Staffordshire County Council

Stoke-on-Trent & Staffordshire Enterprise Partnership

Staffordshire
Means
Back to Business

Economic Bulletin - Issue 22 – May 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 have seen **COVID 19 infections** continue to fall in the UK, with levels dropping to their lowest since mid December.
- Positively, at the same time we have also seen **hospital admission** continue to decrease to 6.81 per 100,000 people (36 per 100,000 in January 2021) and the **intensive care unit (ICU) and high dependency unit (HDU) admission rate** remained very low at 0.27 per 100,000 people in the week ending 15 May 2022.
- Importantly **deaths** due to COVID 19 have also decreased.
- However, there are some lasting effects of infection with 1 in 36 people reporting **long COVID** symptoms. The charity **Asthma and Lung UK** has warned the number of people seeking help for long COVID has doubled and the NHS is struggling to keep up. It said some sufferers have asked for advice on buying their own oxygen to help breathlessness.
- A recent study by a team of academics led by the **University of Southampton** has found that a **fourth Covid jab** pushes antibody levels even higher than those seen after the third.
- The **Joint Committee on Vaccination** have sent the Government their recommendations for who should be offered a **COVID booster jab this autumn**. The list includes: over 65s; care home residents and staff; frontline health and social care workers and people over 16 in vulnerable groups.
- The chair of the **UK COVID 19 Public Inquiry** has asked that the terms of reference be expanded to include the impact of the pandemic on children and young people's health, wellbeing and education. The impact on the mental health and wellbeing of the entire population should also be investigated, as well as the collaboration between central government, devolved administrations, local authorities and charities.
- It has also been found that the pandemic gave **NHS workers post traumatic stress**, with around 60,000 NHS workers living with PTSD after working through the pandemic, according to research from **NHS Charities Together**. Nearly three quarters have expressed concerns about their colleagues leaving the workforce due to poor mental health.
- 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. As well as the need to put in place **effective support around issues such as long COVID and mental health impacts of the pandemic.**

Economic Impact and Support

- This month we heard the **Queen's Speech** at the state opening of Parliament with the Government plans for the year ahead focused on 'growing the economy' and the Prime Minster promising to get the country "back on track". However, the Government warned that Britain must take short term pain to boost the economy in the longer term.
- The speech announced **38 bills** including laws aimed at **easing the cost of living, implementing the Government's levelling up strategy, Brexit freedoms bills and boosting economic growth**, with Prince Charles delivering the address to Parliament.
- In the speech **alfresco eating and drinking** at restaurants and pubs is to be made permanent with councils able to grant **"pavement licences"** on a permanent basis but the LGA has urged the Government to double the time it takes for businesses to get a licence, from 14 to 28 days to give residents more time to raise concerns about noise and other disruptions.

Inflation, War in Ukraine and Cost of Living Crisis

- An emergency budget will not be brought forward by the Government to tackle the **cost of living crisis**, but more will be done to help people, according to Secretary of State for Levelling Up, Housing and Communities, Michael Gove. Households are currently facing a combination of **rising energy bills, with inflation forecast to hit at least 10 per cent and wages failing to keep up with price rises**.
- UK **inflation** jumped to 9 per cent in the 12 months to April, up from 7 per cent in March and the highest for 40 years. The rise came as millions of people saw an unprecedented £700 a year rise in energy costs last month.
- **Andy Haldane, former chief economist at the Bank of England** and now a government adviser, has warned that high inflation could remain until 2024 and will be a "massive shock to the system" for a generation, with inflation having "surpassed his worst expectations" and was likely to exceed 10 per cent.
- Clearly a big concern is the **rapidly rising energy prices** that all households are facing, with **Michael Lewis, the Chief Executive of E.On** warning that one in five households are already in fuel poverty (a household is in fuel poverty when it has to spend 10% or more of its disposable income on energy) and that the number could double to 12 million in October when the energy price cap rises again.
- The latest estimate from **Ofgem** is that the **energy price cap is expected to increase to £2,800 a year**, due to continued volatility in gas prices not least due to the war in Ukraine.

  The charity **National Energy Action** has found that some of the poorest households in England and Wales who did not pay council tax by direct debit were **struggling to access council tax rebates to help offset their rising energy bills and facing long**

waits for the £150 payouts.

- **Fuel** is also increasing to record levels with **diesel prices now at a record of over £1.80 a litre,** as efforts to stop importing fuel from Russia pushed up costs for retailers. While **petrol prices went up by nearly 3p a litre since the start of May** and were £1.66 a litre on average.
- Alongside energy and fuel the **price of everyday essentials** are also outstripping growth in wages. **Grocery inflation has reached its highest level in 13 years**, with almost a quarter of shoppers struggling to make ends meet, according to latest industry data. **Kantar Worldpanel** said its measure of **inflation in supermarkets had risen to 7 per cent from 5.9 per cent a month ago**, with prices rising fastest in markets such as dog food, savoury snacks and fresh beef, reflecting the surging costs of energy, fertiliser, fuel and animal feeds being passed down the supply chain. A similar study by **Which** found that **grocery prices are up by 'more than 20 per cent' in advance of inflation caused by the Ukraine war.** They have called for greater transparency on pricing from supermarkets.
- **Justin King, the former Sainsbury's boss**, has warned that the **UK's "golden era" of cheap food is over**, as official figures from the **ONS** showed **two in five people are buying less food to get by.**
- As a result of food price increases there is growing evidence of people skipping meals, with research by the **Food Foundation** has found **more people in the UK are struggling to afford to eat every day as food prices rise**. An online survey suggested around **one in seven adults live in homes where people have skipped meals, reduced meal sizes or gone hungry.** While the children's charity **Action for Children** has found that **hard up families are skipping meals, wearing coats indoors to stay warm, and living in the dark because they cannot afford to switch on the lights**. Current levels of severe and persistent hardship among families supported by the charity's children's centres were among the worst it could remember.
- The **possibility of more rises in food prices is a "major worry"** for the UK and other countries, the **Bank of England governor** has warned. Apologising for sounding "apocalyptic", Andrew Bailey said the **war in Ukraine was affecting food supplies** and also defended the Bank's performance following criticism it has not done enough to try to rein in rising prices, as inflation has reached a 40 year high.
- Beyond grocery shopping, latest evidence shows that the rising cost of living has seen **consumers "put the brakes" on their shopping habits**. The latest retail monitoring from **BRC KPMG revealed sales dipped in April after a sharp downturn in consumer confidence,** while separate figures from **Barclaycard showed credit card spending on retail and eating out slowed last month** as people tightened their belts.
- The **National Union of Rail, Maritime and Transport Workers (RMT) is balloting**

40,000 members on industrial action, which could create **challenges in keeping goods moving and supermarket shelves stocked**. Contingency plans are being drawn up to try to keep passenger and freight trains running and prevent empty supermarket shelves.

- New data from **Loughborough University** shows that **basic goods and services for a typical family with two young children are about £400 a month more expensive than they were last year**. Energy prices have added about £120 to families' monthly costs as price caps increased and cheap tariffs ended.
- These **cost pressures** come at a time when **real wages are falling**, with the ONS stating that average weekly pay across Britain fell by 1.2 per cent between January 2022 and March 2022.
- Growth in employees' **average total pay (including bonuses)** was 7.0% and growth in **regular pay (excluding bonuses)** was 4.2% in January to March 2022. In **real terms (adjusted for inflation),** growth in total pay was 1.4% and regular pay fell on the year at negative 1.2% in the biggest fall since 2013; strong bonus payments 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.

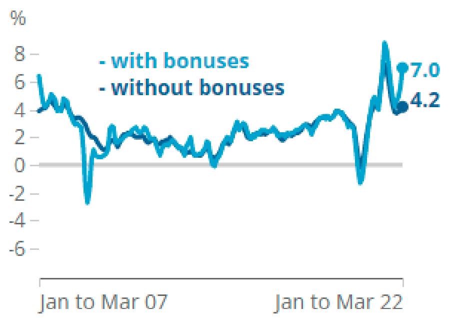
Nominal Earnings

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

Read more

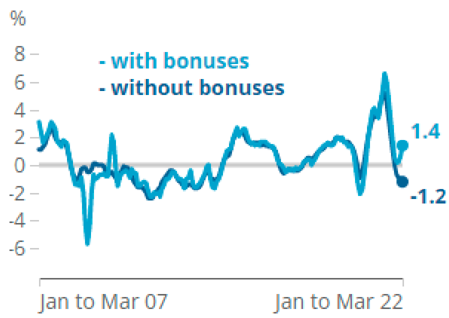


Real Earnings

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



- A study by **The National Institute of Economic and Social Research** has estimated that 1.5 million households across the UK will struggle to pay food and energy bills over the next year due to rising prices and higher taxes. The report urged the Government to raise Universal Credit by £25 per week between May and October and give £250 each to 11.3 million lower income households.
- A major part of the **Government's response to the cost of living crisis** has not been available for months to applicants in some parts of the country after councils used up their allocations amid soaring demand. Funding for the **Household Support Fund** was meant to last until 31 March, but figures obtained under the Freedom of Information Act show one in six councils ran out of money for applicants at least a month earlier.
- In an open letter to **Work and Pensions Secretary Thérèse Coffey**, charities including **Mind, The Trussell Trust, Shelter and Disability Rights UK** have urged the Government to halt the migration of claimants from the old benefits system to the new Universal Credit system. They warn vulnerable people will be given a three month deadline to make a new claim or risk losing their current benefits.
- **Lloyds Bank Foundation** has also found that a **mechanism allowing universal credit payments to be cut by up to 25 per cent is driving people into poverty and debt**, these cuts to benefits are often to recoup advances given during the set up period and to settle outstanding debts but they are not means tested.
- Charities are calling on the Government to **bring forward large increases in benefits and the state pension, due to be paid from next April**, to help tackle the cost of living crisis. The Treasury says there are technical constraints in making earlier payments.
- The **Government is currently considering further cost of living support measures** to be introduced prior to summer recess, with the Chancellor potentially planning to introduce a **possible windfall tax on oil and gas giants** which could be spent partly on bigger benefits payments for more than five million of the poorest Britons. Increasing Universal Credit payments by bringing forward the point that they rise with recent inflation rates is one of the cost of living proposals being scrutinised, while another would see the Treasury instead agree to send cheques worth hundreds of pounds to help the same group of people with further rises in energy bills expected in the autumn. It is reported that the tax will bring in £10 billion and be used to **increase the warm homes discount** by hundreds of pounds in July and **winter fuel allowance**, followed by **general tax cuts in the autumn**.

