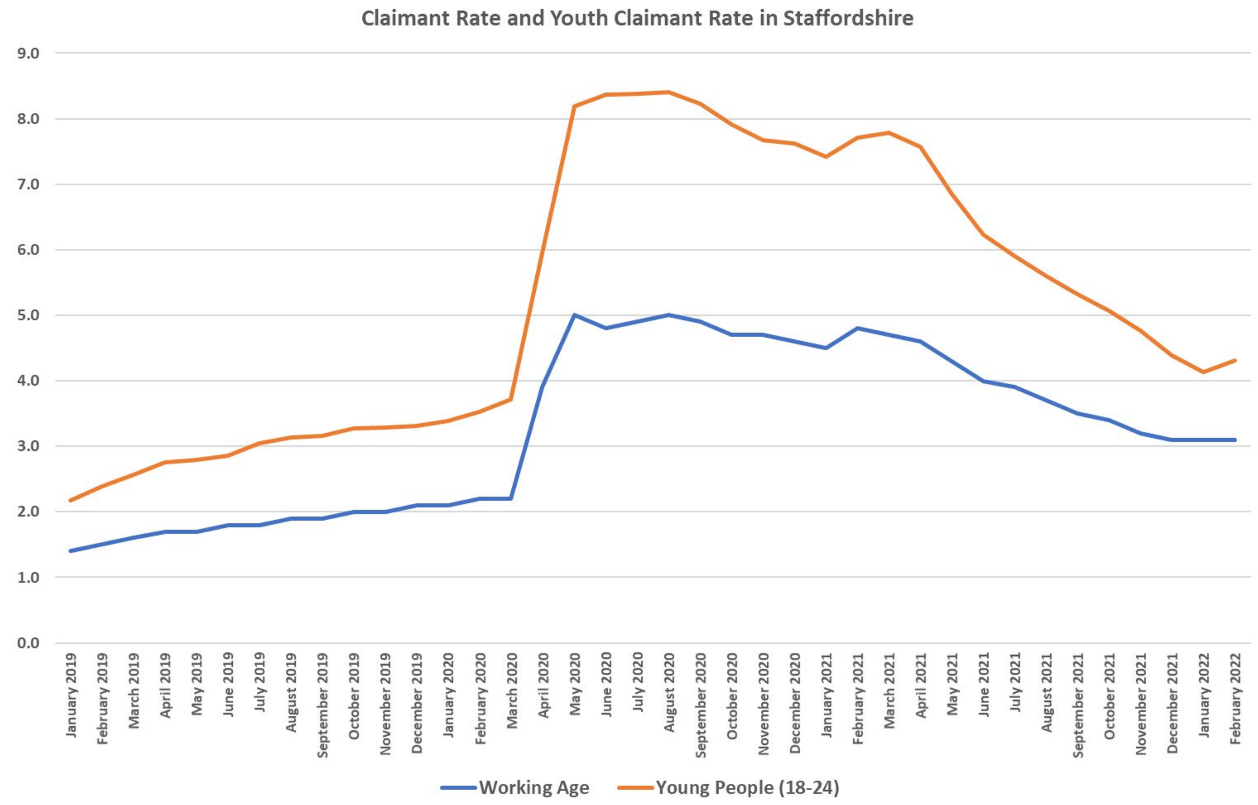
- As well as workers across sectors being impacted differently, there are also signs that it is the lowest paid, young people (particularly apprentices), and part-time workers that are being hardest hit. These groups are more likely to work in sectors that have been impacted the most, such as hospitality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

