Staffordshire County Council

Stoke-on-Trent & Staffordshire Enterprise Partnership

Staffordshire Means Back to Business

Economic Bulletin - Issue 23 – June 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.

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 there have been early signs that we may be entering a further wave of **COVID 19 infections** in the UK with case rates starting to creep up. This rise in people testing positive is likely to be driven by the BA.4 and BA.5 variants of Omicron, with studies showing that these variants may be able to spread slightly more easily than "older" Omicron variants.
- At the same time we have seen **hospital admissions** involving COVID 19 increase to 6.1 per 100,000 people (36 per 100,000 in January 2021), while more positively **high dependency unit (HDU) admission rate** remained very low at 0.18 per 100,000 people in the week ending 12 June 2022.
- The number of **deaths** involving COVID 19 in the UK increased from 211 to 334 in the latest week (ending 10 June 2022). Deaths involving COVID 19 accounted for 2.5 per cent of all deaths; a decrease from 2.7 per cent in the previous week.
- A record two million adults in the UK are suffering from **long Covid**, according to Office for National Statistics. An estimated 3.1 per cent of the population have symptoms, including 376,000 people who have experienced symptoms for at least two years.
- The **Royal College of Nursing** has said patients with long Covid are facing a postcode lottery across the UK when it comes to getting care, with variation in treatment due to some services treating it as a physical condition, but others as psychological.
- A new version of **Moderna's Covid vaccine** produces an eightfold increase in antibody levels against the Omicron variant, raising hopes for an annual booster, according to early trial results. Moderna intends to apply for approval from medical regulators in the coming weeks and the updated vaccine is the company's leading candidate for an autumn booster programme.
- A report, commissioned by the **Government's Chief Scientific Adviser, Sir Patrick Vallance**, has called for all buildings in the UK to be equipped with proper **ventilation** to help reduce the impact of future pandemics. The report states that if proper ventilation is installed in public buildings, trains and buses, fewer people are likely to become infected with airborne diseases. Among the recommendations was giving councils the freedom to update their building regulations so developers have to take into account a new development's air quality safety and healthy performance over its lifetime.
- Clearly, it is hoped that the **vaccination programme and further scientific advancements** can continue to protect most people from the worse effects of COVID 19 and any new variants that emerge. 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

Inflation, War in Ukraine and Cost of Living Crisis

- This month the cost of living crisis continues to be the main concern for many, driven by the highest **rate of inflation** reaching 9.1 per cent in May a 40 year high. **The Bank of England** has warned that inflation could surpass 11 per cent later this year.
- In order to try to tackle soaring prices the Bank of England raised **interest rates** from 1 per cent to 1.25 per cent, the fifth consecutive rise and highest level in 13 years. Economists predict that interest rates may need to be raised above 3 per cent in order to help control rising inflation.
- To aid with cost of living pressures on struggling households the **Government's windfall tax** on the oil and gas industry could raise £17 billion, with the tax remaining in place until oil and gas prices "return to historically more normal levels" or the activation of a "sunset clause" in 2025.
- The Chancellor is also exploring a **windfall tax on electricity companies** which have made "extraordinary profits" on the back of a global oil and gas price surge.
- The Government has announced that the first of two **cost of living payments** to help those on benefits will hit people's bank accounts from 14 July. More than eight million UK homes on benefits will receive £326 by the end of July, with a second payment of £324 set to follow in the autumn.
- Every household will also get a £400 **energy bill discount** in the autumn, to at least partly offset the further energy price cap increase expected in October. A new forecast by research firm **Cornwall Insight** predicts the **energy price cap** could reach almost £3,000 in Britain at the beginning of October, with the planned increase being more than £1,000.
- To help in the future the Government is reportedly considering **energy market reform** to cut the cost of energy bills, with the preparation of plans to sever the link between the prices of gas and electricity. The Government proposes to end the system by which the wholesale cost of gas in effect determines the price of electricity for consumers.
- The **UK's energy watchdog** announced new plans to **stop energy companies from going bust**, after a string of high profile closures linked to high wholesale costs. Planned measures include a cap on payments billed via direct debit, to "ensure credit balances do not become excessive".
- As well as household energy price rises, people are also feeling the impact of **fuel price rises**. The price of petrol and diesel has reached record highs with the largest single day increases for nearly 20 years. The **RAC** has stated that the average cost of filling a typical family car with petrol has exceeded £100 a day for the first time.
- The rise in fuel prices has seen **public transport usage** soar with more than 1 million

people starting to use buses across the UK since March and **cycling levels** have risen to double their typical average.