Business challenges

- It is clear that **The Bank of England** and other central banks are now attempting to walk a fine line between controlling inflation and slowing economic growth.
- The **UK economy shrank by 0.1 per cent in March according the Office for National Statistics (ONS)**, as rising living costs and the war in Ukraine halted recovery. This follows no growth seen in February (revised down from 0.1% growth) and experts warn that the **risk of a recession** in the UK is growing, with **retail sales slowing and a decrease in consumer confidence**.
- **Services** fell by 0.2% on the month and was the main contributor to March's fall in GDP, reflecting a large decrease (15.1%) in the wholesale and retail trade and repair of motor vehicles and motorcycles industry.
- **Production** also fell on the month by 0.2%; these falls were partially offset by **construction**, which grew by 1.7%.
- Output in **consumer facing services** fell by 1.8% in March 2022, following a 0.5% (revised down from 0.7%) growth in February 2022; **non consumer facing services** grew by 0.2% on the month following a 0.1% fall in February (revised down from 0.0%).
- **Positively monthly GDP is now 1.2% above its pre pandemic level** (February 2020). Services is now 1.5% above its pre coronavirus level, while construction is 3.7% above and production is 1.6% below; within services, consumer facing services were 6.8% below their pre coronavirus levels in March 2022, while all other services were 3.6% above.

GDP Monthly index, January 2007 to March 2022, UK

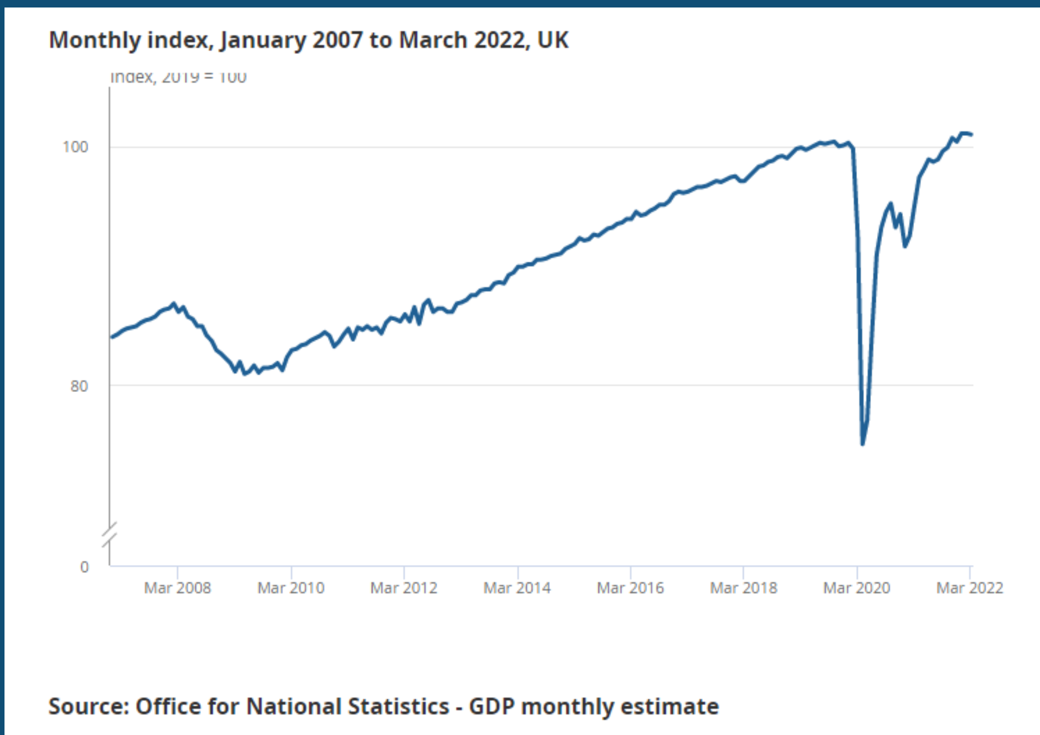
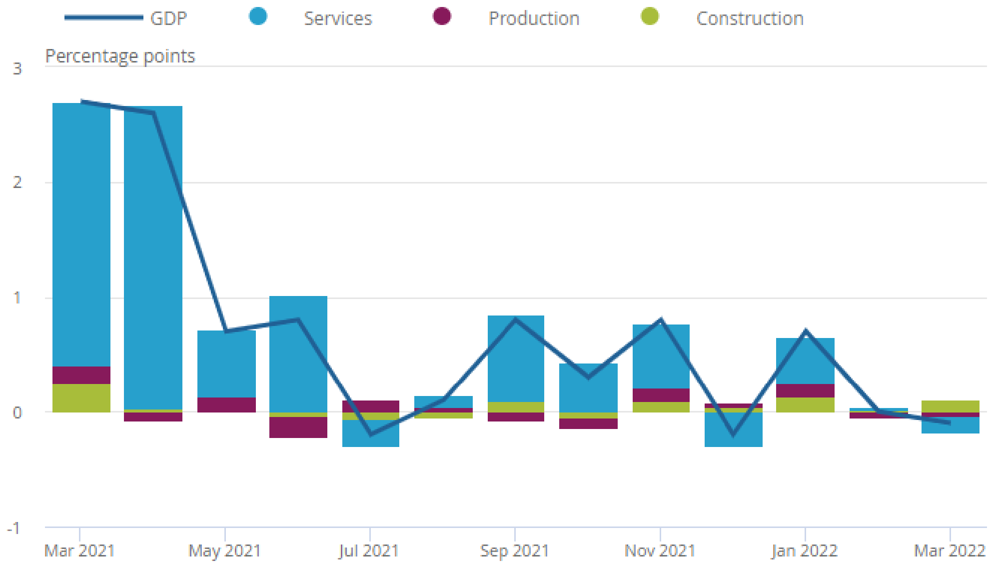


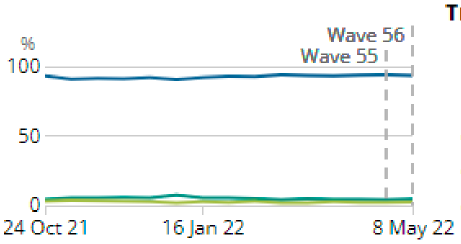
Figure 2: Services were the main contributor to GDP's 0.1% fall in March 2022

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



Source: Office for National Statistics - GDP monthly estimate

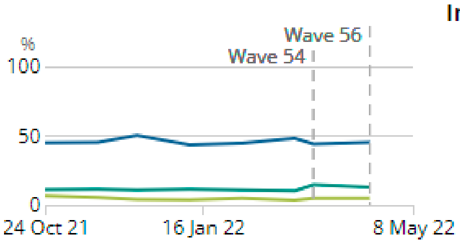
- Beyond the cost of living crisis, there are lingering **business issues including commodity costs, wage pressures and supply chain constraints** and persistent **labour market challenges.**
- The following charts show the latest results from Wave 56 of the **ONS Business Insights and Conditions Survey (BICS)**, which was live from 3 May to 15 May 2022.



Trading status

% of all businesses, weighted by count, 24 October 2021 to 15 May 2022

	Wave 55	Wave 56	Change
Currently trading	94.0	93.5	-0.5pp ▼
Temporarily closed or paused trading	3.9	4.3	0.4pp ▲
Permanently ceased trading	2.1	2.3	0.2pp ▲



Intra UK Procurement

% of businesses currently trading, weighted by count, 24 October 2021 to 30 April 2022

	Wave 54	Wave 56	Change
Yes	44.1	45.2	1.1pp ▲
Yes, but had to make changes	14.7	12.8	-1.9pp ▼
No	4.9	5.0	0.1pp ▲

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

- Businesses continued to report **input price inflation** as the main concern for their business for May 2022 at 26%, up from 24% in April 2022, and **energy prices** at 20%, compared with 21% in April 2022.
- In April 2022, 22% of businesses not permanently stopped trading with 10 or more employees experienced **global supply chain disruption**; this was up from 20% in March 2022.
- In early May 2022, 13% of businesses reported a **shortage of workers**, a slight decrease from the 14% reported in early April 2022; the accommodation and food service activities industry continued to report the highest proportion of businesses experiencing worker shortages, at 34%.
- In April 2022, 64% of businesses currently trading with 10 or more employees reported experiencing a **challenge while importing** and 59% reported a **challenge while exporting**, with both figures representing a fall from March 2022; the biggest fall was seen in businesses reporting additional paperwork as an exporting challenge.
- In early May 2022, approximately 1 in 10 (11%) businesses reported there had been **more innovation within their business** since March 2020; the improvement of existing products and services was the area where innovation increased the most.
- The overall number of **company insolvencies increased by more than double (115%) in April 2022 when compared to the same month last year and is now 39% higher than three years previously (pre pandemic)**. 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 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.
- **Households risk being cut off from the internet** as inflation threatens to cause a wave of **bankruptcies among broadband networks**. **Ofcom** is drawing up contingency plans with BT which could take on thousands of customers if a number of the smaller suppliers, so called 'alt nets', begin to fail.
- **Landlords in England could be forced to let empty shops** in a bid to rejuvenate high streets. Under the move buildings left vacant for a year would have to be entered into a "rental auction". The Government will also introduce a permanent pavement licensing system. The LGA said it supports the permanent licensing move if councils are given greater enforcement powers and residents have longer to have their say.