Youth Claimant Count (Universal Credit) Statistics: February 2022

Area	Youth Claimant Count Rate (Feb 2021)	Youth Claimant Count Rate (Jan 2022)	Youth Claimant Count Rate1 (Feb 2022)	Number of Youth Claimants (Feb 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	9.1	5.0	5.2	242,750	5,970	2.5%	45,020	22.8%
West Midlands	10.0	6.1	6.3	33,295	1,145	3.6%	5,390	19.3%
SSLEP	8.5	4.9	5.1	4,485	155	3.6%	665	17.4%
Wolverhampton	15.5	9.7	10.1	2,095	75	3.7%	185	9.7%
Sandwell	15.1	9.4	9.6	2,535	50	2.0%	420	19.9%
Walsall	14.0	9.2	9.0	2,065	-30	-1.4%	150	7.8%
Birmingham	11.5	7.7	8.1	11,295	505	4.7%	2,190	24.1%
Dudley	12.9	7.6	7.8	1,855	45	2.5%	105	6.0%
Stoke on Trent	**10.7**	**7.1**	**7.3**	**1,685**	**45**	**2.7%**	**280**	**19.9%**
Telford and Wrekin	9.8	6.2	6.5	965	55	6.0%	205	27.0%
Solihull	11.1	5.9	5.9	910	5	0.6%	85	10.3%
Worcestershire	8.7	4.6	4.9	2,000	110	5.8%	405	25.4%
Staffordshire	**7.7**	**4.1**	**4.3**	**2,800**	**110**	**4.1%**	**385**	**15.9%**
Shropshire	8.3	3.9	4.0	825	20	2.5%	0	0.0%
Warwickshire	6.7	3.8	3.9	1,805	50	2.8%	470	35.2%
Herefordshire	7.3	3.5	3.8	450	30	7.1%	35	8.4%
Coventry	6.1	3.6	3.7	2,000	65	3.4%	465	30.3%
Tamworth	11.0	6.4	6.7	375	15	4.2%	80	27.1%
Cannock Chase	10.1	5.5	5.8	415	15	3.8%	50	13.7%
South Staffordshire	7.8	4.5	4.6	360	5	1.4%	110	44.0%
East Staffordshire	8.5	4.2	4.5	380	25	7.0%	60	18.8%
Stafford	6.9	3.9	4.1	365	25	7.4%	50	15.9%
Lichfield	7.2	4.0	4.0	280	0	0.0%	10	3.7%
Newcastle-under-Lyme	5.9	3.1	3.2	445	15	3.5%	20	4.7%
Staffordshire Moorlands	6.5	2.8	3.0	185	10	5.7%	10	5.7%

[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 4.3% compared to 3.1% for all working-age residents, while in Stoke-on-Trent the rate is now at 7.3% in February 2022.



- Following a long period of decline in the youth claimant count this month Staffordshire saw an increase of 110 to a total of 2,800, reflective of the decline in seasonal jobs which we see every year particularly in sectors which young people often work including retail and hospitality. However, there continue to be record levels of job vacancies currently available across the full economy.

- Despite these declines youth claimants still remain above pre-COVID levels.

- The majority of Staffordshire Districts have seen increases in youth claimants this month, with the exception of Lichfield which both saw no change. East Staffordshire and Stafford saw the largest increases with both seeing a rise of 25 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

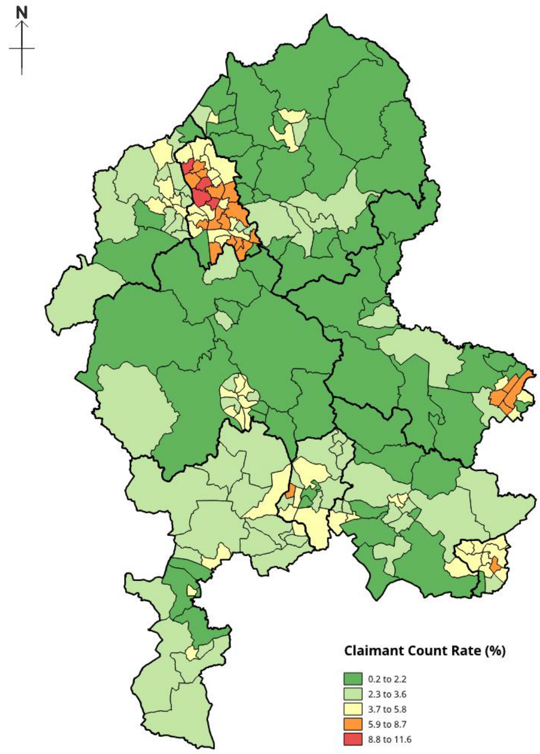
The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

Claimant Count Rate February 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 (11.6% or 525 claimants), Moorcroft (10.3% or 375) and Etruria and Hanley (10.2% or 530) having the highest rates.

