Staffordshire County Council

Stoke-on-Trent & Staffordshire Enterprise Partnership

Staffordshire Means Back to Business

Economic Bulletin - Issue 21 – April 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 we saw the **end of all formal COVID regulations**, and the end of free universal testing. The focus has switched to living safely with Covid, relying on **personal responsibility** such as isolating with symptoms, mask wearing, social distancing indoors and good hygiene practices, but it remains a challenge with the virus widely circulating and expected to remain **endemic for the foreseeable future.**
- This change in strategic focus came at a time when we were seeing a peak in **infection rates** caused by a sub variant of the Omicron variant leading to workforce availability issues in a number of key sectors of the economy. Although we are now seeing record falls in cases, infections remain high despite decreases in all age groups in most of the UK, with around 1 in 25 people in England with COVID.
- While **hospitalisation levels** remain largely under control, with 12 per 100,000 people being hospitalised in the week ending 24 April 2022 (36 per 100,000 in January 2021), they are causing disruption to NHS plans to clear the backlog of work built up over the past two years. More positively, more than 10,000 people who helped deliver COVID 19 vaccinations have now taken roles with the NHS to help tackle the backlog caused by the pandemic.
- Worryingly COVID 19 related **deaths** are on the rise, accounting for around 1 in 10 of all deaths, which is a concern and further heightens the requirement for continued vigilance against the spread of the virus.
- At the recent joint LGA and ADPH public health conference, **Professor Sir Chris Whitty** emphasised that the **pandemic is not over",** and that there is always potential for new variants of the disease to arise. It has also been suggested that the virus will likely **continue being a problem for the next two to three years".**
- There continues to be emphasis on the requirement for **COVID 19 booster jabs** to help prevent serious illness caused by infection, with increasing numbers of people coming forward for a jab.
- A **low dose COVID 19 vaccine can now be booked for five to 11 year olds** in England. It follows the UK's vaccine advisers saying the jabs would help "future proof children's defences" against infections.
- A vaccine against COVID 19 developed by **Valneva** has been granted regulatory approval by the Medicines and Healthcare products Regulatory Agency (MHRA), making it the sixth granted authorisation in the UK. The jab is the **first whole virus vaccine** to gain approval in the UK, which sees the virus grown in a lab and then made inactive but still triggering an immune response, similar to the existing flu and polio vaccines.

- 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

Inflation, War in Ukraine and Cost of Living Crisis

- **Inflation** is rising at the fastest rate for 30 years, driven by a sharp increase in fuel and energy prices, as the **impact of the war in Ukraine** are felt for the first time. The Office for National Statistics shows that Inflation **rose by 7 per cent in the 12 months to March**, the highest rate since 1992. It is expected that the continued impact of war and energy price cap rise is likely to push inflation further over coming months.
- The **Bank of England** expects the UK economy to experience a **growth slowdown** amid the biggest single **shock from energy prices** since the 1970s. The Governor of the Bank of England, Andrew Bailey said there were signs of slowing demand from consumers and businesses as they come under heavy pressure from the cost of living squeeze, with rising prices for gas, electricity and other goods and services.
- The **UK is expected to experience the slowest economic growth of all G7 countries in 2023**, according to the **International Monetary Fund**. The impact of the ongoing war in Ukraine has been cited as the key reason behind the setbacks, as prices for food and fuel are rising. The **UK's economy is predicted to grow by 3.7 per cent this year, less than the previous forecast of 4.7 per cent made in January**.
- There are also growing concerns from a number of economists that the UK economy is at **risk of falling into a summer recession** amid a squeeze on household incomes. Analysts have also warned that economic activity would also be reduced by an extra bank holiday for the Queen's platinum jubilee in June.
- These stark predictions come as the **UK's economic growth slowed sharply in February** following a sharp fall in the production of cars and computer goods. The **Office for National Statistics** said the economy (GDP) expanded by 0.1 per cent compared with 0.8 per cent in January, with the fall in manufacturing off set by growth in the services sector including areas such as tourism and travel.
- **Services** grew by 0.2% and was the main contributor to February's growth in GDP; this was partially offset by **production**, which fell by 0.6% and **construction**, which fell by 0.1%.
- The **services growth** in February 2022 was mainly driven by **tourism related industries** with increases in both travel agency, tour operator and other reservation service and related activities (growing 33.1% on the month), and accommodation (growing 23% on the month).
- Output in **consumer facing services** grew by 0.7% in February 2022, following 2.0% growth in January (revised up from 1.7%); non consumer facing services remained level

on the month following 0.5% growth in January (revised down from 0.6%).

- Monthly GDP is now 1.5% above its pre coronavirus (COVID 19) pandemic level (February 2020).
- Services is now 2.1% above its pre coronavirus level, while construction is 1.1% above and production is 1.9% below. Within services, consumer facing services are now 5.2% below their pre coronavirus levels, while all other services are 4.0% above.

GDP Monthly index, January 2007 to February 2022, UK

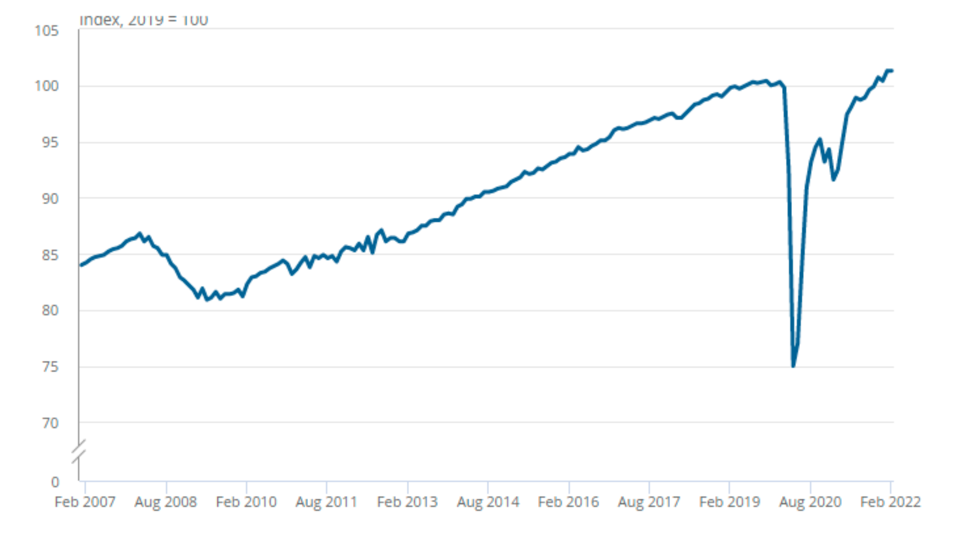
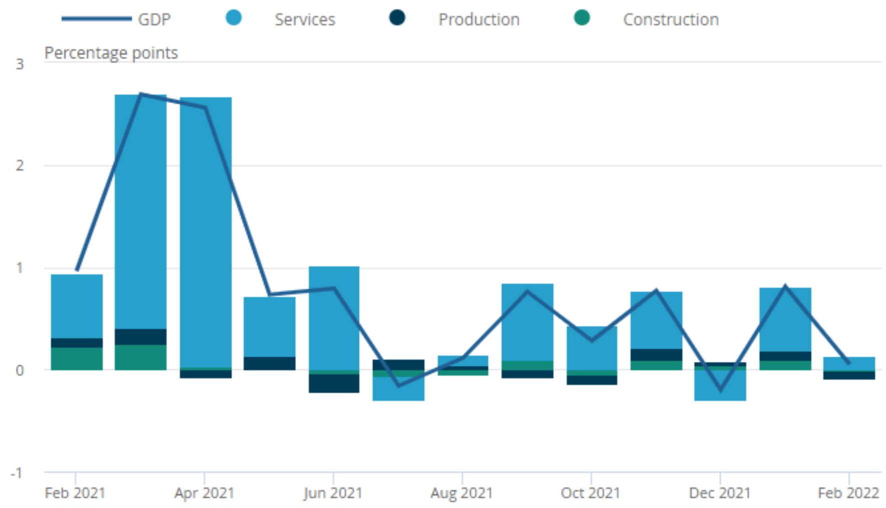


Figure 2: Services were the main contributor to GDP's 0.1% rise in February 2022

Contributions to monthly GDP growth, February 2021 to February 2022, UK



Source: Source: Office for National Statistics - GDP monthly estimate

- There are a **wide range of cost of living pressures** currently being faced including:
  - Millions of people are facing a £700 a year rise in energy costs, the 54 per cent rise in the **energy price cap** means a household using a typical amount of gas

and electricity will now pay £1,971 per year.

- **Families with disabled children** fear their child's condition will get worse as a result of rising energy prices. Families who rely on specialist medical equipment say they are facing impossible choices as energy bills.
- **Energy bills could rise by another 40 per cent this autumn** when Ofgem review the price cap again, with the Office for Budget Responsibility (OBR) predicting bills could go up by another £800 later this year, doubling bills in less than 12 months and bringing the total to almost £2,800 for customers on default tariffs.
- **Chief executives of some of the UK's largest energy suppliers** have called on the Government to **abolish the existing energy price cap in favour of a new system that would see the better off pay more**. The Business, Energy and Industrial Strategy (BEIS) committee heard how these "unprecedented" measures are needed to prevent a **fuel poverty crisis next winter**.
- The **costs of staple foods**, such as milk, bread and meat, have increased by a third according the ONS. This is due to the impact of rising energy and fuel costs, as well as the ongoing conflict in Ukraine. According to the latest ONS social impact survey an estimated four in 10 people bought less food during the past two weeks due to the rising cost of living, with 39 per cent of adults saying they had cut back their grocery shops, rising from 18 per cent at the start of the year. Asda chairman Lord Rose has said that food prices will keep rising and stay higher "for quite some time due to the high cost of raw materials. Many families struggling with the cost of living crisis are "going to suffer", the peer warned, although retailers will try to keep costs down.
- **Food banks** are on the brink of collapse after a surge in hardship with nearly all food banks (99 per cent) having seen an increase in demand since the start of the year, according to community giving platform Neighbourly and Aldi, which work together to distribute surplus food from the supermarket's stores. An estimated one in three going to the banks have never needed them before.
- **Council tax, water bills and car tax** are also rising for some.