- **Fraud and errors related to loans from the Government's COVID 19 business support schemes** will cost taxpayers at least £4.9 billion, the **Public Accounts Committee** suggests.

Labour Market

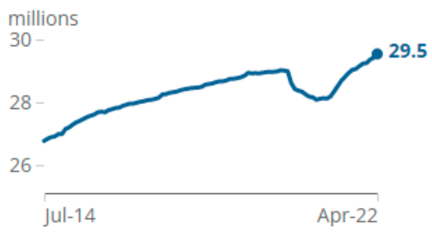
- Alongside trading issues, **labour market challenges** continue to persist with **declining unemployment** and **job vacancies are at record levels** leading to an incredibly **tight labour market** with employers' findings it difficult to recruit the talent that they need to aid economic recovery.
- The following charts shows the latest **labour market position** and the most recent data for January to March 2022 shows that over the quarter there was a decrease in the unemployment rate, while the employment and inactivity rates increased.

Payrolled employees
The number of payrolled employees

Monthly change: ▲121,000
Since Feb 2020: ▲530,000

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

Source: HMRC PAYE RTI

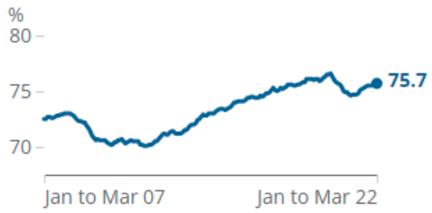


Employment rate
Employment rate (all aged 16 to 64)

Quarterly change: ▲0.1pps
Since Dec-Feb 2020: ▼-0.9pps

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

Source: ONS LFS

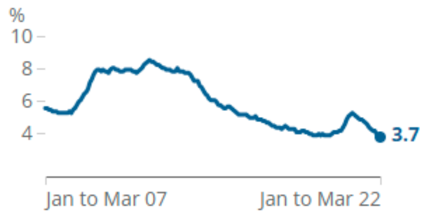


Unemployment rate
Unemployment rate (all aged 16+)

Quarterly change: ▼-0.3pps
Since Dec-Feb 2020: ▼-0.2pps

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

Source: ONS LFS



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

Quarterly change: ▲0.1pps
Since Dec-Feb 2020: ▲1.1pps

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

Source: ONS LFS

- The UK **employment rate** increased by 0.1 percentage points on the quarter to 75.7% but is still below pre pandemic levels. The increase in the employment rate was driven by the movement of people aged 16 to 64 years from unemployment to employment.

However, there was also a record high movement of people from economic inactivity into employment. Total job to job moves also increased to a record high of 994,000, driven by resignations rather than dismissals, during the January to March 2022 period.

- **Payrolled employees** for April 2022 shows a monthly increase, up 121,000 on the revised March 2022, to a record 29.5 million.
- The **unemployment rate** for January to March 2022 decreased by 0.3 percentage points on the quarter to 3.7%, the lowest level in nearly 50 years. **For the first time since records began, there are fewer unemployed people than job vacancies.**
- The **economic inactivity rate** increased by 0.1 percentage points to 21.4% in January to March 2022. Recent increases in economic inactivity have been driven by those aged 50 to 64 years.
- The number of **job vacancies** in February to April 2022 rose to a new record of 1,295,000. However, the rate of growth in vacancies continued to slow down.
- **High demand for workers is not being felt equally across England**, according to new research for the LGA by **the Institute for Employment Studies**. In just over two fifths of the country, there are more vacancies than there are unemployed people. Only the southern half of England registers both high jobs market participation and vacancies, indicating employment prospects in these areas are strong. The LGA said: "This makes it harder for employers to fill job vacancies, holding back employment growth and potentially contributing to rising prices and inflation."
- A survey by PricewaterhouseCoopers (PwC) shows that almost **one in five UK workers say they are likely to change jobs in the next 12 months as they seek better pay and job satisfaction**. PwC said workers were starting to "assert their power" at a time when many bosses are struggling to recruit, while some 60 per cent also said they would prefer to work fully or mostly from home.
- The **ONS** has found that more than 8 in 10 of pandemic home workers said they planned to carry out some form of **hybrid working** in the future, spending their working hours between their workplace and home. While around four in ten people who had to work from home because of the coronavirus (COVID 19) pandemic said they planned to **work mostly from home** in the future, when asked in February 2022 a rise of over ten percentage points since April 2021.
- The Government has indicated that it **plans to cut up to 91,000 civil service jobs** to tackle the cost of living, seeing civil service staffing levels drop to 2016 levels. A civil service union warned an "ill thought out" plan could affect services.
- **A third of businesses say that their workforce is lacking basic literacy and numeracy skills**, according to a poll of British businesses by **PwC and The Times Education Commission**. The survey found that a majority felt the education system was not preparing young people for the world of work and 50 per cent said that their

organisation would be more productive if the education system were better tailored to future employment.

Green Economy

- The Government's plans to increase the number of **electric vehicle charge points** have been boosted by a promise from energy giant **Shell** to install 50,000 more by 2030. The UK currently has around 31,000 public charging points, but the **Climate Change Committee** says ten times that figure are needed in the next decade to support the switch to electric transport.
- **Mini Holland cycling schemes** are to be introduced to Britain's major cities to encourage people to ditch their cars. Nineteen councils, including Manchester, Hull and Nottinghamshire, are to receive government funds for mini Hollands, with segregated bike lanes, traffic calming and residential streets blocked to cars.
- **Almost a quarter of a billion pounds in green projects aimed at reaching net zero have not been delivered**. Some £241 million allocated for cancelling out UK carbon emissions by 2050 was handed back to the Treasury in the last financial year by the business department. The money is understood to have been linked to the green homes grant scheme.
- According to the **ONS Business Insights and Conditions Survey** between 21 March and 3 April 23% of large businesses reported to have a climate strategy, 17% have a greenhouse gas emissions target, and 8% monitor climate related risks This indicates that much more needs to be done by businesses and business support services to help in the achievement of net zero.

Local Picture

- The claimant count in Staffordshire saw a **decline of 495 claimants between March and April 2022 to a total of 15,515 claimants**, this was a 3.1% decrease which was similar to the 3.5% decline seen nationally. The **claimant rate has declined again to 2.9%** of the working age population in April.
- The strong decline in claimants seen during April 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 is reflective of the record number of job vacancies currently available across the full economy with clear job opportunities for residents in a number of our priority and locally important sectors such as manufacturing, construction, logistics, health & social care and hospitality.
- **The total number of Universal Credit (UC) claimants remains 28.8% or 3,465 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 claimant numbers remain higher than pre pandemic given our strong position going into the pandemic we still perform comparatively well for **our claimant rate which stood at 2.9% of the working age population in April compared to 5.1% regionally and 4.0% 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 4.1% compared to 2.9% for the working age population**. As with the claimant count overall, this month the youth claimant count in Staffordshire saw a decrease of 55 to a total of 2,665, which signals the end of the impact that seasonal job losses were having on young people claimants and is reflective of the many job vacancies currently available to young people across Staffordshire. However, given that it is harder for these groups to find a new job it still remains important that the Government's 'Plan for Jobs' schemes such as Kickstart, Restart and Skills Bootcamps continue to support these groups and help prevent them becoming long term unemployed.
- In April we saw a decrease in **job vacancies** in Staffordshire, which was similar to the decrease seen nationally, this is reflective of more people finding employment in areas of demand across most parts of the economy to aid the recovery from the pandemic but vacancies remain high.
- **Staffordshire saw vacancies decrease by 9% between March and April equivalent to over 1,600 fewer job vacancies, this was slightly higher than the 5% decline seen nationally. Stoke on Trent saw a 6% decline in vacancies equivalent to just over 350 fewer job vacancies.**
- The **occupations** to see the most significant increases during April include roles in sectors experiencing recruitment difficulties such as **health and social care and hospitality** and occupations to support business recovery and growth including **digital roles and business and financial management roles.**
- However, even with these changes in recruitment during the last month, demand for roles in **health and social care including care workers and home carers and nurses**

remain the strongest of all occupations.