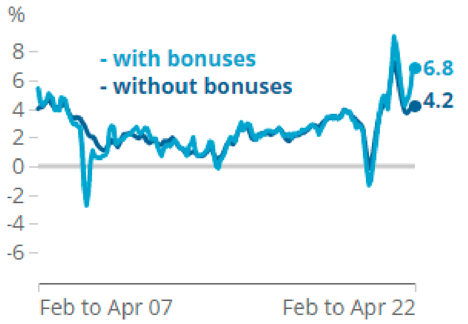
- Ministers have been urged to **cut fuel duty in rural areas** to ease the pressure on families facing record prices at the pump. Analysis by the **Liberal Democrats** indicates households in rural areas paid £114 in transport costs each week in the year to March 2020, nearly £40 more than those in urban areas, amounting to an extra burden of almost £2,000 a year.
- **Food prices** are also on the rise and a recent survey by the Food Standards Agency found that three quarters (76 per cent) of Britons were worried about rising food prices, with the number of people who skip meals increasing and those using a food bank increasing from around one in 10 in March 2021, to nearly one in six this March.
- The **cost of low budget food items** has risen by up to 50 per cent over the past year according to **The Office for National Statistics**, with the price of "value" pasta ranges having jumped by 50 per cent since April last year, while other household staples such as minced beef, bread and rice have recorded double digit increases.
- To ease the cost of feeding children, **Teaching unions** are calling for greater numbers of those on Universal Credit to be included in **free school meal schemes**.
- A **BBC commissioned survey** also found that **food spending** was down with people buying fewer groceries and skipping meals in order to save money as a result of the soaring cost of living, with over half (56 per cent) of respondents having bought less food, with many also cutting spending on clothes and socialising, and taking fewer car journeys.
- The **Institute of Grocery Distribution** has also predicted that food prices will rise at a rate of 15 per cent as households pay more for staples such as bread, meat, dairy and fruit and vegetables and that prices would rise faster for longer than Bank of England estimates.
- These **cost pressures** come at a time when **real wages are falling**, with the ONS stating that average weekly pay across Britain fell by 2.2 per cent between February 2022 and April 2022.
- Growth in employees' **average total pay (including bonuses)** was 6.8% and growth in **regular pay (excluding bonuses)** was 4.2% in February to April 2022. In **real terms (adjusted for inflation)**, growth in total pay was 0.4% but regular pay fell on the year by 2.2%; 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.