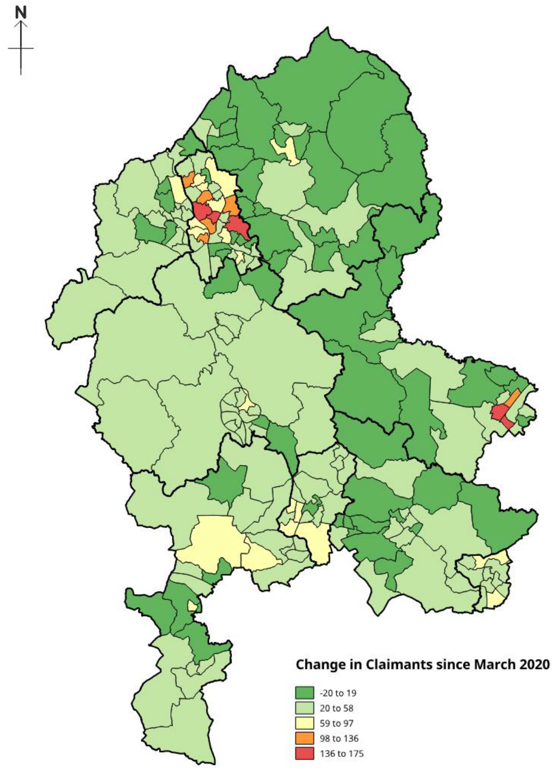
In Staffordshire the 4 wards with the highest claimant count rates were all in East Staffordshire, Anglesey (6.9% or 365), Shobnall (6.8% or 360), Burton (6.7% or 200), and Eton Park (6.3% or 305).



Change in Claimant Count since March 2020

Out of the top 10 wards with the highest change in the number of claimants since March 2020 there were 7 in Stoke-on-Trent and included Etruria and Hanley (175 increase to 530 claimants), Bentilee and Ubberley (165 rise to 565) and Joiner's Square (150 increase to 525 in total).

The remaining 3 wards in the top 10 were all in East Staffordshire the highest increases were seen in Anglesey (175 rise to 365), Shobnall (150 increase to 360) and Eton Park (125 rise to 305).



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

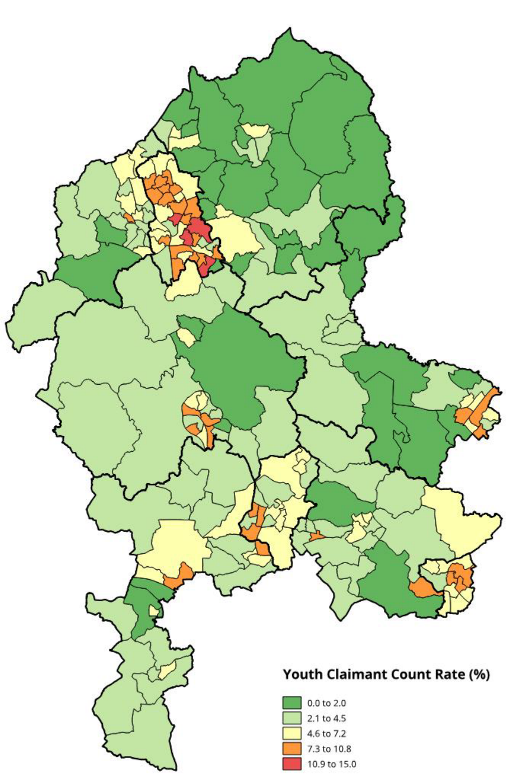
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

Youth Claimant Count Rate February 2022

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 76 were above the England average of 5.2% 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), Fenton East (13.9% or 65) and Bentilee and Ubberley (12.2% or 110) having the highest rates.

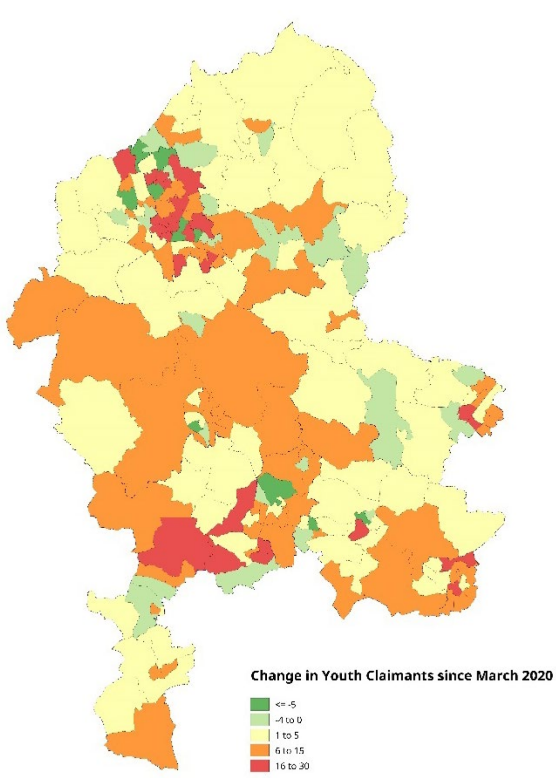
In Staffordshire, the highest rate was Cannock North in Cannock Chase with 10.3% or 55, followed by Glascote in Tamworth with 9.5% or 55, and Fazeley in Lichfield with 9.3% or 30 youth claimants.