- There remains high demand for roles in logistics such as **elementary storage occupations** (alongside van and LGV drivers to a lesser extent), hospitality including **kitchen and catering assistants** and **chefs**, and manufacturing such as **science, engineering and production technicians** and **engineering technicians.**
- There is also high demand for **'customer service occupations', 'sales related occupations', 'administrative occupations', 'human resources and industrial relations officers', 'book keepers, payroll managers and wages clerks' and 'chartered and certified accountants'** to support business in their recovery and new ways of working.
- 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, the Government's Plan for Jobs including the Kickstart and Restart schemes, new Skills Bootcamps and Way to Work have a vital role in upskilling and reskilling jobseekers into areas of demand.
- It is clear that there continue to be a very high 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 **engineering and 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.
- 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 so far allocated over £3.4m to nearly 1,000 SME's across Staffordshire.
- Almost 4,000 entrepreneurs, employees and potential business owners have benefited from growth grants, interest free loans, fully funded business advice, training and finance to up skill their staff and take on apprentices.
- The scheme has seen over £390,000 allocated in grants to support businesses to survive and grow, over £1.6 million to support over 400 new apprentices and over £550,000 to support almost 2,500 employees with fully funded training for the skills they need now and into the future. Thanks to the success of the scheme, the county council was allocated an additional £726,000 from the UK Government's UK Community Renewal Fund to continue the scheme's apprenticeship, start up loans and start up support initiatives.
- Although the vast majority of the funding has been allocated, any business less than two years old can apply for an interest free start up loan of up to £5,000. Anyone looking to start up their own business can get bespoke professional business and marketing advice and support through the **Get Started scheme**.
- 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.
- The **Staffordshire Business and Enterprise Network (SBEN)** has introduced more support for businesses in Staffordshire. The Low Carbon Business Evolution Programme can help you to reduce your carbon footprint and increase energy efficiency. It has now been widened to include an additional Energy Efficiency Review for a business that has previously had one, and grants towards the capital costs for solar projects. Membership of SBEN is still free until the end of next March. Membership includes access to the Carbon Tracker tool. **Why join SBEN?** Fully funded Carbon Literacy Training to non SBEN members and members in Newcastle under Lyme is also available.
- A delegation from the county council and its partners have been promoting Staffordshire at **UKREiif (UK's Real Estate Investment and Infrastructure Forum)** in Leeds. The inaugural event brought together local and regional public sector organisations with over 4,000 investors, funders developers, house builders and more. It's critical that Staffordshire has a presence there to make a lasting impact on those

who could bring substantial investment to our county. Leader of the county council, Alan White, was joined with other partners to discuss the growth potential of the A50/A500 corridor for Staffordshire, whilst other sessions promoted some of the county's key investment sites such as Chatterley Valley, i54 South Staffordshire and the Stafford Gateway.

- **You have until just May 30 to have your say on the county council's eight year economic growth and rural strategies.** In addition to the main economic growth strategy, 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 main priorities are the regeneration of town centres, supporting start ups and growing small business, making sure Staffordshire has a higher skilled and higher paid workforce and supporting development sites so they're ready for business and strengthening transport corridors such as the A50/A500 and the A38. The strategy also identifies the importance of innovation and supporting businesses on their way to net zero. The rural economic strategy focuses on the growth of smaller towns in Staffordshire, tourism, sustainable agriculture, enterprise and digital connectivity. **Have your say by 30th May**
- The **Staffordshire Chambers of Commerce latest Quarterly Economic Survey (QES)** is now open! This is one of the most important times for businesses across Stoke on Trent and Staffordshire to complete the QES. The information you provide will help to shape and influence current policy thinking as the data is shared with the British Chambers of Commerce, Government departments including HM Treasury and the Cabinet office as well as the Bank of England. The link to the survey is here.
- **How confident are you with... maths? Tell us in just 2 minutes.** Did you know that 49% of the adult population are either under confident with numeracy skills or under skilled? But soon the **Multiply scheme** will change all that, because there's no such thing as being a 'numbers' person or not. Staffordshire County Council has secured £4.2m of funding from the government to help improve adult numeracy skills. The county council is currently asking individuals about how confident they are personally, and what training and support would help people to brush up. So, how do you feel about maths, budgeting and the accounts? How confident are you? What would encourage you to brush up on your skills? What would put you off? Please spend just a few minutes answering our survey to help shape the online platform and the local training that will be available from the autumn. The link to the survey is here.

Conclusion

- In conclusion, the picture regarding the **spread of COVID 19** continue to improve with infections, hospitalisations and deaths all declining. The vaccination programme will continue to be fundamental to living with COVID in the future and it is clear that we will need to deal with the ongoing health impact of the pandemic such as long COVID and mental health issues.

- **Rapidly rising inflation, declining wages, the war in Ukraine and the cost of living crisis** continue to impact living standards for many and is expected to worsen over the coming months with a clear requirement for further cost of living Government support measures to be put in place.
- **Business trading continues to suffer due to rising business cost pressures**, **ongoing supply chain issues** and **diminished consumer confidence impacting trade**, all contributing to **further business closures.**
- E**conomic growth continues to slow, debt is rising** and there is a growing **risk of a further recession**.
- Positively **unemployment continues to decline** and there are **record job vacancies** available to those looking for work, however this is creating an **increasingly tight labour market** with many **businesses struggling to recruitment the labour and skills that they require to grow.**
- It is vital that additional support such as the **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 April 2022, which show the number of new companies and individuals who are unable to pay debts and enter a formal insolvency procedure.

Company Insolvencies

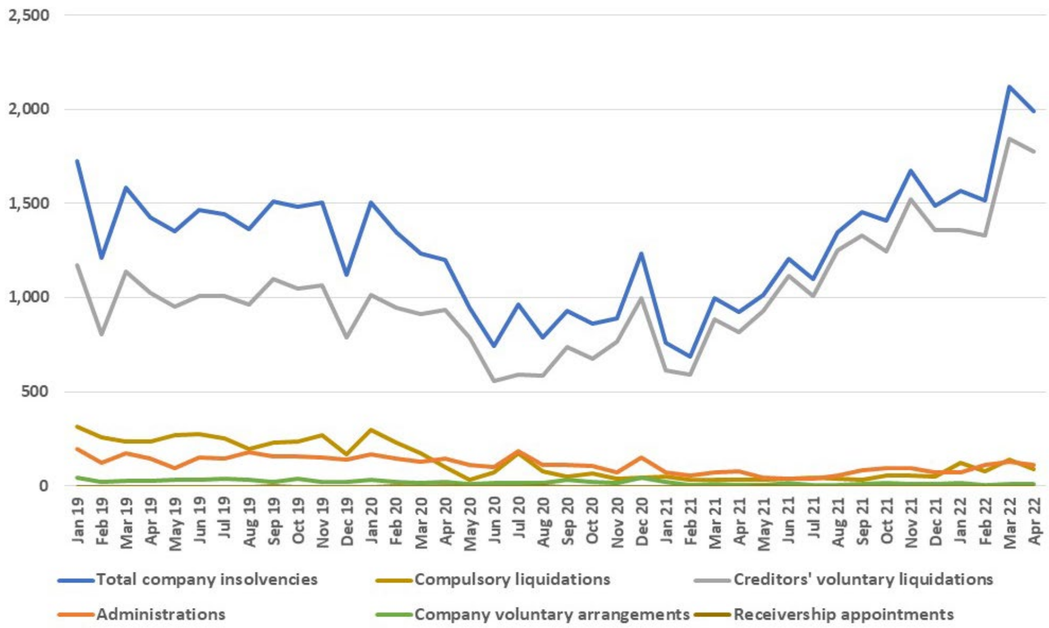
In April 2022 there were a total of 1,991 company insolvencies in England and Wales.

The overall number of **company insolvencies increased by more than double (115%) in April 2022 when compared to the same month last year and is now 39% 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 April 2022 there were 1,777 Creditors' Voluntary Liquidations (CVLs), more than double the number in April 2021 and 74% higher than April 2019. Numbers for other types of company insolvencies, such as compulsory liquidations, remained lower than before the pandemic, although there were three times as many compulsory liquidations in April 2022 compared to April 2021, and the number of administrations was 51% higher than a year ago.

Company insolvencies between May 2021 and April 2022 are now 67% higher compared to a year earlier, representing over 7,100 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_april_2022