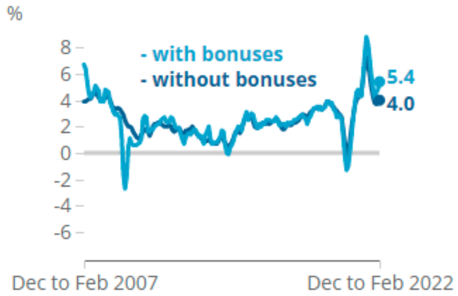
- These cost pressures come at a time when **real wages are falling**, with the ONS stating that average weekly pay across Britain fell by 1 per cent between December 2021 and February 2022.
- Growth in **average total pay (including bonuses)** was 5.4% and growth in **regular pay (excluding bonuses)** was 4.0% in December 2021 to February 2022. In **real terms (adjusted for inflation),** growth in total pay was 0.4% and regular pay fell on the year at negative 1.0%; strong bonus payments over the past six months have kept recent real total pay growth positive. Previous months strong growth rates were affected upwards by base and compositional effects. These initial temporary factors have

worked their way out. However, we are now comparing the latest period with a period where certain sectors had increasing numbers of employees on furlough because of the winter 2020 to 2021 lockdown. Therefore, a small amount of base effect will be present for these sectors. This will not be to the degree we saw when comparing periods at the start of the coronavirus pandemic.

Nominal Earnings

Average Weekly Earnings annual growth rates - nominal pay

Previous months' strong growth rates were affected upwards by base and compositional effects; a small amount of base effect will still be present for certain sectors due to furlough during the 2020/21 winter lockdown.

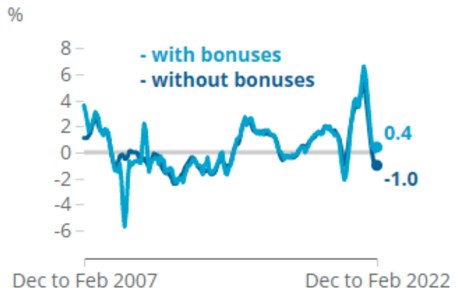


Source: ONS MWSS

Real Earnings

Average Weekly Earnings annual growth rates - real pay

Previous months' strong growth rates were affected upwards by base and compositional effects; a small amount of base effect will still be present for certain sectors due to furlough during the 2020/21 winter lockdown.



Source: ONS MWSS

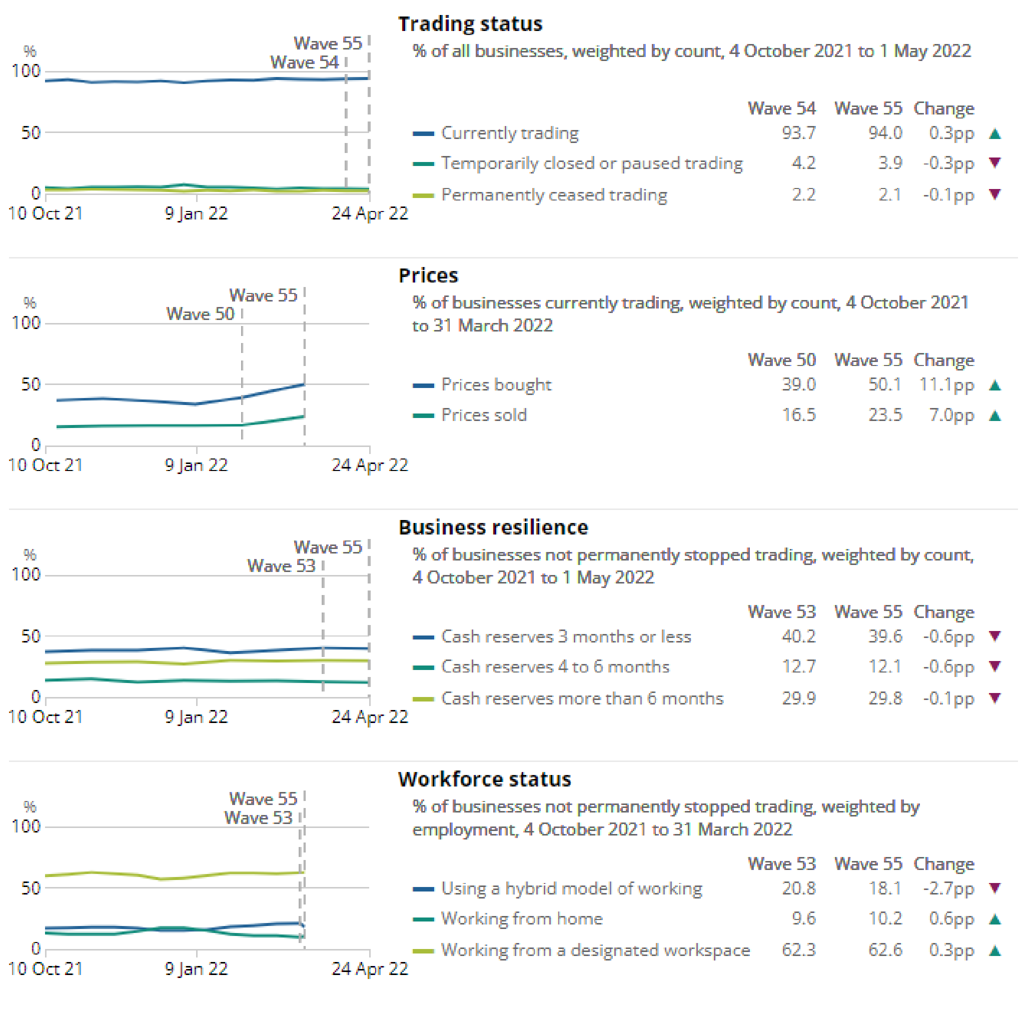
- At the same time **benefits and state pension increase outpaced by rising prices,** with a wide range of charities warning that the recent 3.1 per cent rise in the state pension and various benefits fails to tackle cost of living pressures.
- **More people are worried about their finances than about catching Covid**, according to new research. University College London's COVID 19 Social Study, which is based on the opinions of 28,495 people in the UK between 21 March and 27 March, found almost four in 10 people (38 per cent) are worried about their finances, compared to 33 per cent who are concerned about getting the virus.
- This growing concern is reflected in **households borrowing** on credit cards increasing by another £800 million in March as the rising cost of living was felt.
- The Bank of England has **raised interest rates** from 0.75 per cent to 1.0 per cent, a 13 year high, to try to calm inflation but has warned inflation may reach 8% and possibly higher in the coming months. Homeowners will see an immediate increase in their monthly **mortgage repayments** with other **loans** potentially getting more expensive too.
- Millions of households have started to receive a **council tax rebate** this year to mitigate rising energy prices. The one off £150 payment will not need to be repaid and claims for the rebate can be processed up until 30 September 2022.
- The Government is also considering **other options to help ease the cost of living**

crisis without having to raise taxes or increase borrowing further. Initial ideas include awareness raising of existing support such as tax free childcare, a relaxation of health and safety rules in childcare settings, less frequent MOTs and privatising the passport and driving license offices.

- The Prime Minister has also promised to consider a **proposal to raise universal credit** so that it is in line with inflation. Speaking to the liaison committee of MPs on the cost of living crisis, the Prime Minister confirmed that the issue will be re examined after Mel Stride MP highlighted that an increase in line with inflation would cost the treasury no more money, as a smaller one would be required next year.

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 55 of the **ONS Business Insights and Conditions Survey (BICS),** which was live for the period 19 April to 1 May 2022.



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

- Of currently trading businesses, 20% reported that their **turnover** decreased in March 2022 compared with February 2022, in contrast 14% reported turnover had increased.
- Half (50%) of businesses currently trading reported an increase in the **prices of materials, goods or services bought** in March 2022, up from 39% in February 2022; in comparison, the percentage of businesses who reported an **increase in the prices of materials, goods or services sold** increased from 17% to 24% over the same period.
- Almost a third of currently trading businesses (31%) reported they expected the price of goods or services sold in April 2022 to increase (excluding seasonal changes), with energy prices (41%) reported as the main factor for businesses considering raising their prices.
- In late April 2022, **having to absorb costs** (38%) and **having to pass on price increases to customers** (27%) were reported as the biggest impacts on businesses because of general price rises; these percentages have increased slightly since early March 2022 from 35% and 24%, respectively.
- 31% of businesses reported their **production and/or suppliers had been affected by recent increases in energy prices**, with the accommodation and food service activities industry reporting the highest percentage, at 64%.
- Among businesses not permanently stopped trading, 7% of businesses reported their **stock levels of raw materials** in March 2022 were lower than in February 2022, whereas 4% reported stock levels were higher; across the same period, 6% of businesses reported their stock levels of finished goods were also lower.
- The employers' lobby group, the **CBI**, said 82 per cent of **firms were expecting to raise prices** in the coming months against just 2 per cent predicting a fall. Cost pressures have been building on manufacturers for the past year, with the March 2022 balance of 80 per cent expecting to raise prices up from 20 per cent a year ago.
- **Sales in shops have slowed** as household budgets come under pressure from the rising cost of living, the **British Retail Consortium** has said. New figures show sales growth for March rose at its slowest rate so far this year, with UK retail sales falling by 0.4 per cent from 12 months earlier.
- **Councils** are facing a sharp rise in the cost of the raw materials, labour and services they have to buy to provide public services. The **LGA** has estimated that even before taking account of inflation, councils will have a **£1 billion funding gap** in the next few years as they face growing pressures from an ageing population and an economy still dealing with COVID 19.
- The overall number of **company insolvencies increased by more than double (112%) in March 2022 when compared to the same month last year and is now 34% higher than three 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 ended. The main concern is a continued rise in company and individual insolvencies now that Government support has been withdrawn and associated issues such as homelessness. In the coming months, the impact of the energy crisis and the 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.