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 9 were in Stoke-on-Trent including Fenton East (30 rise to 65), Bentilee and Ubberley (20 increase to 110), and Birches Head and Central Forest Park (20 rise to 90 youth claimants) with the highest rises since March 2020.

In Staffordshire, the highest increase was seen in Shobnall in East Staffordshire (25 rise to 60 youth claimants).



Job Vacancies[3]

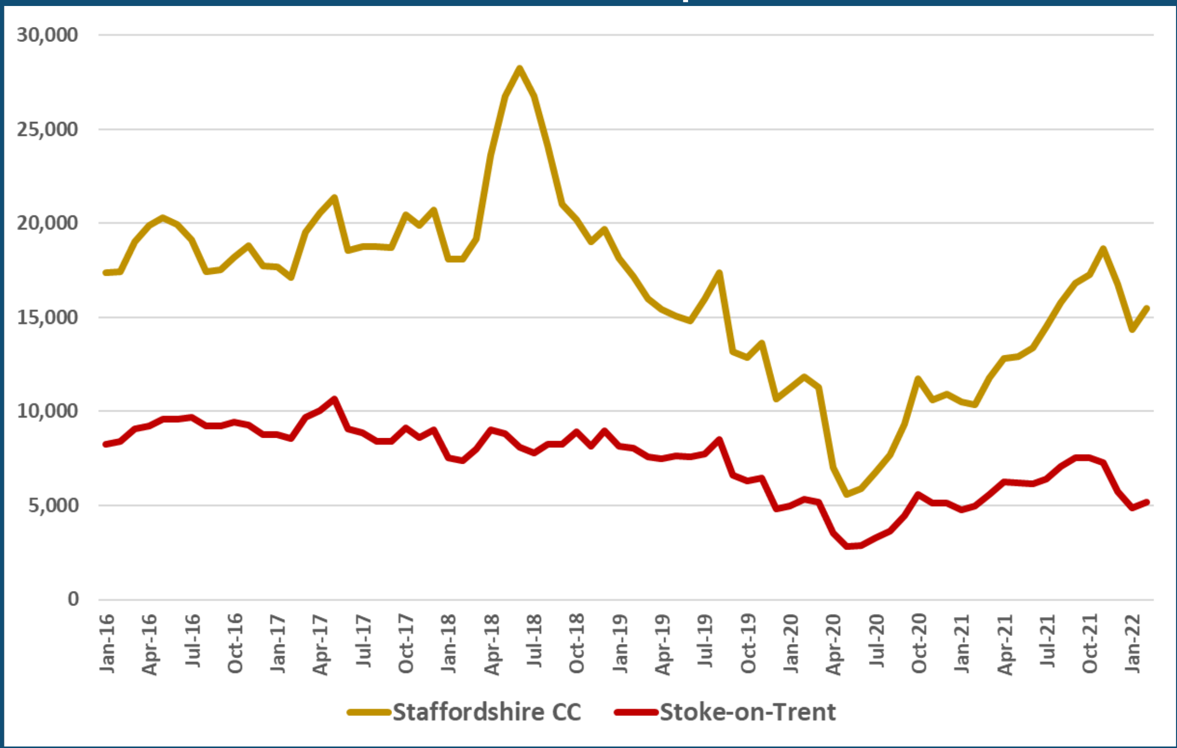
- In February we saw an increase in job vacancies in Staffordshire, which was in line with the increase seen nationally, this is reflective of the continuing high demand for workers across most parts of the economy to aid the recovery from the pandemic.