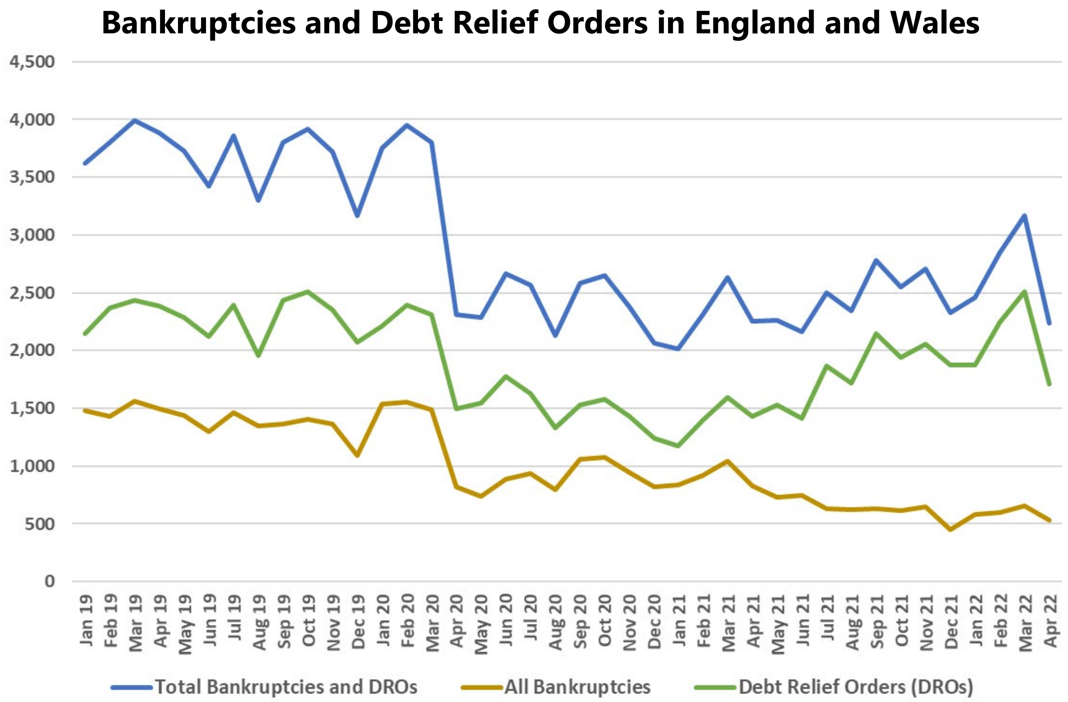
The sectors to have seen the largest number of company insolvencies between April 2021 and March 2022 are construction (3,224), wholesale and retail (2,102) and accommodation and food (1,979). Levels now exceed those seen for the same period the previous year with construction 85% higher, wholesale and retail 45% higher, and accommodation and food 40% higher than levels seen a year earlier.

Individual Insolvencies

For individuals, **530 bankruptcies were registered in April 2022** (made up of 443 debtor applications and 87 creditor petitions), which was 36% lower than in April 2021 and 64% lower than April 2019.

There were **1,708 Debt Relief Orders (DROs) in April 2022**, which was 20% higher than in April 2021 and 29% lower than the pre-pandemic comparison month (April 2019). This increase is linked to changes to the eligibility criteria on 29 June 2021 including an increase in the level of debt at which people can apply for a DRO from £20,000 to £30,000. There were, on average, 7,516 IVAs registered per month in the three-month period ending April 2022, which is 10% higher than the three-month period ending April 2021, and 22% higher than the three-month period ending April 2019. IVA numbers have ranged from around 6,300 to 7,500 per month over the past year.

Total bankruptcies and DROs between May 2021 and April 2022 are now 6% higher than the same period a year earlier, representing over 1,800 more.



Due to a temporary data reporting system issue, data from one working day of April 2022 is missing and numbers are therefore likely to be revised upwards in next month's release. This includes data for all individual insolvencies in England and Wales, as well as compulsory liquidations in England and Wales.

Between the launch of the Breathing Space scheme on 4 May 2021, and 30 April 2022, there were 63,856 registrations, comprised of 62,843 Standard breathing space registrations and 1,013 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.

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: April 2022

Area	Claimant Count Rate (April 2021)	Claimant Count Rate (March 2022)	Claimant Count Rate[1] (April 2022)	Number of Claimants (April 2022)	Monthly Change in Claimants (Numbers)	Monthly Change in Claimants (%)	Change in Claimants since March 2020 (Numbers)	Change in Claimants since March 2020 (%)
England	6.4	4.2	4.0	1,425,955	-51,490	-3.5%	362,450	34.1%
West Midlands	7.2	5.2	5.1	188,295	-4,090	-2.1%	43,945	30.4%
SSLEP	5.4	3.6	3.6	24,800	-565	-2.2%	5,430	28.0%
Birmingham	11.3	9.0	8.9	65,185	-800	-1.2%	15,815	32.0%
Wolverhampton	10.5	7.8	7.7	12,675	-150	-1.2%	2,295	22.1%
Sandwell	9.6	7.0	6.9	14,215	-200	-1.4%	3,435	31.9%
Walsall	8.6	6.1	6.0	10,405	-310	-2.9%	1,800	20.9%
Stoke-on-Trent	**8.0**	**5.9**	**5.8**	**9,285**	-70	**-0.7%**	1,965	**26.8%**
Dudley	7.2	5.2	5.2	10,045	-90	-0.9%	1,530	18.0%
Coventry	6.6	4.8	4.8	12,170	-35	-0.3%	4,170	52.1%
Telford and Wrekin	5.8	4.1	3.9	4,320	-325	-7.0%	890	25.9%
Solihull	5.7	3.8	3.7	4,735	-115	-2.4%	1,085	29.7%
Worcestershire	5.1	3.5	3.3	11,670	-600	-4.9%	3,365	40.5%
Staffordshire	**4.6**	**3.0**	**2.9**	**15,515**	**-495**	**-3.1%**	**3,465**	**28.8%**
Warwickshire	4.7	3.1	2.9	10,460	-455	-4.2%	2,630	33.6%
Shropshire	4.4	2.7	2.5	4,870	-300	-5.8%	860	21.4%
Herefordshire, County of	4.1	2.6	2.4	2,755	-140	-4.8%	645	30.6%
Tamworth	6.1	4.0	3.8	1,800	-100	-5.3%	310	20.8%
Cannock Chase	5.2	3.4	3.3	2,075	-70	-3.3%	420	25.4%
East Staffordshire	5.3	3.3	3.3	2,405	-25	-1.0%	685	39.8%
Newcastle-under-Lyme	4.5	3.0	2.9	2,405	-65	-2.6%	425	21.5%
South Staffordshire	4.4	3.0	2.9	1,940	-50	-2.5%	630	48.1%
Lichfield	4.3	2.6	2.6	1,610	-35	-2.1%	290	22.0%
Stafford	4.0	2.7	2.5	2,115	-90	-4.1%	460	27.8%
Staffordshire Moorlands	3.6	2.1	2.0	1,170	-60	-4.9%	250	27.2%

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

- The claimant count in Staffordshire saw a decline of 495 claimants between March and April 2022 to a total of 15,515 claimants, this was a 3.1% decrease which was similar to the 3.5% decline seen nationally.

- The claimant rate has declined again to 2.9% of the working age population in April.

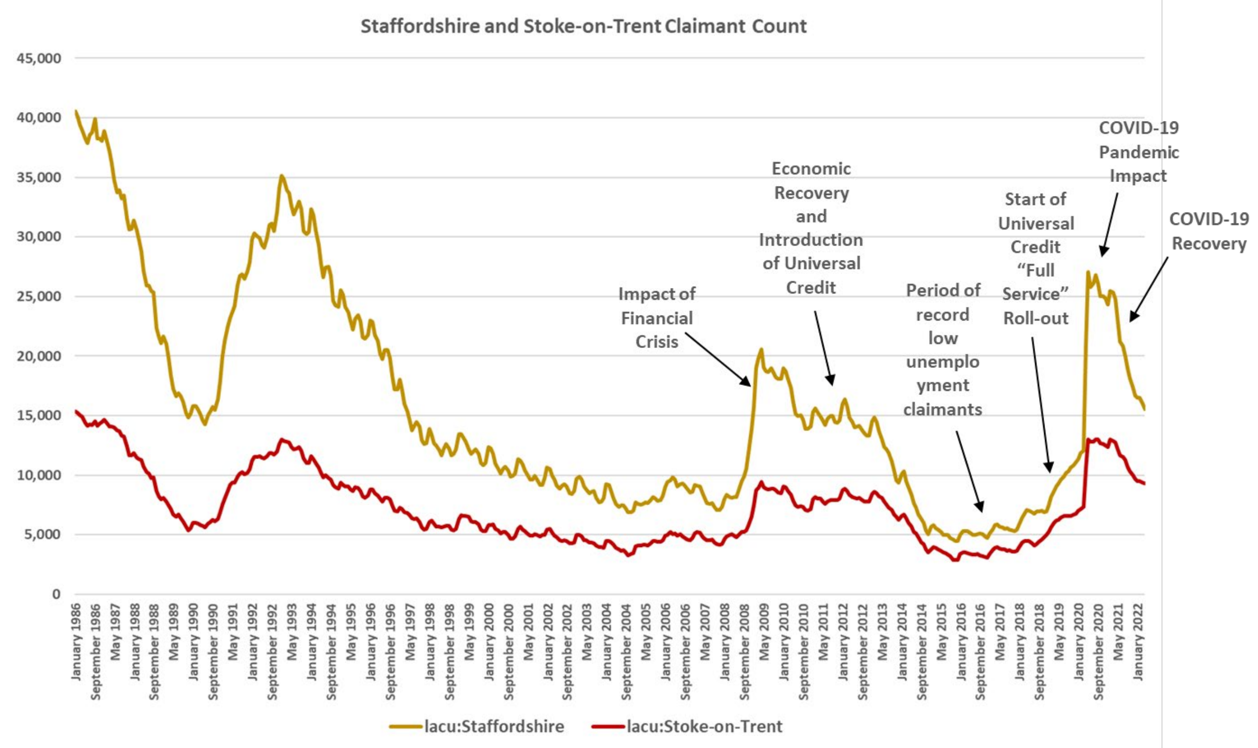
- While Stoke-on-Trent saw a decrease of 70 over the same period with a total of 9,285 claimants in April, with the rate decreasing to 5.8%.

- The strong decline in claimants seen during April 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 is reflective of the record number of job vacancies currently available across the full economy with clear job opportunities for residents in

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

a number of our priority and locally important sectors such as manufacturing, construction, logistics, health & social care and hospitality.

- 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 28.8% or 3,465 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.