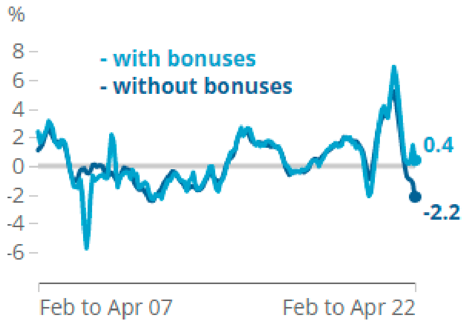
Source: ONS MWSS

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

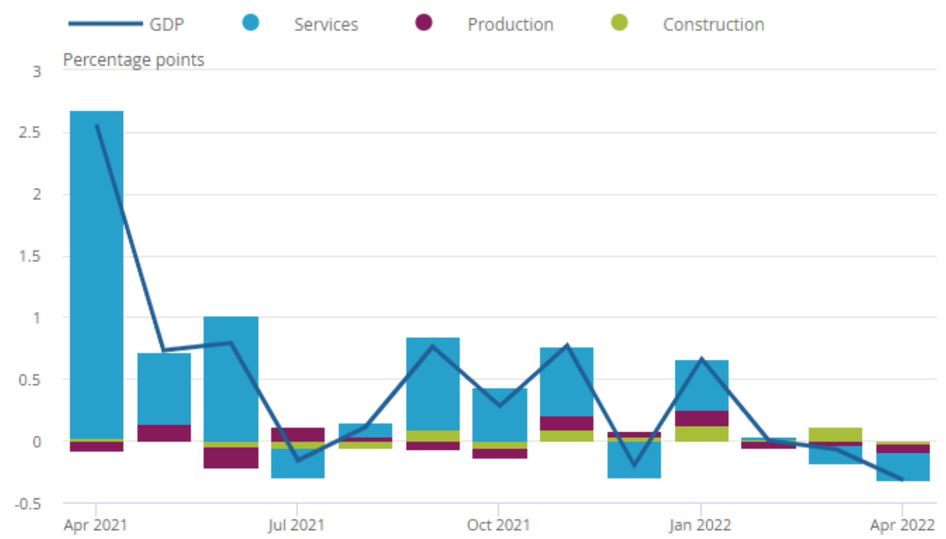
Economy

- The **UK economy shrank by 0.3 per cent in April and is now 0.9% above its pre pandemic level according the Office for National Statistics (ONS)**, as businesses felt the impact of price rises and supply chain shortages at least in part due to the ongoing war in Ukraine. This follows a decline of 0.1% in March 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 0.3% in April 2022 and these were the main contributors to April's fall in GDP, reflecting a large decrease (5.6%) in human health and social work, where there was a significant reduction in NHS Test and Trace activity.
- **Production** fell by 0.6% in April 2022, driven by a fall in manufacturing of 1.0% on the month, as businesses continue to report the impact of price increases and supply chain shortages.
- **Construction** also fell by 0.4% in April 2022, following strong growth in March 2022 when there was significant repair and maintenance activity following the storms experienced in the latter half of February 2022.
- This is the first time that all main sectors have contributed negatively to a monthly GDP estimate since January 2021.

GDP Monthly index, January 2007 to April 2022, UK

Figure 2: All main sectors contributed negatively to growth in April 2022

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



Source: Office for National Statistics - GDP monthly estimate

- This decline in the economy comes as we see the start of the biggest **national rail strike** for 30 years which is likely to damage the economy further. The **Prime Minister** is to call for a "sensible compromise" on pay to end the rail strike, stating that "too high demands" on wages will make it hard to curb rising inflation.
- There are concerns that **further strikes in the public sector** could lead to further economic impact later in the year, with the **National Education Union** such as schools potentially having to close as supply teachers could be among striking staff in the

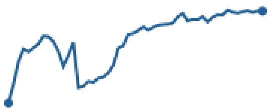
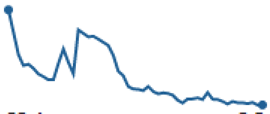
autumn if the Government did not agree to pay increases in line with inflation for teaching staff.

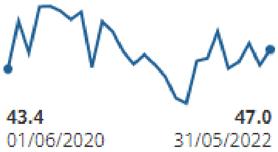
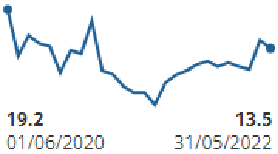
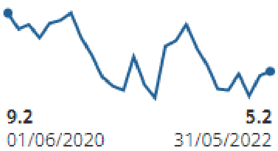
- The **UK's economy is forecast** to "grind to a halt" before shrinking in the second half of 2022 as a result of increasing inflation and tax rises, according to forecasts from the **British Chamber of Commerce (BCC).** As petrol and gas prices continue to rise, the BBC predict that inflation is likely to hit 10 per cent before the end of the year.
- While the **Organisation for Economic Co operation and Development (OECD) expects the UK economy to grow by 3.6% this year, followed by 0% growth next year.** It means the UK will go from the second fastest growing economy in the G7 group of industrial nations to the slowest growing in 2023.
- The ONS has also shown that there are **regional disparities in recent economic growth** with GDP in London surging by 2.3 per cent in the third quarter of 2021 while GDP fell in the North East, West Midlands, East Midlands and East of England. Regional local leaders say the figures show efforts to "level up" and address regional inequality are failing.

Business Challenges

- 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 58 of the **Business Insights and Conditions Survey (BICS),** which was live from 30 May to 12 June 2022.

Figure 1: Headline figures from the Business Insights and Conditions Survey

Indicator	Latest data compared with **previous wave**	Latest data compared with **period covering the start of 2022**	Latest data compared with **equivalent period the previous year**	Timeline
Trading status Currently trading Units	No change	3.3▲	6.8▲	 65.9 15/06/2020 93.9 12/06/2022
Trading status Temporarily closed or paused trading Units	No change	-3.9▼	-5▼	 33.4 15/06/2020 3.5 12/06/2022

Intra UK Procurement Yes, the business has been able to get the materials, goods or services it needed Units	1.8▲	3.5▲	Not available	
Intra UK Procurement Yes, but the business had to change suppliers or find alternative solutions Units	0.7▲	2.1▲	Not available	
Intra UK Procurement No, the business has not been able to get the materials, goods or services needed Units	0.2▲	1.3▲	Not available	