- **Business closures** are at highest quarterly level with the number of businesses removed from the **Inter Departmental Business Register** (business closures) in the UK in Quarter 1 (Jan to Mar) 2022 was 137,210 (23%) higher than in Quarter 1 2021. There was an increase in closures in 15 out of 16 main industrial groups in Quarter 1 2022 compared with Quarter 1 2021, with the most significant increase coming from the transport and storage industry.
- A **growing number of UK businesses are also at risk of going under**, as costs increase and pandemic loan repayments are due. In the first three months of this year there was a 19% rise in businesses in critical financial distress compared to the start of 2021. Construction and hospitality are the sectors most at risk, insolvency firm **Begbies Traynor** has found.
- Company directors fear the cost of living crisis and falling consumer confidence will cause greater harm than previously estimated, increasing the **risk of an economic downturn this year**, according to a major new study. **The Institute of Directors** said in a survey last month that a **lack of confidence in the economic outlook** was “the number one issue facing British businesses as inflationary pressures combined with the uncertainty caused by the Russian invasion of Ukraine to heighten the risk of a recession.
- The cost of living crisis is being made worse for poorer households by **waning competition in British markets**, according to a report by **the Competition and Markets Authority**. The regulator said this lack of competition has allowed the biggest companies to consolidate their positions and raise prices at a time when millions of people in the UK are struggling with rises in energy bills, council tax, national insurance, fuel, and inflation.
- Thousands of workers at British companies are set to take part in the world's “biggest ever” trial of a **four day working week**. From June this year 60 companies will give their 3,000 employees a three day weekend without any reduction in pay, with the pilot planned to run for an initial six months, but if it works well the firms could make the approach permanent.

Labour Market

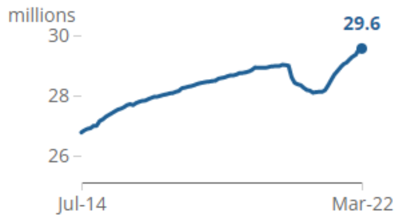
- Alongside trading issues, **labour market challenges** continue to persist with unemployment declining while **job vacancies are at record levels** leading to an incredibly **tight labour market** with employers' findings it difficult to recruit the talent that they need to aid economic recovery.
- The following charts shows the latest **labour market position** and the most recent data for December 2021 to February 2022 shows the employment rate is unchanged on the quarter, while the unemployment rate decreased. Over the same period, the economic inactivity rate has increased slightly.

Payrolled employees
The number of payrolled employees

Monthly change: ▲35,000
Since Feb 2020: ▲544,000

The number of payroll employees is now well above pre-pandemic levels

Source: HMRC PAYE RTI



Employment rate
Employment rate (all aged 16 to 64)

Quarterly change: ◀▶ 0pps
Since Dec-Feb 2020: ▼-1.1pps

Employment rate is unchanged on the quarter, up on the year but still below pre-pandemic rates

Source: ONS LFS

Unemployment rate
Unemployment rate (all aged 16+)

Quarterly change: ▼-0.2pps
Since Dec-Feb 2020: ▼-0.1pps

Unemployment rate is down on the quarter and down on the year, and is now at pre-pandemic rates

Source: ONS LFS

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

Quarterly change: ▲0.2pps
Since Dec-Feb 2020: ▲1.2pps

Inactivity rate is up on the quarter, up on the year and still above pre-pandemic rates

Source: ONS LFS

- The UK **employment rate** was largely unchanged on the quarter at 75.5%, but still below pre coronavirus (COVID 19) pandemic levels. The number of **full time employees** increased on the quarter; however, this was offset by a decrease in **part time employees**. While the number of **self employed workers** is still well below pre coronavirus pandemic levels, it has increased slightly in the recent quarter. Overall, the number in employment is still 588,000 below pre pandemic level.

- **Payrolled employees** for March 2022 shows a small monthly increase (up 35,000 on the revised February 2022) to a record 29.6 million.
- The **unemployment rate** for December 2021 to February 2022 decreased by 0.2 percentage points on the quarter to 3.8%. Those unemployed for up to 12 months decreased during the latest period to a record low. Meanwhile, those unemployed for over 12 months continued to decrease from the peak in July to September 2021. Overall, the number in unemployment is down 68,000 on pre pandemic level.
- The **economic inactivity rate** increased by 0.2 percentage points to 21.4% in December 2021 to February 2022. This increase was driven by those who are economically inactive because they are looking after family or home, retired, or long term sick. Overall, the number economically inactive is 487,000 above pre pandemic level.
- The number of **job vacancies** in January to March 2022 rose to a new record of 1,288,000. However, the rate of growth in vacancies continued to slow down. Over the quarter the number of vacancies increased by 50,200 with the largest increase in human health and social work.
- **Nurseries** across the UK are being forced to close or reduce their services because they are struggling to recruit and retain staff, the **National Day Nurseries Association** has warned. About 95 per cent of nurseries say the Government's funding does not cover their costs and 85 per cent are operating at a loss or breaking even, according to the NDNA, with the recruitment crisis reaching a level which is forcing many nurseries to reduce their intake.
- There are also concerns that **farming labour shortage** could mean price rises and the UK becoming more dependent on food imports. The **Environment, Food and Rural Affairs Committee** said Covid and Brexit had a huge impact on the sector, with a sudden decline in overseas labour last year leading to more than half a million job vacancies in the food and farming sector, out of a workforce of four million.
- Nearly half of **teachers** plan to quit the profession within the next five years, a poll of 1,788 teachers by the **National Education Union** has found. In the poll, 44 per cent said they would leave by 2027 while a fifth said they would leave as soon as within the next two years, with the decision largely down to heavy workload.

Green Economy

- The Government have announced a **new energy strategy**, setting out plans for new nuclear power plants in the UK and a relaxation of planning rules to allow the building of more on shore wind turbines. The plans set out aims for up to 95 per cent of the UK's electricity to come from low carbon sources by 2030.
- Britain could build up to seven **new nuclear power stations** by 2050 as part of a radical expansion of homegrown energy and push for self reliance. Ministers have agreed to

set up a development vehicle, **Great British Nuclear**, to identify sites and cut through red tape to accelerate the planning process and bring together private firms to run each site.

- Seventy two per cent of voters say they would support the building of a **wind farm** in their local area, with only 17 per cent opposed, a new poll by **YouGov** has revealed. Support for wind farms rose to 81 per cent if it meant less dependence on Russian energy and 83 per cent if local communities could benefit from cheaper bills.
- Planning rules for homeowners to install **solar panels** are to be lifted, with measures attempting to increase the number of solar panels installed on roofs, with the changes meaning a "presumption in favour of solar development", provided that environmental and community conditions have been met.
- A geological survey into the impact of **fracking** has been commissioned by the Government to help determine whether this process of extracting fuel could contribute to UK produced energy due to the ongoing invasion of Ukraine while a moratorium placed on fracking in 2019 remains in place.
- The **RAC** motoring group has called for an increase in **rapid electric vehicle charging points**, as sales for the vehicles rise. They have expressed concerns that too much emphasis is being put on installing "slow and "fast" chargers, which can take between four and 12 hours to charge compared to "rapid" and "ultra rapid" devices which can take 20 minutes to an hour.
- Replacing gas and electric boilers with **heat pumps** could cost up to £115 billion, a report by the **Taxpayers Alliance** has warned. They argue that extending the scheme in its current form to all homes on the gas grid could bring a large additional cost.
- The Queen's speech at the next State Opening of Parliament will take place on Tuesday, May 10 and is expected to include new energy legislation to support the UK's transition to a low carbon economy. It is expected to consist of about 20 bills, including measures on levelling up, financial services, and economic crime.
- **Greenhouse gas emissions** must peak by 2025 and can be nearly halved this decade, according to the **Intergovernmental Panel on Climate Change**, to give the world a chance of limiting future heating to 1.5C above pre industrial levels. The world can still hope to stave off the worst effects of climate breakdown, but only through a "now or never" rush to a low carbon economy and society, the UN scientists said in what is a warning for governments on the climate.
- Research by the **Campaign for Better Transport** has found that 27 per cent of **bus services** in England have disappeared in the last decade, with the pandemic accelerating the decline. To help boost bus services £1.08 billion of Government funding has been allocated to 31 local authorities including Stoke on Trent as part of the Government's £3bn bus strategy.

Local Picture

- The claimant count in Staffordshire saw a **decline of 120 claimants between February and March 2022 to a total of 16,365 claimants**, this was a 0.7% decrease which was similar to the 1.2% decline seen nationally. The **claimant rate has remained at 3.1%** of the working age population in March.
- The decline in claimants seen during March is a return to the long term labour market recovery we were witnessing going into the festive period with declining work related benefit claimants and largely signals the end of the impact that seasonal job losses were having on the claimant count.
- However, **the total number of Universal Credit (UC) claimants remains 35.8% or 4,315 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 March compared to 5.3% regionally and 4.3% 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 35 to a total of 2,785, likely 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 March 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 28% between February and March equivalent to over 4,200 more job vacancies, this was a similar rise seen to the 25% increase seen nationally. Stoke on Trent saw a 19% rise in vacancies equivalent to just under 1,000 more job vacancies.**
- The **occupations** to see the most significant increases during March include roles in sectors experiencing recruitment difficulties such as **health and social care and education** and occupations to support business recovery and growth including **hospitality**, **manufacturing, and logistics.**
- 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** (alongside LGV and van 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', 'book keepers, payroll managers and wages clerks', IT user support technicians' and 'chartered and certified accountants'** 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.
- **Staffordshire Chambers is supporting Ukrainian refugees with employability**

skills and business start up advice as part of their **Positive Pathways programme**. Ukrainian refugees have been fast tracked onto the programme, which is designed to support refugees across Stoke on Trent and Staffordshire with meaningful employability skills, interview techniques and advice on how to start their own businesses.