- It is important to recognise that although claimant numbers remain higher than pre-pandemic given our strong position going into the pandemic we still perform comparatively well for our claimant rate which stood at 2.9% of the working age population in April compared to 5.1% regionally and 4.0% nationally. In Stoke-on-Trent the Claimant Count rate remains above both the regional and national averages at 5.8%.

- This month all the Staffordshire Districts have seen a decrease in the number of claimants. Tamworth saw the largest decline of 100.

- 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.

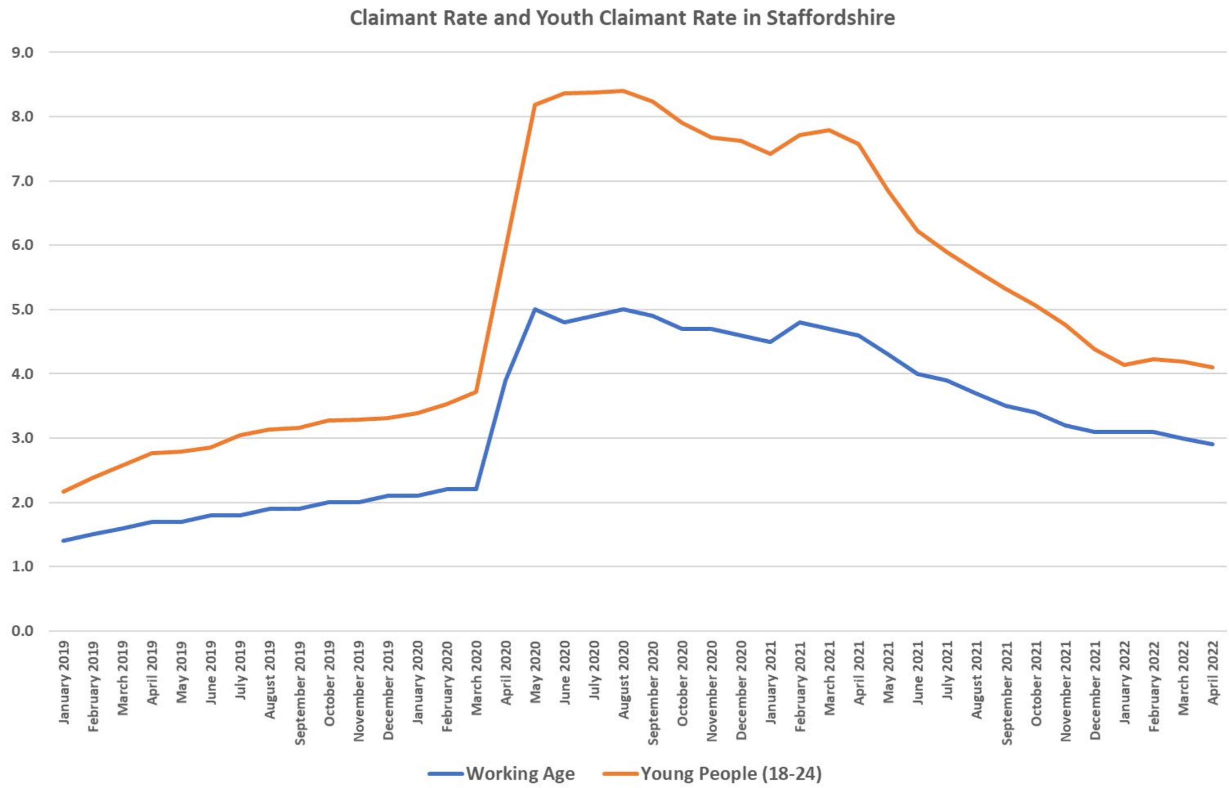
- As well as workers across sectors being impacted differently, there are also signs that it is young people, the lowest paid (including those in manual occupations, more routine or less skilled jobs) and part-time workers who continue to feel the impact of the economic shock the most. These groups are 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: April 2022

Area	Youth Claimant Count Rate (Apr 2021)	Youth Claimant Count Rate (Mar 2022)	Youth Claimant Count Rate1 (Apr 2022)	Number of Youth Claimants (Apr 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	9.0	4.9	4.7	221,350	-10,240	-4.4%	23,620	11.9%
West Midlands	9.9	6.1	6.0	31,420	-785	-2.4%	3,515	12.6%
SSLEP	8.4	4.9	4.9	4,310	-55	-1.3%	490	12.8%
Wolverhampton	15.5	9.9	9.7	2,020	-25	-1.2%	110	5.8%
Sandwell	15.0	9.3	9.3	2,445	-15	-0.6%	330	15.6%
Walsall	14.1	8.8	8.4	1,930	-75	-3.7%	15	0.8%
Birmingham	11.5	7.8	7.8	10,840	-100	-0.9%	1,735	19.1%
Dudley	12.4	7.5	7.2	1,715	-60	-3.4%	-35	-2.0%
Stoke on Trent	**10.7**	**7.1**	**7.1**	**1,645**	**0**	**0.0%**	**240**	**17.1%**
Solihull	10.6	5.9	5.7	870	-30	-3.3%	45	5.5%
Telford and Wrekin	9.6	6.2	5.6	825	-85	-9.3%	65	8.6%
Worcestershire	8.4	4.7	4.4	1,805	-100	-5.2%	210	13.2%
Staffordshire	**7.6**	**4.2**	**4.1**	**2,665**	**55**	**2.0%**	**250**	**10.4%**
Coventry	6.1	3.7	3.6	1,980	-30	-1.5%	445	29.0%
Warwickshire	6.6	3.7	3.5	1,615	-100	-5.8%	280	21.0%
Herefordshire	7.3	3.6	3.4	405	-30	-6.9%	-10	-2.4%
Shropshire	8.0	3.7	3.3	665	-80	-10.7%	-160	-19.4%
Tamworth	11.4	6.6	6.1	340	-30	-8.1%	45	15.3%
Cannock Chase	9.8	5.5	5.8	420	25	6.3%	55	15.1%
South Staffordshire	7.7	4.3	4.3	340	0	0.0%	90	36.0%
East Staffordshire	8.5	4.5	4.3	365	-15	-3.9%	45	14.1%
Stafford	6.9	4.1	4.1	360	0	0.0%	45	14.3%
Lichfield	7.2	3.9	3.9	275	5	1.9%	5	1.9%
Newcastle-under-Lyme	5.5	3.1	3.0	420	-10	-2.3%	-5	-1.2%
Staffordshire Moorlands	6.1	2.7	2.4	150	-15	-9.1%	-25	-14.3%

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

- For example, the proportion of young people in Staffordshire aged 18-24 that are claiming work-related Universal Credit currently stands at 4.1% compared to 2.9% for the working age population, while in Stoke-on-Trent the rate is now at 7.1% in April 2022.



- As with the claimant count overall, this month the youth claimant count in Staffordshire saw a decrease of 55 to a total of 2,665, which signals the end of the impact that seasonal job losses were having on young people claimants and is reflective of the many job vacancies currently available to young people across Staffordshire.

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

- Half of Staffordshire Districts have seen decreases in youth claimants this month, including Tamworth with the largest decline of 30 youth claimants, East Staffordshire, Staffordshire Moorlands and Newcastle-under-Lyme. South Staffordshire and Stafford saw no change, while Cannock Chase saw the largest increase of 25 followed by Lichfield with an increase of 5 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

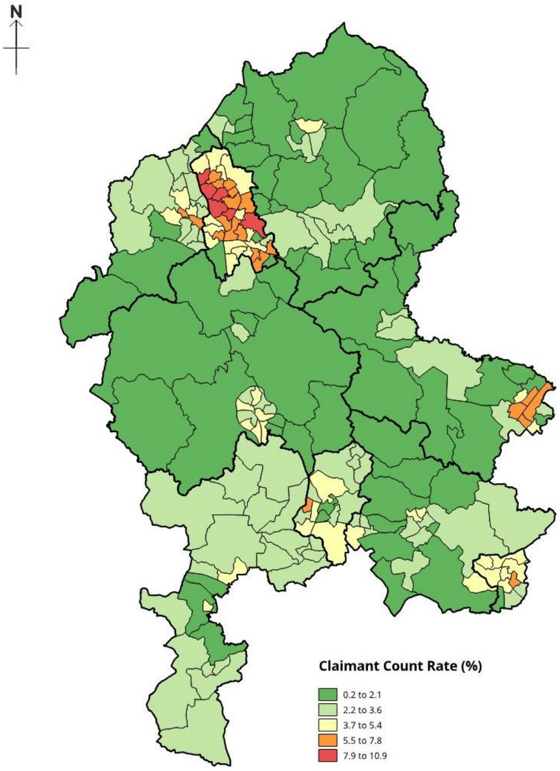
The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

Claimant Count Rate April 2022

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 55 were above the England average of 4.0% 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 (10.9% or 500 claimants), Etruria and Hanley (10.0% or 540) and Moorcroft (9.8% or 365) having the highest rates.