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

- **Input price inflation** was the main concern reported by businesses when looking ahead to July 2022 at 26%, which is broadly stable with the figure reported for May 2022; the proportion of businesses looking ahead with no concerns for July 2022 increased to 24% from the 21% reported for May 2022.
- In May 2022, 19% of businesses currently trading reported that they were **either unable to get the materials, goods or services they needed from within the UK, or had to change suppliers or find alternative solutions to do so**; the construction industry reported the largest proportion, at 33%.
- In May 2022, 21% of businesses not permanently stopped trading with 10 or more employees experienced **global supply chain disruption**; broadly stable with April 2022.
- Of businesses not permanently stopped trading, 15% reported that they were experiencing a **shortage of workers** in early June 2022, up from 13% reported in early May 2022, with 46% of businesses reporting their **employees were working increased hours because of these shortages**, this percentage was 62% for businesses with 10 or more employees.
- In early June 2022, 23% of not permanently stopped trading businesses reported that

they were using, or intending to use, increased **homeworking** as a permanent business model; **reduced overheads** was reported as the main reason for doing so, at 49%.

- The overall number of **company insolvencies are 79% higher than in the same month last year and 34% 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.
- Analysis by the **Federation of Small Businesses (FSB)** has found that almost **500,000 UK small businesses are at risk of closure without further Government support**. The FSB warned that a rise in inflation and in energy costs, where businesses have no cap on price increases, were impacting on the running costs of small businesses.
- **Shoppers are not returning to UK high streets, shopping centres and retail parks compared to pre pandemic levels**, with visitor numbers still 12.5 per cent down, according to figures from the British Retail Consortium. A shift to home working and the increased cost of living are cited as factors behind the low numbers, with visits to shopping centres down by more than a quarter on 2019.
- More positively for retailers the **jubilee celebrations saw a sharp increase in consumer footfall on the high streets** during the long bank holiday weekend, according to the **British Retail Consortium**.
- A survey by **UKActive** has shown that nearly nine in ten **public swimming pools across the UK are at risk of closure** as a result of rising energy costs, with 85 per cent of public pool operators expected to have to reduce services in the next six months.
- More than 3,300 workers at 70 UK companies start **working a four day week** with no loss of pay, in a trial supported by **Cambridge University, Oxford University and Boston College.**

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

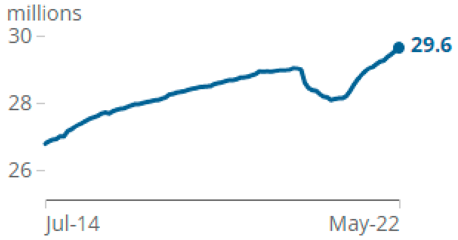
data for February to April 2022 shows that over the quarter there was an increase in the employment rate, while unemployment and economic inactivity rates decreased.

Payrolled employees
The number of payrolled employees

Monthly change: ▲90,000
Since Feb 2020: ▲627,000

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

Source: HMRC PAYE RTI

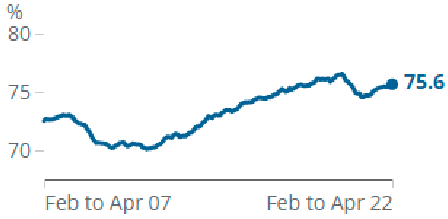


Employment rate
Employment rate (all aged 16 to 64)

Quarterly change: ▲0.2pps
Since Dec-Feb 2020: ▼-0.9pps

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

Source: ONS LFS

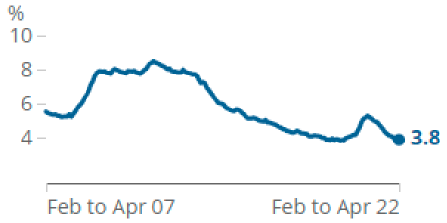


Unemployment rate
Unemployment rate (all aged 16+)

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

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

Source: ONS LFS

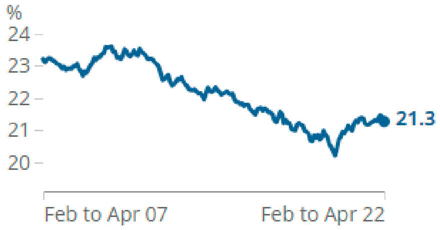


Inactivity rate
Economic inactivity rate (all aged 16 to 64)

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

Economic Inactivity rate is down on the quarter and down on the year but still above pre-pandemic rates