- The **Stoke on Trent & Staffordshire LEP** have revealed the outcome of its largest ever **business insights survey** which gathered intel from almost 800 SMEs across the area. The results showed that over one third (37%) of businesses are recruiting for new skilled workers. Despite slow economic recovery post pandemic due to challenges in politics and the cost of living, business owners remain confident for a strong year ahead. Only 1% of those polled would consider making redundancies. Slow and considered growth, stability and optimism for the future that was the key take away from **Stoke on Trent and Staffordshire LEP's Situation Report (SITREP)** and accompanying business insights survey, which was conducted across the region through January to March 2022. Although challenges posed by wider issues including inflation, global politics and post pandemic recovery were acknowledged by many recipients, business owners on average said that they were largely confident for the year ahead, scoring a 7 on a scale from 1 to10. Further to this, 74% of businesses said they had cash reserves to last for at least six months, signifying a stable approach to the coming months.
- Small and start up businesses looking for town centre office space on flexible tenancies are being urged to find out more about a new enterprise centre housed in one of Staffordshire's iconic buildings. The **Shire Hall Business Centre in Stafford's Market Square** will be opened by the county council this summer. It is located in the area at the rear of the building which used to accommodate the town's main library. Work on the £2million project is continuing at pace as the building is fitted out, ready for 21 businesses to occupy the units. Like the county council's other enterprise centres, it will offer office space, reception facilities, meeting areas, networking opportunities and business advice and support. Shire Hall's management team is particularly keen to attract digital companies and those who work in the sector of professional services. Any businesses wanting to find out more about unit costs and availability, or that want to book a viewing, should contact Susan Semple, centre administrator, at susan.semple@staffordshire.gov.uk or by calling 01785 226415.
- **St Modwen Logistics** has announced that it has invested £65.5m to support regeneration in Stoke on Trent through the development of more than 450,000 sq. ft of warehouse space in the past 18 months. The company is developing more than 480,000 sq. ft of warehouse space at **St Modwen Park Stoke Central**, which is part of the wider 300 acre Festival Park development. Of this space in development, two pre let deals have been agreed with personal computer ecommerce business Overclockers

UK and National Veterinary Services (NVS). Additionally, **St Modwen Park Stoke South**, a 400 acre mixed use development, has seen 2.3m sq. ft of warehouse space constructed to date and has attracted occupiers such as E.ON and Screwfix.

- A Stafford manufacturing firm called **Bri Stor Group** has installed 2,000 **solar panels** at its 33 acre site in Hixon, using a £350k loan provided through Lloyds Bank's Clean Growth Financing Initiative. The initiative provides discounted funding to help businesses transition to a lower carbon, more sustainable future. The new panels will cover more than 3,500 sq. ft, helping the business to reduce its carbon footprint by 149kg each year, the equivalent of travelling more than 1,300 miles in a car.
- **Ibstock** plc, a leading manufacturer of clay and concrete building products and solutions, has today launched its **new ESG Strategy to 2030**. The company, which is widely credited as leading the way in sustainability within the construction products sector, says its new ESG Strategy to 2030 will simplify the way it articulates its goals and ambitions thus enhancing understanding of the journey ahead with both its colleagues and external stakeholders. It is communicating its milestones and ambitions clearly under three themes: Address Climate Change; Improve lives; and Manufacture Materials for life.
- **Stoke on Trent City Council**'s cabinet is to vote on whether to note 'A Vision for Chatterley Whitfield January 2022' as a potential baseline for the restoration of the former colliery. **Chatterley Whitfield** is a disused colliery site which extends to approximately 25.9 acres. The vision shows a mixed use business, enterprise, industry and innovation park with an opportunity for new housing.
- A six figure funding package designed to help restore historic high street properties in **Stoke town centre** has been secured. **Stoke on Trent City Council and Historic England** are behind the cash injection, with work having already started on repairs to the Crafty Lion Public House on Church Street. The funding is going towards vital work restoring the building and conserving the heritage of the property as well as the internal reconfiguration.
- Turnover moved towards the £80m mark at a Staffordshire headquartered Road repairing materials company during its latest financial year. Tamworth based **Instarmac Group** has reported a turnover of £77.6m for the year to 30 September 2021, up from £60.5m in 2020.
- A listed specialty chemicals giant has been awarded a **grant of £15.9m to significantly increase production capacity of key vaccine ingredients** at its facility in Staffordshire. The UK Government funding will allow **Croda International** to increase both the range and volume of specialty lipids, particularly the mRNA lipid used in a number of Covid vaccines, as well as creating a number of jobs at the site.
- The acquisition of a 17 acre development site in Stafford is to pave the way for a

scheme which has the potential to create more than 500 jobs. **PLP** has purchased a site at **Stone Business Park** with plans to speculatively develop a 350,000 sq. ft unit, which will be known as PLP Stafford. The scheme involves the redevelopment of a redundant and recently vacated datacentre into a big box logistics warehouse, including more than 20,000 sq. ft of offices. The scheme will also include a separately accessed, secure service yard up to 67m deep, a car park with more than 300 spaces and the retention and enhancement of the existing landscaping belt.

- A digital led retailer of furniture and homewares is to create jobs after agreeing a deal for a speculatively built 139,202 sq. ft distribution centre in Lichfield. **The Cotswold Company** has secured a ten year lease on **Fradley Park's Axis 38 unit** in advance of its practical completion this month. Axis 38 was constructed by GMI and incorporates 8,900 sq. ft of fitted offices, a glazed entrance and provision for 33 parking spaces within a secure fenced yard. The expansion will provide the opportunity for The Cotswold Company to create at least 50 jobs this year across its distribution operations.
- **Tamworth Borough Council** has reached a milestone in the multimillion pound project to transform **Tamworth town centre**, with the council taking ownership of the flagship building at the heart of the plans. Tamworth Borough Council now has the keys to the **Tamworth Co operative Society building in St Editha's Square**, ready for it to be given a new lease of life as an education and enterprise hub. The historic shop units on the Colehill side of the site will become a second Tamworth Enterprise Centre, providing affordable office space for businesses. The large 1960s section at the back will be demolished and replaced with a **new home for Tamworth College**, part of South Staffordshire College. This move will bring around 1500 students and visitors into the town centre, both for daytime and evening courses.
- **Tamworth** is preparing a bid to become the **home of Great British Railways** as part of the government's national relocation plan. Great British Railways is a new state owned public body which will oversee rail transport in Great Britain from 2023. The GBR team will shortlist applications in May, and it will then be put to an online public vote to help determine the winning town or city. The Tamworth bid is being supported by the town's MP Christopher Pincher.
- **Newcastle Under Lyme Borough Council** have granted planning permission to the **Hayworth group** to commence the construction of a 1.2 million sq. ft development in Chatterley Valley. The 106 acre **Chatterley Valley site** is adjacent to the A500 and forms part of the wider Ceramic Valley Enterprise Zone, which was established in 2016 to drive economic growth in Stoke on Trent and Staffordshire. The detailed planning consent has been secured for a landmark industrial and logistics project which is expected to support 1,700 jobs in Staffordshire. Harworth expects to start construction on the site later this year, with the first units available to the market by the end of 2023.

- **Staffordshire University** has opened the doors of its new £5.8 million **Centre for Health Innovation**. Offering a series of flexible and immersive simulation spaces, the centre aims to enhance clinical competency and the learning experience for students. It has been part funded by Stoke on Trent & Staffordshire Local Enterprise Partnership (LEP) via the Government's Getting Building Fund. The LEP allocated £2.89m to this scheme to help bring forward the facility and generate further opportunities for learners and businesses in the area.
- People and businesses in Staffordshire can now help to shape an eight year plan setting out the county's economic growth priorities which will support increased prosperity and opportunities. In addition to the main economic strategy for Staffordshire, people can also give feedback on a strategy for the rural economy which will play a vital part in the county's future growth. The consultation is open now and will close on May 30. People can go to: www.staffordshire.gov.uk/economicstrategiesconsultations

Conclusion

- In conclusion, the picture regarding **infections** is starting to improve however cases remain high, and the NHS remains under pressure, with **boosters and new vaccines** vital to a more positive path in the future. **Rapidly rising inflation, the war in Ukraine and the cost of living crisis** are leading to both economic and social impacts, with the **economic recovery slowing, debt increasing** and a **decline in living standards**. There are **rising business cost pressures**, **ongoing supply chain issues** and **diminished consumer confidence impacting trade**, all contributing to **increased business closures.**
- Having seen a long period in which **employment was increasing**, there are now signs that it is becoming increasingly **difficult for employers to recruit** the people required to support recovery and growth. There **continue to be record high numbers of job vacancies and a very tight labour market, with increases in those that are now economically inactive which were previously unemployed but available for work.**
- However, the **availability of jobs across all sectors of the economy provides opportunities for those that have lost work during the pandemic and want to find new employment.** 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 March 2022, which show the number of new companies and individuals who are unable to pay debts and enter a formal insolvency procedure.

Company Insolvencies

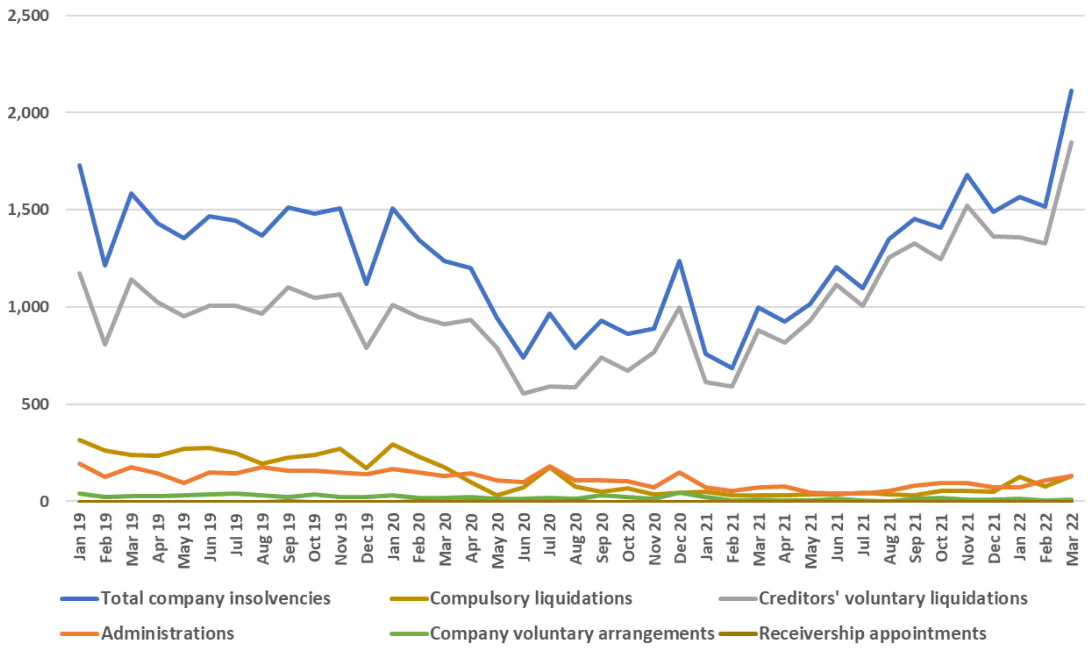
In March 2022 there were a total of 2,114 company insolvencies in England and Wales.