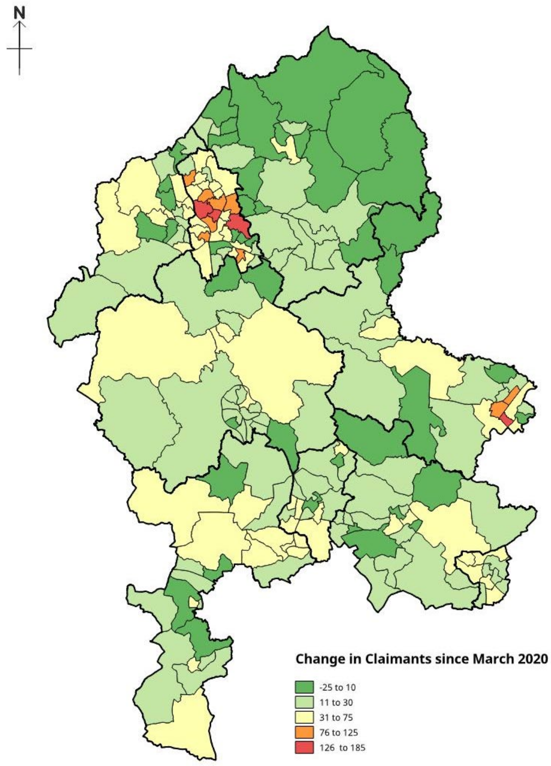
In Staffordshire the 4 wards with the highest claimant count rates were all in East Staffordshire, Burton (6.7% or 200), Anglesey (6.2% or 335), Eton Park (6.1% or 300), and Shobnall (5.9% or 320).



Change in Claimant Count since March 2020

Out of the top 14 wards with the highest change in the number of claimants since March 2020 there were 11 in Stoke-on-Trent and included Etruria and Hanley (185 increase to 540 claimants), Bentilee and Ubberley (140 rise to 540) and Joiner's Square (125 increase to 500 in total).

The remaining 3 wards in the top 14 were all in East Staffordshire the highest increases were seen in Anglesey (145 rise to 335), Eton Park (120 increase to 300) and Shobnall (110 rise to 320).



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

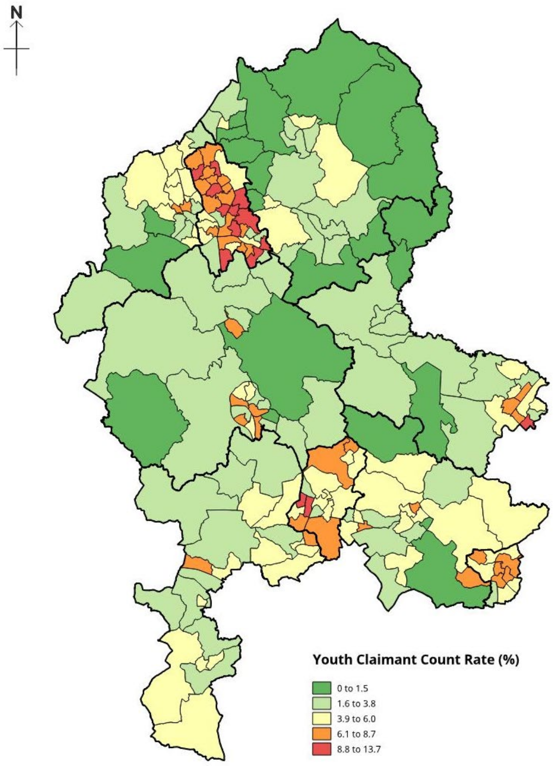
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

Youth Claimant Count Rate April 2022

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 85 were above the England average of 4.7% 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 all were in Stoke-on-Trent with Joiner's Square (13.7% or 105 claimants), Fenton East (12.9% or 60) and Bentilee and Ubberley (11.1% or 100) having the highest rates.

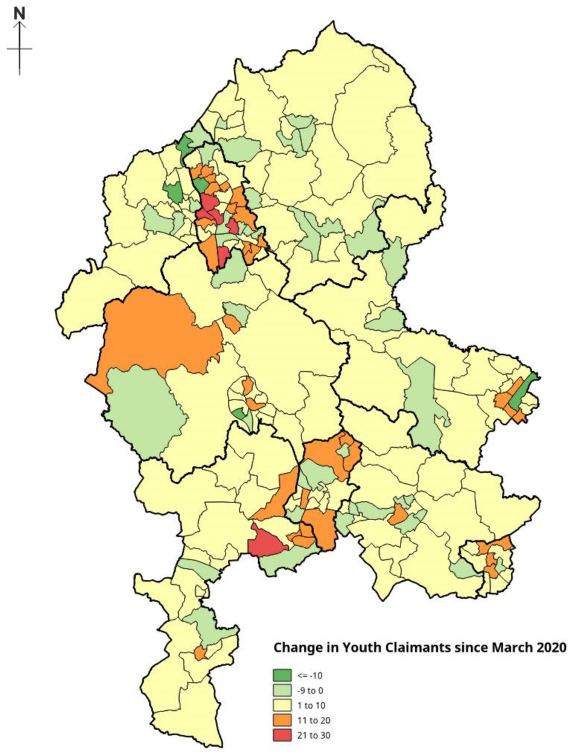
In Staffordshire, the highest rate was Cannock North in Cannock Chase with 9.4% or 50, followed by Stapenhill in East Staffordshire with 9.1% or 50 youth claimants.



Change in Youth Claimant Count since March 2020

Out of the top 10 wards with the highest change in the number of youth claimants since March 2020 8 were in Stoke-on-Trent including Hanley Park and Shelton (30 rise to 60), Fenton East (25 increase to 60) and Blurton West and Newstead (20 increase to 55) with the highest increases since March 2020.

In Staffordshire, the highest increase was seen in Featherstone and Shareshill in South Staffordshire (20 rise to 50), followed by Bolehall in Tamworth with 15 rise to 45 youth claimants.



Job Vacancies[3]

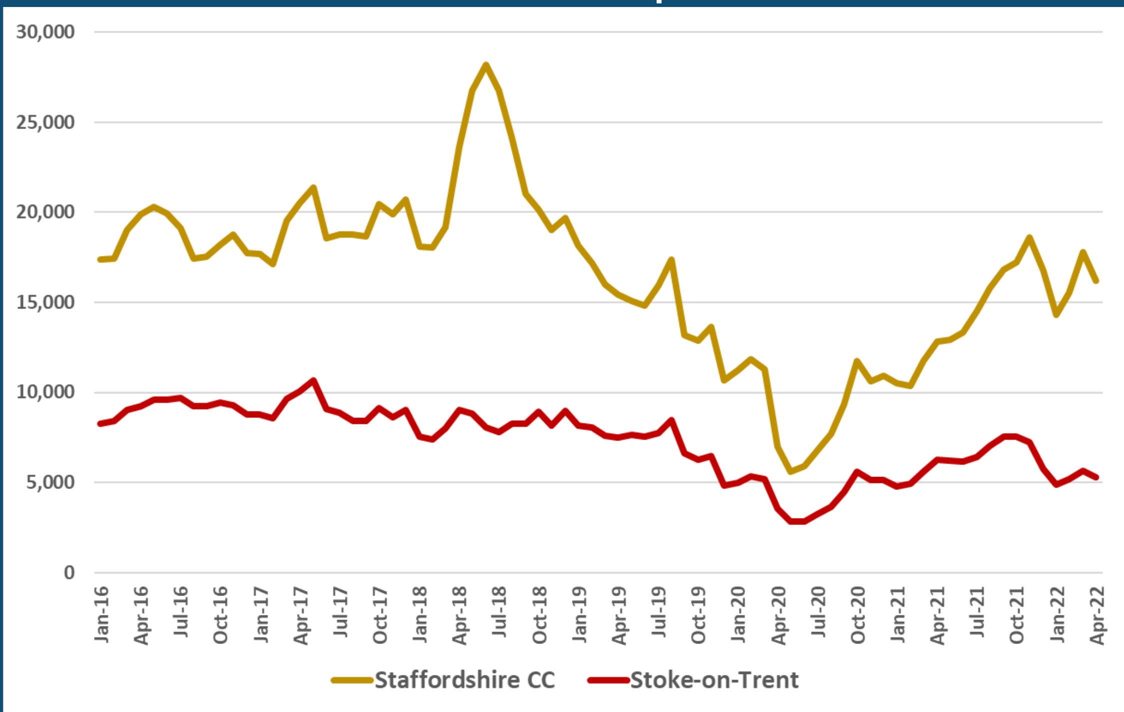
- In April we saw a decrease in job vacancies in Staffordshire, which was similar to the decrease seen nationally, this is reflective of more people finding employment in areas of demand across most parts of the economy to aid the recovery from the pandemic but vacancies remain high.

- **Staffordshire saw vacancies decrease by 9% between March and April equivalent to over 1,600 fewer job vacancies, this was slightly higher than the 5% decline seen nationally.**

- **Stoke on Trent saw a 6% decline in vacancies equivalent to just over 350 fewer 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 a decrease in vacancies during April with the largest declines seen in 'skilled trade occupations' and 'managers, directors and senior officials' (both 13% decline). Although it was 'associate professional and technical occupations' which saw the largest actual decline with a decrease of over 440.