Source: ONS LFS



- The UK **employment rate** increased by 0.2 percentage points on the quarter to 75.6% but is still below pre pandemic level. The number of full time employees increased over the quarter to a record high however, this was partially offset by a decrease in the number of part time employees. The number of self employed workers fell during the coronavirus pandemic and has remained low, although they have increased over the quarter.
- **Payrolled employees** for May 2022 shows a monthly increase, up 90,000 on the revised April 2022, to a record 29.6 million.
- The **unemployment rate** for February to April 2022 decreased by 0.2 percentage points on the quarter to 3.8%. Those unemployed for up to six months increased over

the latest three month period, the largest increase since late 2020. However, this was offset by decreases in those unemployed for over six months, with those unemployed for between 6 and 12 months decreasing to a record low. Those unemployed for over 12 months also continued to decrease.

- The **economic inactivity rate** decreased by 0.1 percentage points to 21.3% in February to April 2022. The decrease in economic inactivity compared with the previous three month period was largely driven by those economically inactive, because they were students.
- The number of **job vacancies** in March to May 2022 rose to a new record of 1,300,000. However, the rate of growth in vacancies continued to slow down.
- **More than 6.5 million people plan to leave their jobs within the next year as they search for better pay and benefits and an improved work/life balance**. About 20 per cent of workers said it was likely they would leave their role in the next 12 months, according to a survey of more than 6,000 British workers by **the Chartered Institute of Personnel and Development,** up from 16 per cent last year.
- There have been warnings of a growing **nursing shortage**, with a survey of more than 20,000 frontline staff by the **Royal College of Nursing (RCN)** suggesting that only a quarter of shifts had the planned number of registered nurses on duty. This represents a fall from 2020, where 42 per cent of shifts had the planned number of nurses on duty.
- The Government has said it will add a further **10,000 visas for farm workers**, amid warnings of a food waste crisis as fruit and vegetables go unpicked. An additional 8,000 fruit and vegetable pickers and 2,000 poultry workers will be given a route to come to the country.
- **Graduates** from the world's top universities will be able to apply to come to the UK under **a new visa scheme**. The scheme will be available to alumni of the top non UK universities and graduates will be eligible regardless of where they were born and will not need a job offer in order to apply.
- **Government plans to reduce the number of civil servants by 91,000** or 20 per cent within three years could leave Whitehall with an unmanageable workload as a result of Brexit, according to independent experts and unions. The **Trades Union Congress (TUC)** say the planned reduction would drop the number of civil servants to a new low of 56 per 10,000 UK citizens.
- **The Institute for Fiscal Studies** has found that **government spending on adult education and apprenticeships** in England will be 25 per cent lower in 2025 than in 2010, despite the extra £900 million pledged in last year's Spending Review.

Green Economy

- A new report from the **Resolution Foundation and London School of Economics** has said the **main impact of the drive to green the UK's economy will be to change**

existing jobs rather than to destroy them. It said the biggest challenge will be to make sure that low and mid skilled workers are able to keep up as most of the new jobs created will require high skill levels.

- **Gas boilers should be banned from households to tackle the cost of living crisis and help Britain meet its green ambitions**, the Prime Minister's infrastructure adviser has warned. **Sir John Armitt, chairman of the National Infrastructure Commission**, said ministers should replicate the enforced ban on the sale of new petrol and diesel cars by 2030 to also apply to natural gas boilers to "provide certainty for investors in greener alternatives".
- Almost half of all car buyers in the UK are now looking to purchase a fully electric vehicle, marking a "tipping point" in the **electric car revolution**, research from accountancy firm **EY** reveals. A total of 49 per cent of drivers looking to buy a car would now choose an electric vehicle, up by 21 per cent compared to just two years ago.
- However, the **Government has scrapped its last remaining subsidies for electric cars**, arguing the move will free up funds to expand the charging network and support other battery powered vehicles. The £300m plug in car grant scheme is now closed to new orders. The money will instead be directed towards extending plug in grants to encourage sales of electric taxis, vans, trucks, motorcycles and wheelchair accessible vehicles, as announced in last year's autumn statement.
- The **cost of rapidly charging an electric vehicle has increased sharply** as a result of rising energy costs, the RAC have warned. The price of pay as you go, non subscription charging at a public charger has risen by 21 per cent over the last nine months. However, the motoring organisation have said that charging electric vehicles still remains cheaper than filling petrol or diesel cars.
- The Government has also unveiled the country's first **food strategy** for 75 years, with the aim to create a more prosperous agri food sector that delivers healthier, more sustainable and affordable diets for all. The objectives for this strategy are to deliver:
  - a prosperous agri food and seafood sector that ensures a secure food supply in an unpredictable world and contributes to the levelling up agenda through good quality jobs around the country;
  - a sustainable, nature positive, affordable food system that provides choice and access to high quality products that support healthier and home grown diets for all;
  - trade that provides export opportunities and consumer choice through imports, without compromising our regulatory standards for food, whether produced domestically or imported.