The overall number of **company insolvencies increased by more than double (112%) in March 2022 when compared to the same month last year and is now 34% higher than three years previously (pre-pandemic).** 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.

In March 2022 there were 1,844 Creditors' Voluntary Liquidations (CVLs), more than double the number in March 2021 and 62% higher than March 2019. Numbers for other types of company insolvencies, such as compulsory liquidations, remained lower than before the pandemic, although there were almost four times as many compulsory liquidations in March 2022 compared to March 2021, and the number of administrations was 74% higher than a year ago.

Company insolvencies between April 2021 and March 2022 are now 53% higher compared to a year earlier, representing just over 5,800 more businesses.

Company Insolvencies in England and Wales



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

[1] Source: The Insolvency Service https://www.gov.uk/government/statistics/monthly_insolvency_statistics_march_2022

The sectors to have seen the largest number of company insolvencies between March 2021 and February 2022 are construction (2,957), wholesale and retail (1,924) and accommodation and food (1,872). Levels now exceed those seen for the same period the previous year with construction 65% higher, wholesale and retail 29% higher, and accommodation and food 28% higher than levels seen a year earlier.

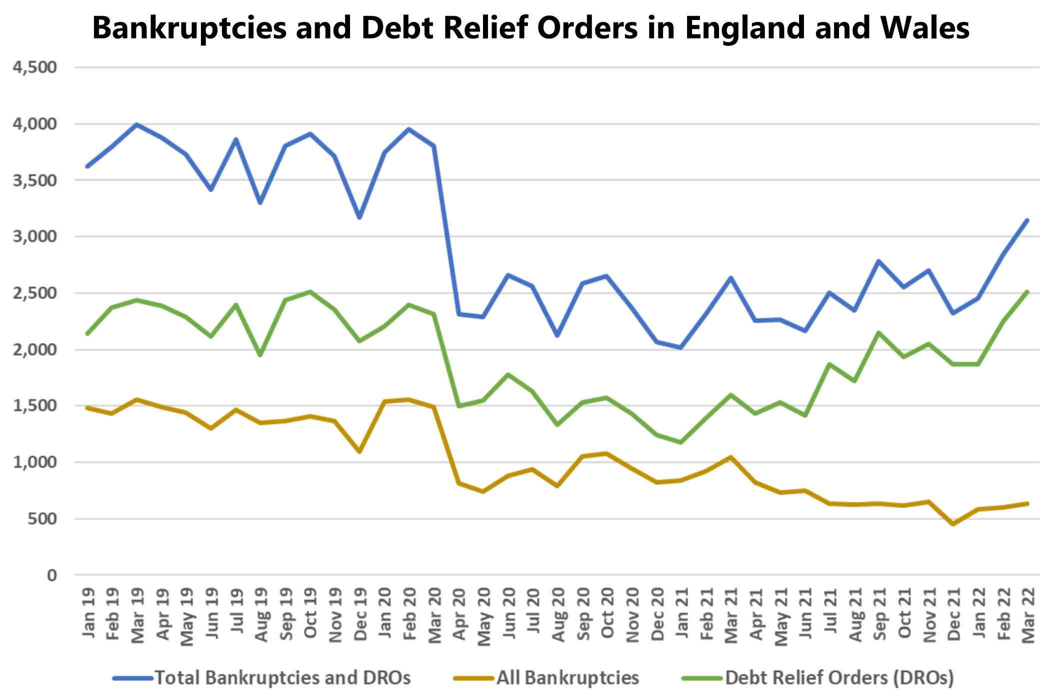
Individual Insolvencies

For individual insolvencies, the number of **bankruptcies in March 2022 was 633** (made up of 549 debtor applications and 84 creditor petitions), while the number of **Debt Relief Orders (DROs) was 2,512**.

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 39% lower than a year earlier and 59% lower than in March 2020, while DROs were 58% higher than in March 2021 and now 3% higher than two years earlier.

Total bankruptcies and DROs between April 2021 and March 2022 are now 6% higher than the same period a year earlier, representing over 1,700 more.



Individual Voluntary Arrangements (IVAs) is a formal debt solution to pay back debts over a period of time. There were, on average, **7,136 IVAs registered per month in the three-month period ending March 2022,** which is 12% higher than the three-month period ending March 2021 and 14% higher than the three-month period ending March 2020. IVA numbers have ranged from around 6,300 to 7,400 per month over the past year.

Between the launch of the Breathing Space scheme on 4 May 2021, and 31 March 2022, there were 58,463 registrations, comprised of 57,555 Standard breathing space registrations and 908 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. On 31 March 2022, all of the remaining temporary insolvency measures ended.

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 ended on 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 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: March 2022

Area	Claimant Count Rate (March 2021)	Claimant Count Rate (February 2022)	Claimant Count Rate[1] (March 2022)	Number of Claimants (March 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	4.3	1,508,410	-18,550	-1.2%	444,905	41.8%
West Midlands	7.3	5.3	5.3	195,850	-50	0.0%	51,500	35.7%
SSLEP	5.5	3.7	3.7	25,900	-70	-0.3%	6,530	33.7%
Birmingham	11.4	9.1	9.1	67,085	305	0.5%	17,715	35.9%
Wolverhampton	10.7	7.9	8.0	13,065	100	0.8%	2,685	25.9%
Sandwell	9.7	7.1	7.2	14,680	155	1.1%	3,900	36.2%
Walsall	8.8	6.2	6.3	10,910	25	0.2%	2,305	26.8%
Stoke-on-Trent	**8.1**	**5.9**	**6.0**	**9,535**	50	**0.5%**	2,215	**30.3%**
Dudley	7.4	5.3	5.3	10,315	-35	-0.3%	1,800	21.1%
Coventry	6.7	4.9	4.9	12,445	-40	-0.3%	4,445	55.6%
Telford and Wrekin	5.9	4.2	4.2	4,690	-45	-1.0%	1,260	36.7%
Solihull	5.9	3.8	3.8	4,930	-35	-0.7%	1,280	35.1%
Worcestershire	5.2	3.6	3.5	12,500	-80	-0.6%	4,195	50.5%
Staffordshire	4.7	3.1	3.1	16,365	-120	-0.7%	4,315	35.8%
Warwickshire	4.8	3.2	3.1	11,120	-125	-1.1%	3,290	42.0%
Shropshire	4.5	2.8	2.8	5,265	-175	-3.2%	1,255	31.3%
Herefordshire, County of	4.2	2.6	2.6	2,940	-40	-1.3%	830	39.3%
Tamworth	6.2	4.1	4.1	1,930	-10	-0.5%	440	29.5%
Cannock Chase	5.4	3.5	3.5	2,215	0	0.0%	560	33.8%
East Staffordshire	5.3	3.4	3.4	2,480	-15	-0.6%	760	44.2%
Newcastle-under-Lyme	4.6	3.1	3.1	2,505	-15	-0.6%	525	26.5%
South Staffordshire	4.6	3.0	3.0	2,030	-5	-0.2%	720	55.0%
Lichfield	4.4	2.7	2.7	1,685	0	0.0%	365	27.7%
Stafford	4.1	2.8	2.7	2,275	-20	-0.9%	620	37.5%
Staffordshire Moorlands	3.7	2.3	2.2	1,250	-55	-4.2%	330	35.9%

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

- The claimant count in Staffordshire saw a decline of 120 claimants between February and March 2022 to a total of 16,365 claimants, this was a 0.7% decrease which was similar to the 1.2% decline seen nationally.

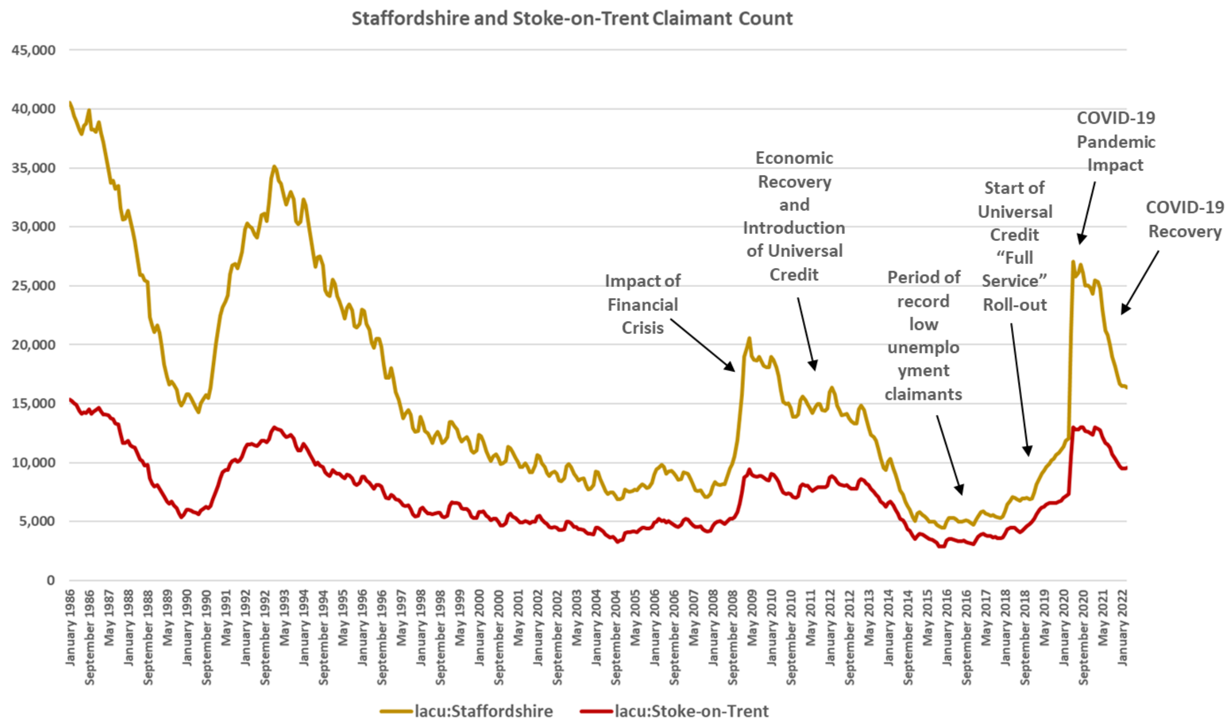
- The claimant rate has remained at 3.1% of the working age population in March.