- **Staffordshire saw vacancies increase by 8% between January and February equivalent to over 1,100 more job vacancies, this was in line with the rise seen nationally.**

- **Stoke on Trent saw a 5% rise in vacancies equivalent to over 260 more job vacancies.**

- However, the increase in job 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 skills providers and 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 & Stoke on Trent Unique Job Vacancies Trend



Important to note that EMSI live job vacancy data has been upgraded and improved this month through enhanced AI deduplication and sharper skill scraping of job postings.

[3] Source: EMSI

Monthly Trends in recruitment

- Most occupational groups saw an increase in vacancies during February with the largest rises seen in 'skilled trade occupations' (18% rise) and 'managers, directors and senior officials' (14% rise). While 'caring, leisure and other service occupations' saw a decline of 3%. Although it was 'associate professional and technical occupations' which saw the largest actual rise with an increase of nearly 400.

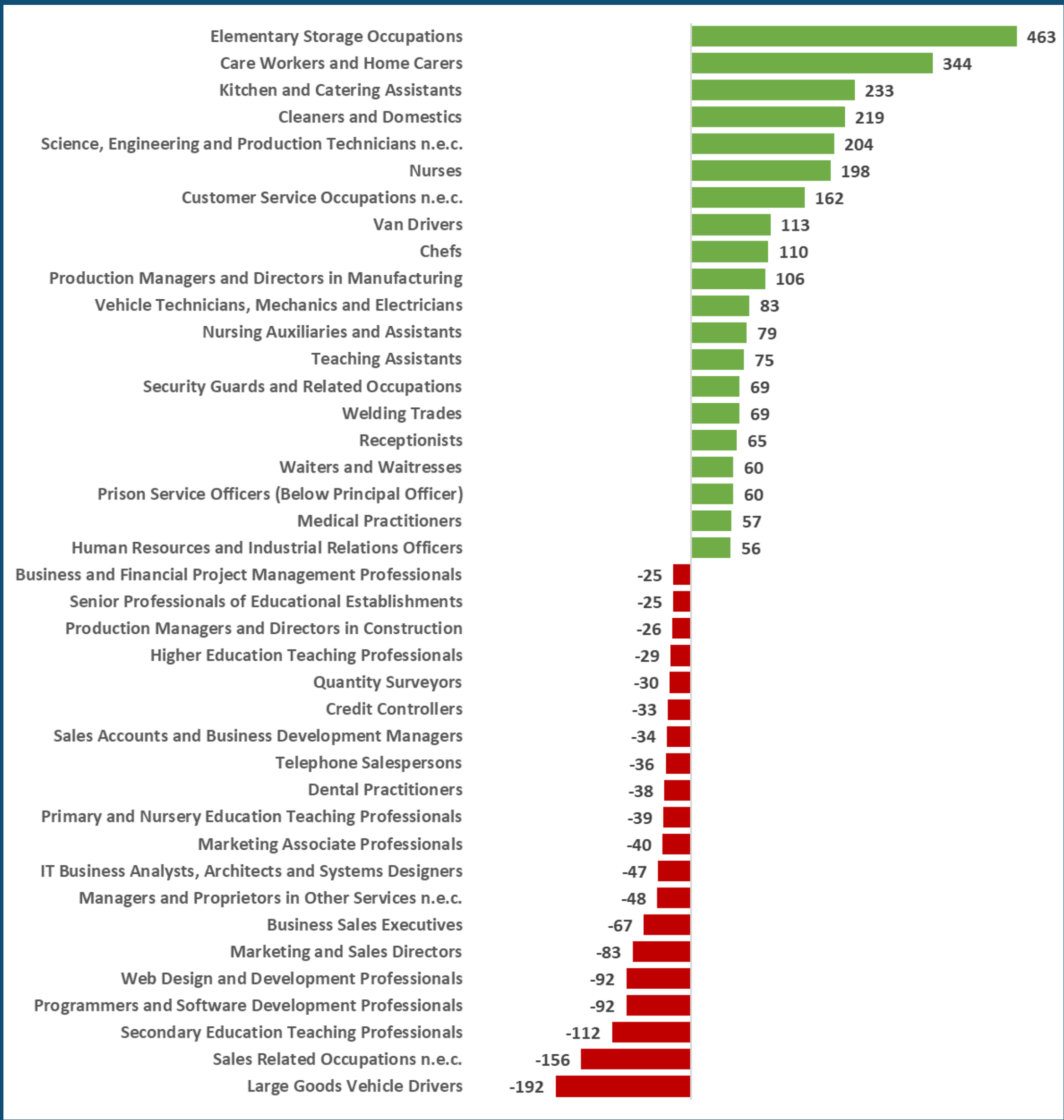
- The occupations to see the most significant increases during January include roles in sectors experiencing recruitment difficulties and occupations to support business recovery and growth including:
    - **Manufacturing** including 'science, engineering and production technicians', 'engineering technicians', 'mechanical engineers', 'electrical engineers', 'quality control and planning engineers', and 'production managers and directors in manufacturing';
    - **Hospitality** including 'chefs' and 'kitchen and catering assistants';
    - **Digital** including 'programmers and software development professionals';
    - **Logistics** including 'transport and distribution clerks and assistants';
    - **Cross cutting occupations** in demand include 'customer service occupations', 'human resources and industrial relations officers', 'book keepers, payroll managers and wages clerks', 'sales related occupations', 'administrative occupations', 'buyers and procurement officers', 'IT user support technicians', 'quality assurance technicians', and 'marketing associate professionals'.