Housing

- The Government have announced an extension to the **Right to Buy scheme** to include social housing tenants. The extension of the scheme could include nearly 2.5 million in receipt of housing benefit, with the Government arguing that the £30 billion of housing benefit currently spent on rent could help people secure and pay for mortgages. The **LGA** has called for any houses sold to be replaced quickly, in the same local authority area and on a like for like basis.

- A new bill will make it easier to charge **higher council tax on empty properties** in England, as **Secretary of State for Levelling Up, Housing and Communities Michael Gove** vows to end the "scourge" of unoccupied second homes. The new powers, which will include enabling councils to double council tax on unoccupied second homes and forcing landlords to rent out empty shops, are part of the Levelling Up and Regeneration Bill, have started their journey through Parliament.
- The Government's **social housing reforms** that promise to "reset" the relationship between tenant and landlord have been brought to Parliament. **The Social Housing Regulation Bill** with give the Regulator of Social Housing powers to inspect properties with 48 hours' notice, order emergency repairs and hand out unlimited fines to councils and housing associations.
- An independent panel set up to make "urgent recommendations" around **poor quality housing** has been announced by the **National Housing Federation.** The panel will meet over the summer with residents, community leaders and frontline staff to understand and address the problems facing tenants and consider how housing associations can improve.
- **Councils are being blocked from approving the building of 20,000 new homes a year by rules designed to clean up river pollution**, according to **LGA** analysis. Over 7 per cent of all of England's planned house building schemes cannot go ahead due to high levels of nutrient pollution in nearby waterways.

Local Picture

- The claimant count in Staffordshire saw **a further decline of 480 claimants between April and May 2022 to a total of 14,805 claimants**, this was a 3.1% decrease which was greater than the 1.3% decline seen nationally. The **claimant rate now stands at 2.8%** of the working age population in May.
- The strong decline in claimants seen during May continues the County's long term labour market recovery with declining work related benefit claimants reflective of the record number of job vacancies currently available across the full economy, with more local residents finding employment in areas of demand to aid the recovery from the pandemic. There remain clear opportunities for more people 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 is now 22.9% or 2,755 higher than the level seen in March 2020 (pre COVID)** however, not all will be out of work as there will be some that are underemployed.
- The increases seen since COVID 19 struck in March 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 2.8% of the working age population in May compared to 5.0% regionally and 3.9% nationally**.
- As with the claimant count overall, this month the youth claimant count in Staffordshire saw a decrease of 120 to a total of 2,505 which is only 90 more than the pre pandemic level, this is reflective of the many job vacancies currently available to young people across Staffordshire. However, **the proportion of young people in Staffordshire aged 18 24 that are claiming work related Universal Credit currently stands at 3.9% compared to 2.8% for the working age population**. Given that it is harder for young people 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.
- **Staffordshire saw job vacancies increase by 6% between April and May equivalent to over 900 more job vacancies, this was similar to the 7% rise seen nationally. Stoke on Trent saw a 10% rise in vacancies equivalent to just over 500 more job vacancies**. This is reflective of the continuing high demand for labour and skills across most parts of the economy to aid the recovery from the pandemic.
- The **occupations** to see the most significant increases during May include roles in sectors experiencing recruitment difficulties such as **health and social care, logistics and hospitality**. 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 by far the strongest of all occupations.
- There remains high demand for roles in logistics such as **elementary storage occupations** (alongside LGV and van drivers to a lesser extent), hospitality including **kitchen and catering assistants and chefs**, and manufacturing such as **engineering**

technicians and science, engineering and production 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', 'managers' 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 and aid the recovery.
- 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.
- **Staffordshire targets gigabit connectivity for residents and businesses** A drive to connect Staffordshire residents and businesses to gigabit technology over the next eight years will be coordinated by the county council. Working with broadband and mobile providers, developers and national government, the county council will be aiming to ensure the vast majority of properties can access gigabit speeds by 2030. As part of the government's Levelling Up agenda, Project Gigabit aims to reach those premises in the county that are not considered commercially viable. The new Gigafast Staffordshire team (renamed from the Superfast Staffordshire team) will take a leadership role in the county to deliver the programme locally. The county council will also be working with government on its Shared Rural Network programme to boost