- While Stoke-on-Trent saw an increase of 50 over the same period with a total of 9,535 claimants in March, with the rate increasing to 6.0%.

- The decline in claimants seen during March is a return to the long-term labour market recovery we were witnessing going into the festive period with declining work-related benefit claimants and largely signals the end of the impact that seasonal job losses were having on the claimant count.

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

- Although overall 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 35.8% or 4,315 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 March compared to 5.3% regionally and 4.3% 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 have seen a decrease in the number of claimants with the exception of Cannock Chase and Lichfield which saw no overall change. Staffordshire Moorlands saw the largest decline of 55.

- 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.

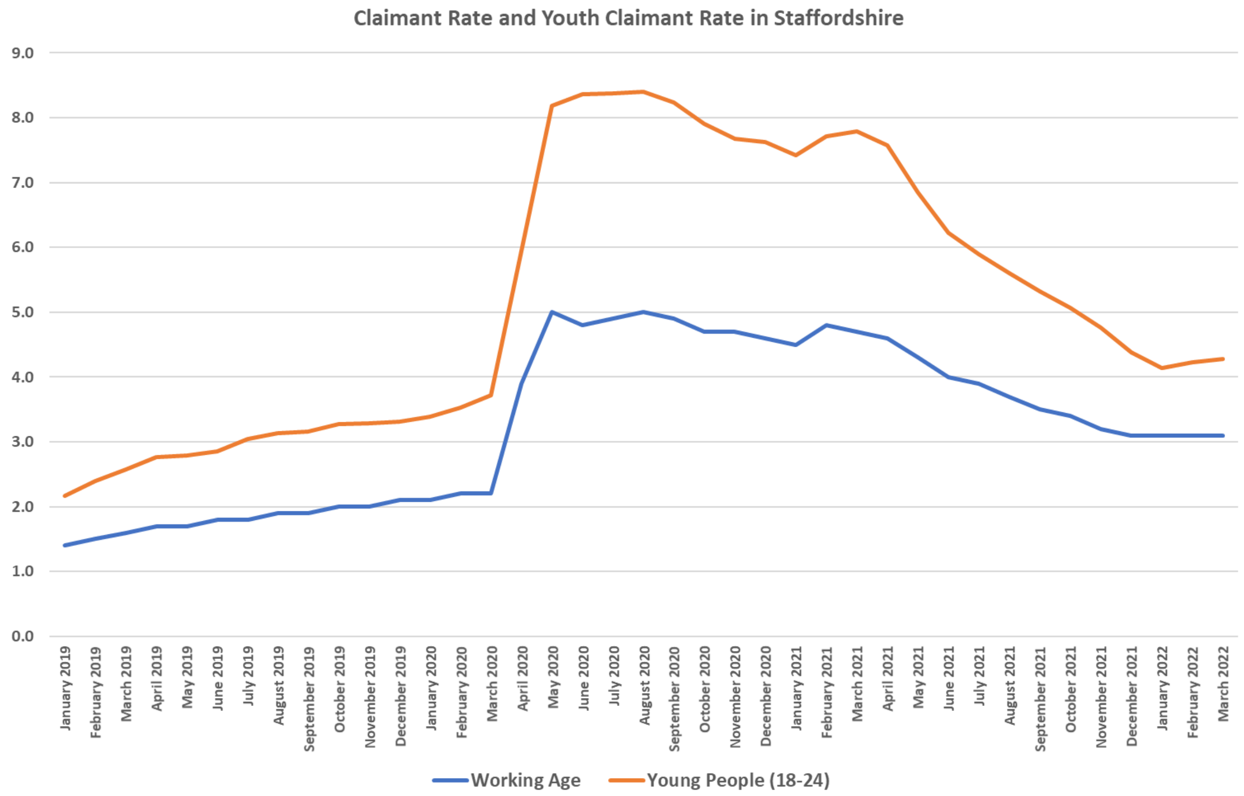
- As well as workers across sectors being impacted differently, there are also signs that it is the lowest paid, young people (particularly apprentices), and part-time workers that are being hardest hit. These groups are more likely to work in sectors that have been impacted the most, such as hospitality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

Youth Claimant Count (Universal Credit) Statistics: March 2022

Area	Youth Claimant Count Rate (Mar 2021)	Youth Claimant Count Rate (Feb 2022)	Youth Claimant Count Rate1 (Mar 2022)	Number of Youth Claimants (Mar 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	9.2	5.1	5.0	236,770	-1,260	-0.5%	39,040	19.7%
West Midlands	10.1	6.2	6.3	32,865	170	0.5%	4,960	17.8%
SSLEP	8.6	5.0	5.1	4,460	60	1.4%	640	16.8%
Wolverhampton	15.7	10.0	10.1	2,090	10	0.5%	180	9.4%
Sandwell	15.3	9.4	9.6	2,515	30	1.2%	400	18.9%
Walsall	14.2	8.9	8.9	2,035	0	0.0%	120	6.3%
Birmingham	11.7	7.9	8.0	11,180	85	0.8%	2,075	22.8%
Dudley	12.8	7.7	7.6	1,805	-20	-1.1%	55	3.1%
Stoke-on-Trent	**10.8**	**7.1**	**7.2**	**1,675**	**20**	**1.2%**	**270**	**19.2%**
Telford and Wrekin	9.8	6.4	6.2	910	-35	-3.7%	150	19.7%
Solihull	11.0	5.8	6.0	920	30	3.4%	95	11.5%
Worcestershire	8.7	4.8	4.8	1,945	-15	-0.8%	350	21.9%
Staffordshire	**7.8**	**4.2**	**4.3**	**2,785**	**35**	**1.3%**	**370**	**15.3%**
Warwickshire	6.8	3.8	3.8	1,745	-10	-0.6%	410	30.7%
Shropshire	8.4	3.9	3.8	775	-30	-3.7%	-50	-6.1%
Coventry	6.1	3.6	3.8	2,045	75	3.8%	510	33.2%
Herefordshire	7.4	3.7	3.7	445	0	0.0%	30	7.2%
Tamworth	11.1	6.6	6.8	380	10	2.7%	85	28.8%
Cannock Chase	10.0	5.6	5.7	410	5	1.2%	45	12.3%
East Staffordshire	8.5	4.4	4.6	395	20	5.3%	75	23.4%
South Staffordshire	8.3	4.5	4.5	355	5	1.4%	105	42.0%
Stafford	6.8	4.0	4.2	370	15	4.2%	55	17.5%
Lichfield	7.6	3.9	3.9	270	-5	-1.8%	0	0.0%
Newcastle-under-Lyme	5.8	3.2	3.2	440	-5	-1.1%	15	3.5%
Staffordshire Moorlands	6.5	2.9	2.7	170	-10	-5.6%	-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 4.3% compared to 3.1% for all working-age residents, while in Stoke-on-Trent the rate is now at 7.2% in March 2022.



- Following a long period of decline in the youth claimant count this month Staffordshire saw an increase of 35 to a total of 2,785, likely 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 Staffordshire Moorlands, Lichfield and Newcastle-under-Lyme which saw slight declines. East Staffordshire saw the largest increases with a rise 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

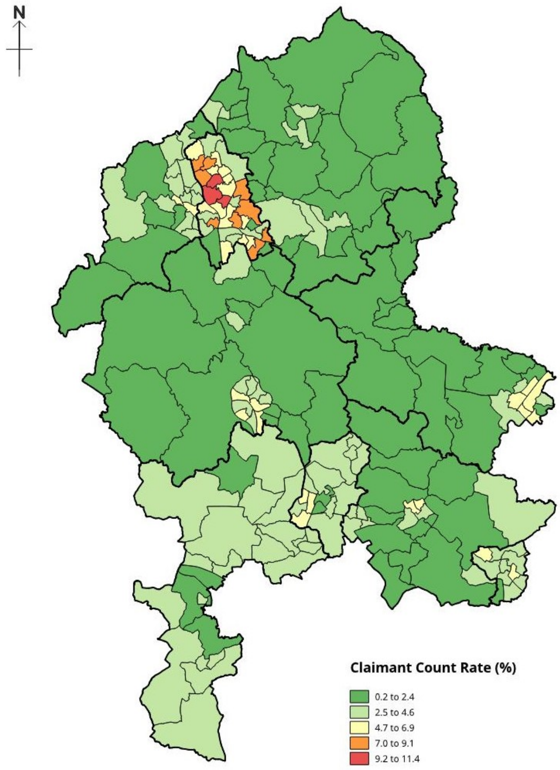
The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

Claimant Count Rate March 2022

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 54 were above the England average of 4.3% for the number of claimants as a proportion of the working age population.

Of the top 10 wards with the highest claimant count rate all 10 were in Stoke-on-Trent with Joiner's Square (11.4% or 515 claimants), Etruria and Hanley (10.6% or 550) and Moorcroft (10.5% or 385) having the highest rates.