Pre COVID baseline trends in job vacancies

- It is also found that the main occupations with higher vacancies compared to pre COVID are mainly found within:
    - **Logistics** including 'elementary storage occupations', 'van drivers' and 'packers, bottlers, canners and fillers';
    - **Health and Social Care** including 'care workers and home carers', 'nurses', 'nursing auxiliaries and assistants' and 'medical practitioners';
    - **Hospitality** including 'kitchen and catering assistants', 'chefs' and 'waiters and waitresses';
    - **Manufacturing** including 'science, engineering and production technicians', 'production managers and directors in manufacturing' and 'welding trades';
    - **Education** including 'teaching assistants';
    - **Retail** including 'sales and retail assistants';

  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, education and retail.

Top 20 occupations increasing and top 20 declining between Feb 2020 (Pre COVID) and Feb 2022 in SSLEP



Top Occupations in Demand

- However, even with these changes in recruitment during the last month, demand for roles in health and social care including **social care workers and home carers and nurses (nursing auxiliaries and assistants to a lesser extent)** and alongside roles in logistics such as **elementary storage occupations (and van drivers and LGV drivers to a lesser extent)** remain the strongest of all occupations.

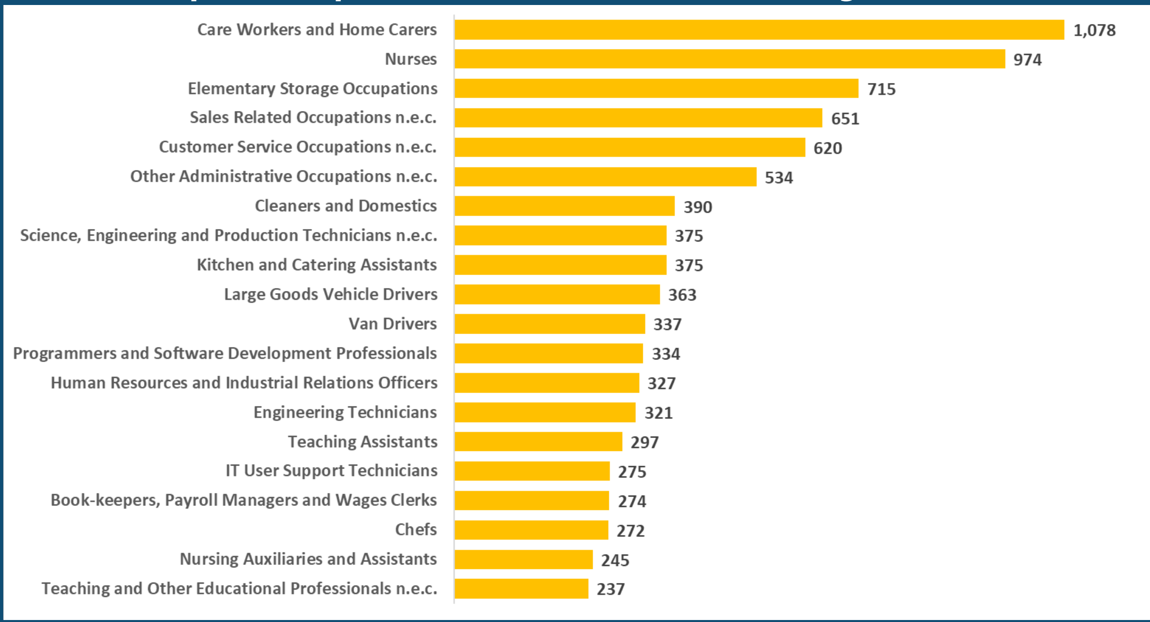
- There is also high demand for **'sales related occupations', 'customer service occupations', 'administrative occupations', 'human resources and industrial relations officers', 'IT user support technicians' and 'book keepers, payroll managers and wages clerks'** to support business in their recovery and new ways of working.