4G mobile connectivity. This could see coverage in Staffordshire increase from its current 78 per cent to 92 per cent. As well as improving everyday life, the move to gigabit technology could boost the local by hundreds of millions pounds, and also supports the county council's climate change commitments with smart technology reducing energy consumption and cutting carbon emissions. The county council launched the Community Fibre Partnership support fund for communities which could not be reached by the main programme which helped nine communities to benefit, with a further 24 communities benefitting from the Gigabit Broadband Top up Voucher scheme. The new Gigafast Staffordshire website has launched to help everyone understand the benefits of gigabit connectivity at www.gigafaststaffordshire.co.uk.

- A new business enterprise centre in one of Staffordshire's historic town centre buildings officially opens next month. Stafford's Business Enterprise Centre will officially open on Monday July 18, but potential tenants are already signing up to the flexible licence. Work has progressed on time and on schedule with offices and workspace areas now ready for occupation. Stafford Chambers of Commerce will be among the first occupants to move into this exciting new business centre which is an interesting mix of historic building and modern office space. Small and start up businesses looking for town centre office space on flexible tenancies are being urged to find out about the centre. The **Shire Hall Business Centre in Stafford's Market Square** has benefitted from a £2m refurbishment. A total of £1.6million was allocated to the project from the national Getting Building Fund through the Stoke on Trent and Staffordshire Local Enterprise Partnership. Both the county council and Stafford Borough Council have also invested in the centre. It is located in the area at the rear of the building which used to accommodate the town's main library. Like the county council's other enterprise centres, it will offer office space, reception facilities, meeting areas, networking opportunities and business advice and support. The units will range from 97 sqft to 323 sqft and there will be flexible working options including hot desking and the option to rent a PO Box. Centre management will be based in the building and there will also be out of hours security patrols. It offers an ideal town centre location, close to amenities like the railway station and cafes. 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.
- An enterprise centre where small businesses operate is set for a major expansion thanks to a £1.58million investment. The project would see new workshop units created at **Newcastle Enterprise Centre in Knutton**, next to the existing centre which was converted from a former school building. Staffordshire County Council's cabinet looks set to approve a £440,000 investment to further boost £1.14million secured from the

Newcastle Town Deal which has been agreed by the Government. Newcastle Enterprise Centre is one of seven operated by the county council, offering workshops, light industrial units and office space on flexible tenancies. They include facilities such as meeting rooms, parking and on site support. This summer an eighth will open in Shire Hall, Stafford. Staffordshire County Council's cabinet member for commercial matters Mark Deaville said: "The expansion will play a key part in the overall Knutton Masterplan, regenerating the wider area, strengthening the local community and boosting its economic growth. Working closely with Newcastle Borough Council we aim to deliver a top quality facility for small businesses, utilising the Town Deal funding. We're pleased to be able to invest in the project to enable it to happen and get it off the ground as soon as possible." **More about Staffordshire Enterprise Centres**

- **Pioneering pothole machine trialled in Staffordshire** A machine designed by legendary Staffordshire digger maker JCB to help speed up pothole repairs is being trialled in the county. The **Pothole Pro** works by cutting, plaining and sweeping the road defects before it can be filled with bitumen. The machine will be trialled on a number of different sites in East Staffordshire, Staffordshire Moorlands and Stafford Borough for a fortnight. READ MORE

Conclusion

- In conclusion, after a period of improvement regarding the **spread of COVID 19** the picture has worsened over the last couple of weeks with some concern that we may be entering another wave of the virus with infections, hospitalisations and deaths all slightly increasing. It is hoped that the current vaccines can provide the protection needed against new variants and prevent further loss of life.
- The **cost of living crisis** continue to be front and centre as the most pressing matter for many and it is clear that the situation is likely to get worse before it gets better with **inflation** forecast to get considerably worse in the short term due to rising energy, fuel and food costs. **Government support** should go some way to helping those worse hit by the crisis. However, **real wage decline** remains a concern with the national rail strike likely to be the first of a number of **public sector strikes** over the coming months.
- The **economy continues to struggle and there are now real concerns that we are likely to enter a further recession,** with all sectors including services, production and construction declining over the last month. Forecast future growth has been downgraded and is likely to lag behind other developed countries next year.
- **Commodity price inflation, supply chain issues, diminished consumer confidence and workforce shortages remain the biggest business concerns,** with significant numbers of businesses struggling to survive.
- 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, digitisation and greenification 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 May 2022, which show the number of new companies and individuals who are unable to pay debts and enter a formal insolvency procedure.