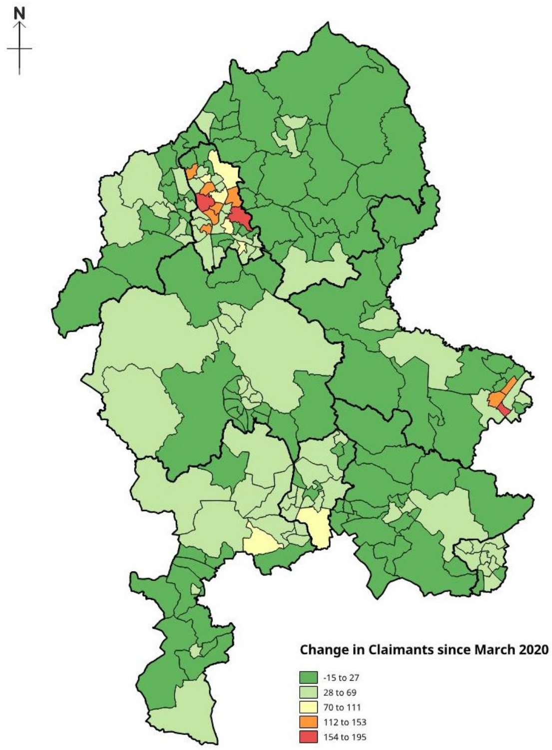
In Staffordshire the 4 wards with the highest claimant count rates were all in East Staffordshire, Burton (6.8% or 205), Anglesey (6.7% or 355), Shobnall (6.3% or 340), and Eton Park (6.2% or 300).



Change in Claimant Count since March 2020

Out of the top 16 wards with the highest change in the number of claimants since March 2020 there were 13 in Stoke-on-Trent and included Etruria and Hanley (195 increase to 550 claimants), Bentilee and Ubberley (165 rise to 565) and Joiner's Square (140 increase to 515 in total).

The remaining 3 wards in the top 10 were all in East Staffordshire the highest increases were seen in Anglesey (165 rise to 355), Shobnall (130 increase to 340) and Eton Park (120 rise to 300).



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

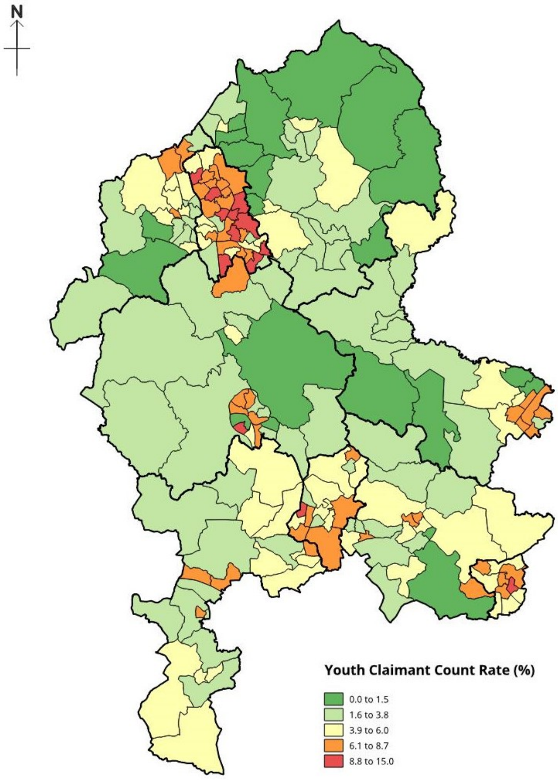
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

Youth Claimant Count Rate March 2022

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 78 were above the England average of 5.0% for the number of claimants aged 18-24 as a proportion of the 18-24 population.

Of the top 11 wards with the highest youth claimant count rate 10 were in Stoke-on-Trent with Joiner's Square (15.0% or 115 claimants), Fenton East (11.8% or 55) and Bentilee and Ubberley (11.6% or 105) having the highest rates.

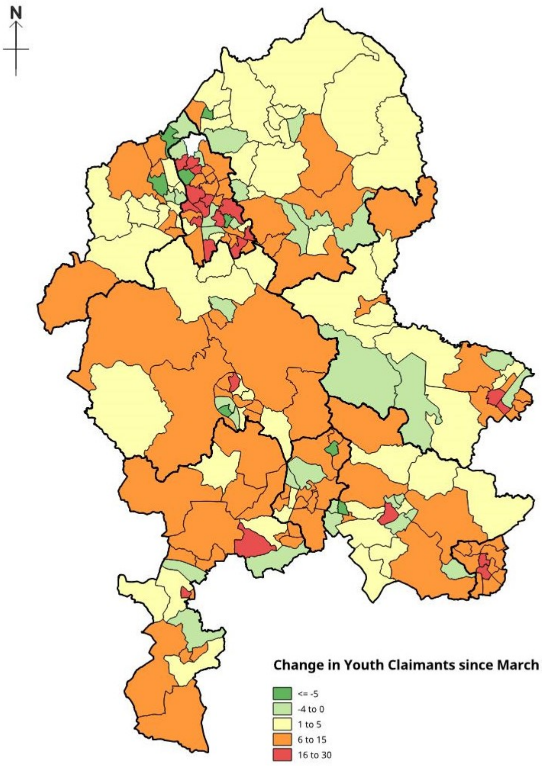
In Staffordshire, the highest rate was Glascote in Tamworth with 10.4% or 60, followed by Cannock North in Cannock Chase with 9.4% or 50.



Change in Youth Claimant Count since March 2020

Out of the top 11 wards with the highest change in the number of youth claimants since March 2020 9 were in Stoke-on-Trent including Hanley Park and Shelton (30 rise to 60), Blurton West and Newstead (25 increase to 60) and Fenton East (20 rise to 55) with the highest increases since March 2020.

In Staffordshire, the highest increase was seen in Anglesey in East Staffordshire (25 rise to 55), followed by Shobnall in East Staffordshire with 20 rise to 55 youth claimants.



Job Vacancies[3]

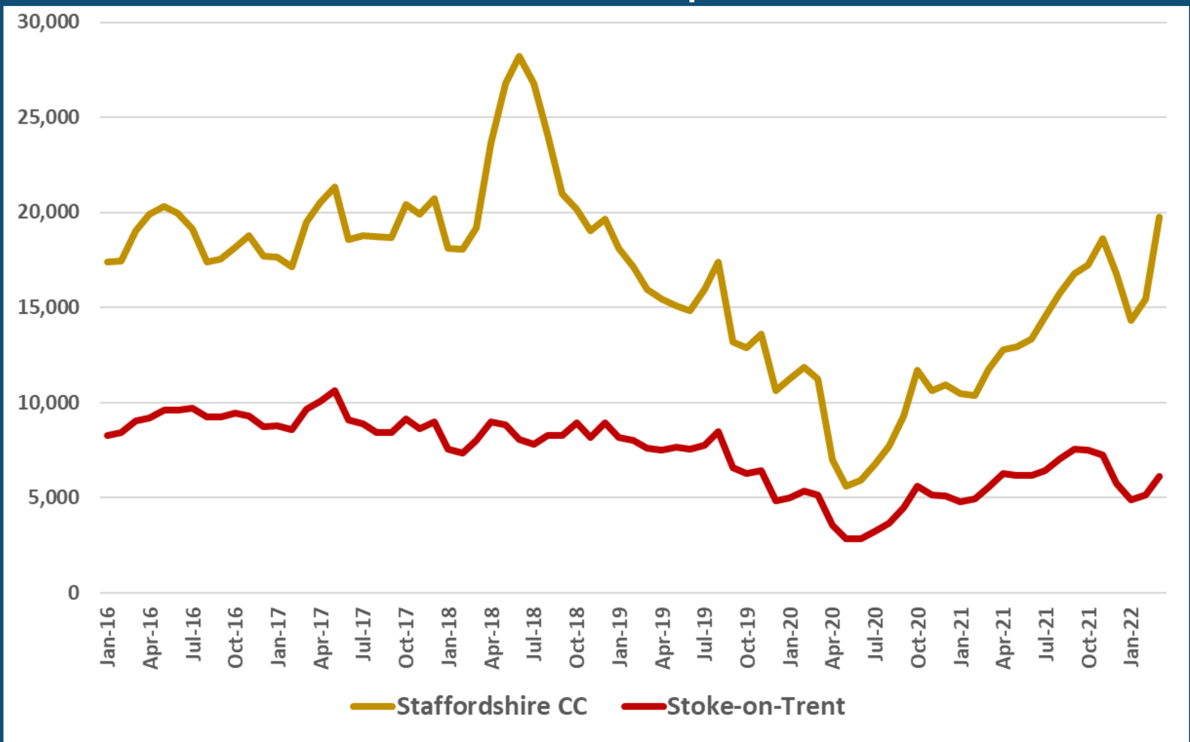
- In March we saw an increase in job vacancies in Staffordshire, which was in line with the increase seen nationally, this is reflective of the continuing high demand for workers across most parts of the economy to aid the recovery from the pandemic.

- **Staffordshire saw vacancies increase by 28% between February and March equivalent to over 4,200 more job vacancies, this was a similar rise seen to the 25% increase seen nationally.**

- **Stoke on Trent saw a 19% rise in vacancies equivalent to just under 1,000 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 through enhanced AI deduplication and sharper skill scraping of job postings.

[3] Source: EMSI

Monthly Trends in recruitment

- All occupational groups saw an increase in vacancies during March with the largest rises seen in 'associate professional and technical occupations (30% rise) and 'administrative and secretarial occupations (29% rise). Although it was 'professional occupations which saw the largest actual rise with an increase of over 1,200.