- In hospitality **kitchen and catering assistants and chefs** are most in demand. While in manufacturing **science, engineering and production technicians and engineering technicians** are the occupation in most demand.

- There is also high demand for digital roles in particular **programmers and software development professionals.**

- In education there also remains demand for **teaching assistants and 'teaching and other educational professionals'**, which is an area which was badly impacted during lockdown and where there are increasing skills gaps.

Top 20 occupations in demand in SSLEP during Feb 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	Feb 2021 Unique Postings	Dec 2021 Unique Postings	Jan 2022 Unique Postings	Feb 2022 Unique Postings	Jan 2022-Feb 2022 (Month on Month Change)	Jan 2022-Feb 2022 Monthly % Change	Feb 2020-Feb 2022 (Month on Month Change)	Feb 2020-Feb 2022 Monthly % Change	Feb 2021-Feb 2022 (Year on Year Change)	Feb 2021-Feb 2022 Annual % Change
Staffordshire CC	11,855	10,365	16,779	14,332	15,482	1,150	8%	3,627	31%	5,117	49%
Stoke-on-Trent	5,348	4,952	5,747	4,896	5,165	269	5%	-183	-3%	213	4%
SSLEP	17,203	15,317	22,526	19,228	20,647	1,419	7%	3,444	20%	5,330	35%
West Midlands	116,862	96,466	171,885	155,295	165,493	10,198	7%	48,631	42%	69,027	72%
England	1,123,527	1,093,036	1,751,655	1,615,197	1,745,202	130,005	8%	621,675	55%	652,166	60%
East Staffordshire	2,664	2,406	5,703	4,976	5,532	556	11%	2,868	108%	3,126	130%
Lichfield	1,335	1,149	2,006	1,749	1,955	206	12%	620	46%	806	70%
Staffordshire Moorlands	267	343	402	339	357	18	5%	90	34%	14	4%
South Staffordshire	148	92	161	149	168	19	13%	20	14%	76	83%
Cannock Chase	1,613	1,490	2,051	1,715	1,810	95	6%	197	12%	320	21%
Stafford	2,836	2,673	3,692	3,072	3,147	75	2%	311	11%	474	18%
Tamworth	2,136	1,559	2,192	1,928	2,141	213	11%	5	0%	582	37%
Newcastle-under-Lyme	856	653	572	404	372	-32	-8%	-484	-57%	-281	-43%
Elementary Occupations	1,001	1,182	2,829	2,163	2,293	130	6%	1,292	129%	1,111	94%
Caring, Leisure and Other Service Occupations	1,415	1,623	2,473	2,178	2,117	-61	-3%	702	50%	494	30%
Skilled Trades Occupations	1,249	996	1,546	1,446	1,706	260	18%	457	37%	710	71%
Administrative and Secretarial Occupations	1,548	1,437	2,011	1,616	1,840	224	14%	292	19%	403	28%
Associate Professional and Technical Occupations	2,854	2,398	3,418	2,956	3,345	389	13%	491	17%	947	39%
Sales and Customer Service Occupations	1,672	1,197	2,025	1,697	1,809	112	7%	137	8%	612	51%
Managers, Directors and Senior Officials	1,369	1,275	1,551	1,276	1,454	178	14%	85	6%	179	14%
Process, Plant and Machine Operatives	1,228	1,044	1,553	1,295	1,300	5	0%	72	6%	256	25%
Professional Occupations	4,752	4,059	5,022	4,535	4,716	181	4%	-36	-1%	657	16%

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.