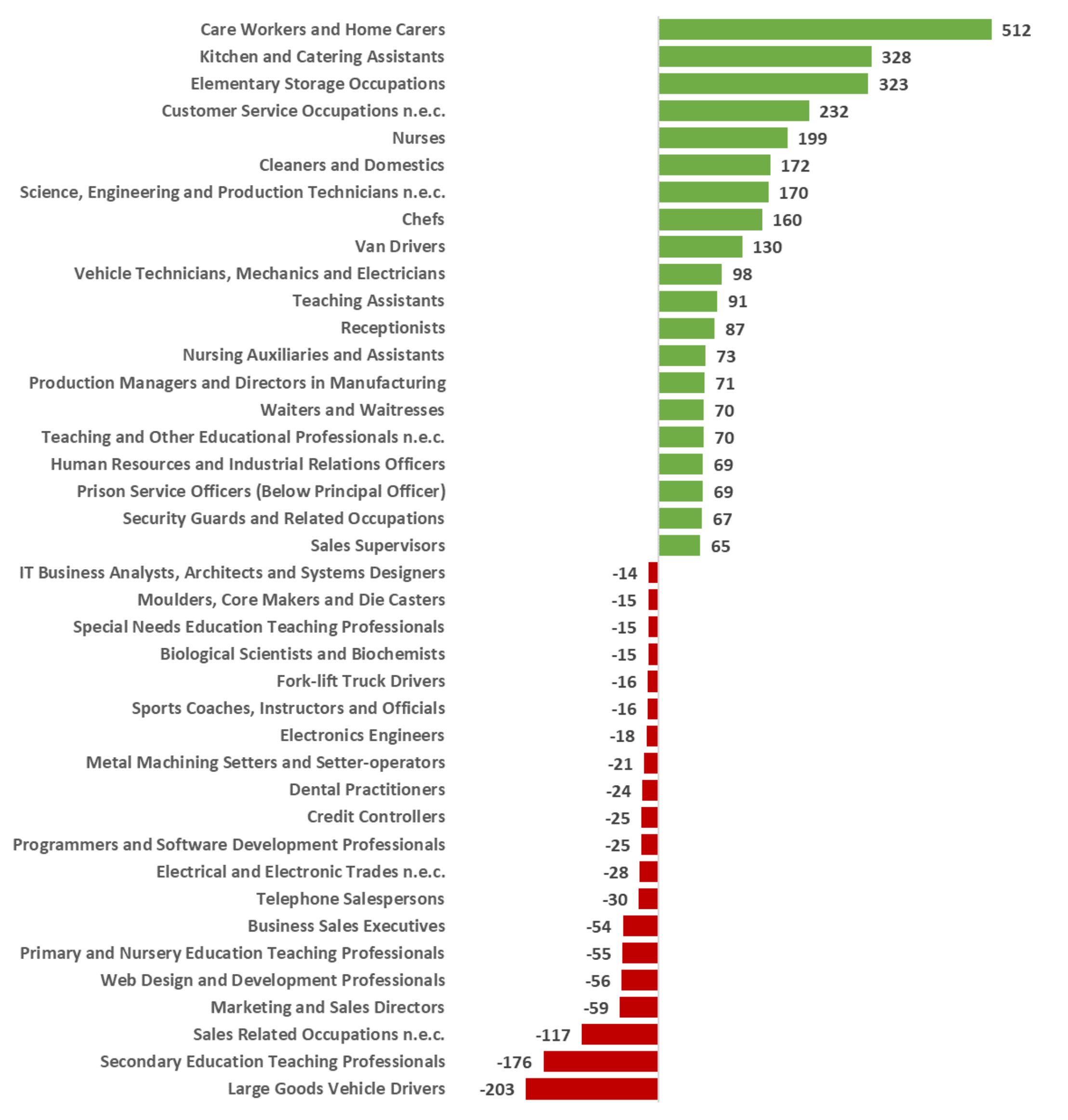
- The occupations to see the most significant increases during April include roles in sectors experiencing recruitment difficulties such as health and social care and hospitality and occupations to support business recovery and growth including digital roles and business and financial management roles.

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';
  - **Hospitality** including 'kitchen and catering assistants', 'chefs' and 'waiters and waitresses';
  - **Logistics** including 'elementary storage occupations' and 'van drivers';
  - **Manufacturing** including 'science, engineering and production technicians' and 'production managers and directors in manufacturing';
  - **Education** including 'teaching assistants' and 'teaching and other educational professionals'.

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

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



Top Occupations in Demand

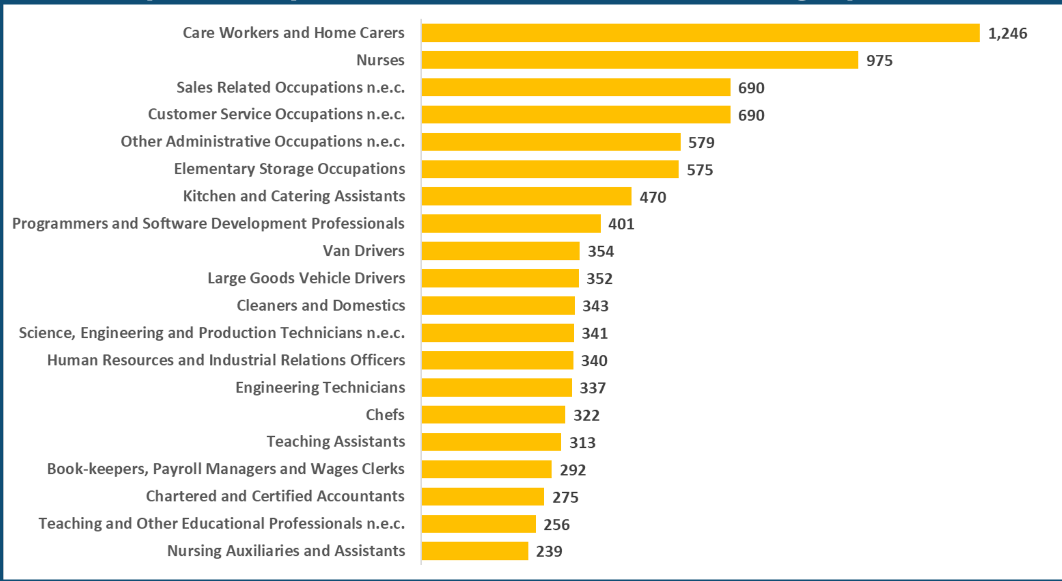
- However, even with these changes in recruitment during the last month, demand for roles in health and social care including **care workers and home carers** and **nurses** remain the strongest of all occupations.

- There remains high demand for roles in logistics such as **elementary storage occupations** (alongside van and LGV drivers to a lesser extent), hospitality including **kitchen and catering assistants** and **chefs**, and manufacturing such as **science, engineering and production technicians** and **engineering technicians.**

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

- 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 Apr 2022



- It is clear that there continue to be a very high 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	Apr 2021 Unique Postings	Feb 2022 Unique Postings	Mar 2022 Unique Postings	Apr 2022 Unique Postings	Mar 2022-Apr 2022 (Month on Month Change)	Mar 2022-Apr 2022 Monthly % Change	Feb 2020-Apr 2022 (Month on Month Change)	Feb 2020-Apr 2022 Monthly % Change	Apr 2021-Apr 2022 (Year on Year Change)	Apr 2021-Apr 2022 Annual % Change
Staffordshire CC	11,855	12,799	15,521	17,806	16,190	-1,616	-9%	4,335	37%	3,391	26%
Stoke-on-Trent	5,348	6,273	5,198	5,673	5,315	-358	-6%	-33	-1%	-958	-15%
SSLEP	17,203	19,072	20,719	23,479	21,505	-1,974	-8%	4,302	25%	2,433	13%
West Midlands	116,862	119,234	166,212	180,570	160,544	-20,026	-11%	43,682	37%	41,310	35%
England	1,123,527	1,335,373	1,753,667	1,976,667	1,886,948	-89,719	-5%	763,421	68%	551,575	41%
East Staffordshire	2,664	2,967	5,549	6,413	5,656	-757	-12%	2,992	112%	2,689	91%
Staffordshire Moorlands	267	384	361	400	376	-24	-6%	109	41%	-8	-2%
Lichfield	1,335	1,519	1,954	2,179	1,857	-322	-15%	522	39%	338	22%
Cannock Chase	1,613	1,862	1,814	2,046	1,941	-105	-5%	328	20%	79	4%
Stafford	2,836	3,158	3,161	3,621	3,243	-378	-10%	407	14%	85	3%
Tamworth	2,136	1,966	2,141	2,542	2,424	-118	-5%	288	13%	458	23%
South Staffordshire	148	137	168	190	157	-33	-17%	9	6%	20	15%
Newcastle-under-Lyme	856	806	373	415	536	121	29%	-320	-37%	-270	-33%
Elementary Occupations	1,001	1,601	2,295	2,454	2,171	-283	-12%	1,170	117%	570	36%
Caring, Leisure and Other Service Occupations	1,415	1,830	2,122	2,392	2,339	-53	-2%	924	65%	509	28%
Skilled Trades Occupations	1,249	1,515	1,707	1,907	1,655	-252	-13%	406	33%	140	9%
Administrative and Secretarial Occupations	1,548	1,738	1,853	2,135	1,961	-174	-8%	413	27%	223	13%
Associate Professional and Technical Occupations	2,854	3,010	3,356	3,959	3,519	-440	-11%	665	23%	509	17%
Sales and Customer Service Occupations	1,672	1,573	1,810	2,078	1,943	-135	-6%	271	16%	370	24%
Professional Occupations	4,752	4,695	4,745	5,376	5,129	-247	-5%	377	8%	434	9%
Managers, Directors and Senior Officials	1,369	1,481	1,458	1,677	1,467	-210	-13%	98	7%	-14	-1%
Process, Plant and Machine Operatives	1,228	1,505	1,305	1,431	1,270	-161	-11%	42	3%	-235	-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.