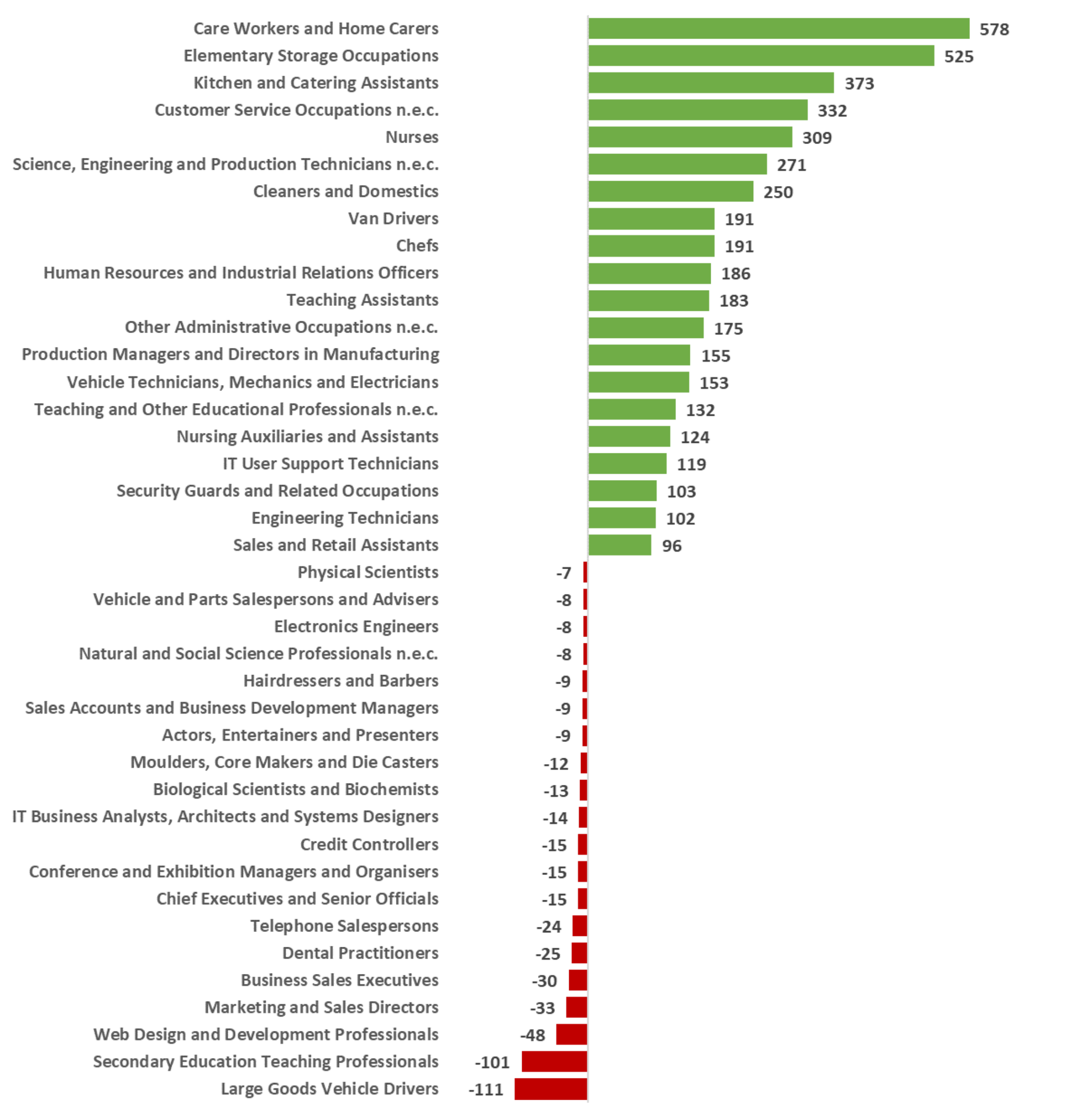
- The occupations to see the most significant increases during March include roles in sectors experiencing recruitment difficulties and occupations to support business recovery and growth including:
    - **Health & Social Care** including 'care workers and home carers and 'nurses';
    - **Education** including 'teaching assistants and 'teaching and other educational professionals and 'primary and nursery education teaching professionals ;
    - **Manufacturing** including 'engineering technicians and 'science, engineering and production technicians ;
    - **Hospitality** including kitchen and catering assistants and 'chefs';
    - **Digital** including 'programmers and software development professionals';
    - **Logistics** including 'large goods vehicle drivers', 'van drivers' and 'elementary storage occupations;
    - **Cross cutting occupations** in demand include 'sales related occupations', 'customer service occupations', 'administrative occupations', 'human resources and industrial relations officers', 'chartered and certified accountants', 'book keepers, payroll managers and wages clerks', 'managers and proprietors in other services', 'marketing associate professionals , and 'IT user support technicians .

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:
    - **Health and Social Care** including 'care workers and home carers', 'nurses', and 'nursing auxiliaries and assistants ;
    - **Logistics** including 'elementary storage occupations', 'van drivers and 'packers, bottlers, canners and fillers';
    - **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 'engineering technicians';
    - **Education** including 'teaching assistants and 'teaching and other educational professionals ;
    - **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 Mar 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.

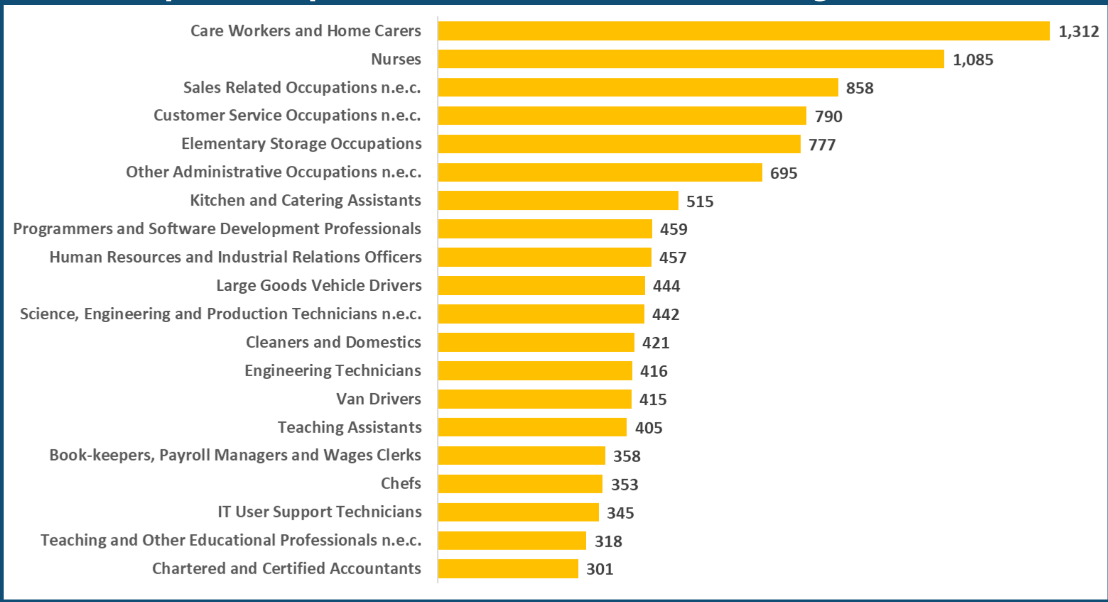
- There is also high demand for **'sales related occupations', customer service occupations', 'administrative occupations', 'human resources and industrial relations officers', 'book keepers, payroll managers and wages clerks', 'IT user support technicians' and 'chartered and certified accountants'** 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 Mar 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	Mar 2021 Unique Postings	Jan 2022 Unique Postings	Feb 2022 Unique Postings	Mar 2022 Unique Postings	Feb 2022-Mar 2022 (Month on Month Change)	Feb 2022-Mar 2022 Monthly % Change	Feb 2020-Mar 2022 (Month on Month Change)	Feb 2020-Mar 2022 Monthly % Change	Mar 2021-Mar 2022 (Year on Year Change)	Mar 2021-Mar 2022 Annual % Change
Staffordshire CC	11,855	11,770	14,318	15,470	19,736	4,266	28%	7,881	66%	7,966	68%
Stoke-on-Trent	5,348	5,586	4,893	5,163	6,133	970	19%	785	15%	547	10%
SSLEP	17,203	17,356	19,211	20,633	25,869	5,236	25%	8,666	50%	8,513	49%
West Midlands	116,862	110,173	155,133	165,346	202,007	36,661	22%	85,145	73%	91,834	83%
England	1,123,527	1,231,306	1,613,977	1,744,400	2,184,478	440,078	25%	1,060,951	94%	953,172	77%
East Staffordshire	2,664	2,705	4,973	5,529	7,161	1,632	30%	4,497	169%	4,456	165%
Lichfield	1,335	1,336	1,744	1,949	2,429	480	25%	1,094	82%	1,093	82%
Staffordshire Moorlands	267	381	339	357	438	81	23%	171	64%	57	15%
Cannock Chase	1,613	1,752	1,715	1,810	2,286	476	26%	673	42%	534	30%
Stafford	2,836	2,968	3,071	3,147	3,984	837	27%	1,148	40%	1,016	34%
South Staffordshire	148	117	149	168	203	35	21%	55	37%	86	74%
Tamworth	2,136	1,776	1,923	2,138	2,776	638	30%	640	30%	1,000	56%
Newcastle-under-Lyme	856	735	404	372	459	87	23%	-397	-46%	-276	-38%
Elementary Occupations	1,001	1,368	2,161	2,291	2,708	417	18%	1,707	171%	1,340	98%
Caring, Leisure and Other Service Occupations	1,415	1,778	2,178	2,116	2,610	494	23%	1,195	84%	832	47%
Skilled Trades Occupations	1,249	1,291	1,444	1,704	2,091	387	23%	842	67%	800	62%
Administrative and Secretarial Occupations	1,548	1,600	1,615	1,839	2,379	540	29%	831	54%	779	49%
Associate Professional and Technical Occupations	2,854	2,669	2,955	3,345	4,348	1,003	30%	1,494	52%	1,679	63%
Sales and Customer Service Occupations	1,672	1,370	1,693	1,805	2,303	498	28%	631	38%	933	68%
Managers, Directors and Senior Officials	1,369	1,390	1,274	1,453	1,837	384	26%	468	34%	447	32%
Process, Plant and Machine Operatives	1,228	1,239	1,293	1,299	1,565	266	20%	337	27%	326	26%
Professional Occupations	4,752	4,533	4,532	4,714	5,954	1,240	26%	1,202	25%	1,421	31%

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.