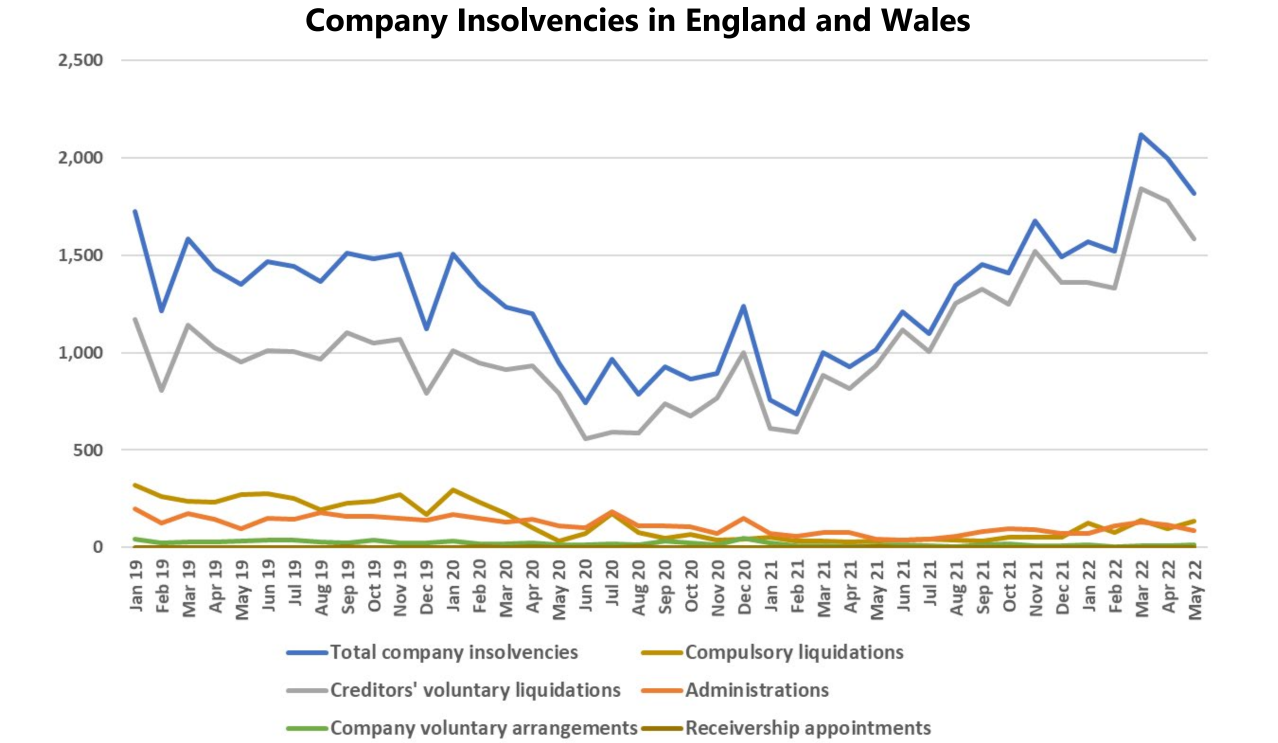
Company Insolvencies

In May 2022 there were a total of 1,817 company insolvencies in England and Wales.

The overall number of **company insolvencies are 79% higher than in the same month last year and 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 May 2022 there were 1,584 Creditors' Voluntary Liquidations (CVLs), 70% higher than in May 2021 and 66% higher than May 2019. Numbers for other types of company insolvencies, such as compulsory liquidations, remained lower than before the pandemic, although there were four times as many compulsory liquidations in May 2022 compared to May 2021, and the number of administrations was 95% higher than a year ago.

Company insolvencies between June 2021 and May 2022 are now 73% higher compared to a year earlier, representing over 7,900 more businesses.



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_may_2022

The sectors to have seen the largest number of company insolvencies between May 2021 and April 2022 are construction (3,453), wholesale and retail (2,295) and accommodation and food (2,090). Levels now exceed those seen for the same period the previous year with construction 106% higher, wholesale and retail 69% higher, and accommodation and food 51% higher than levels seen a year earlier.

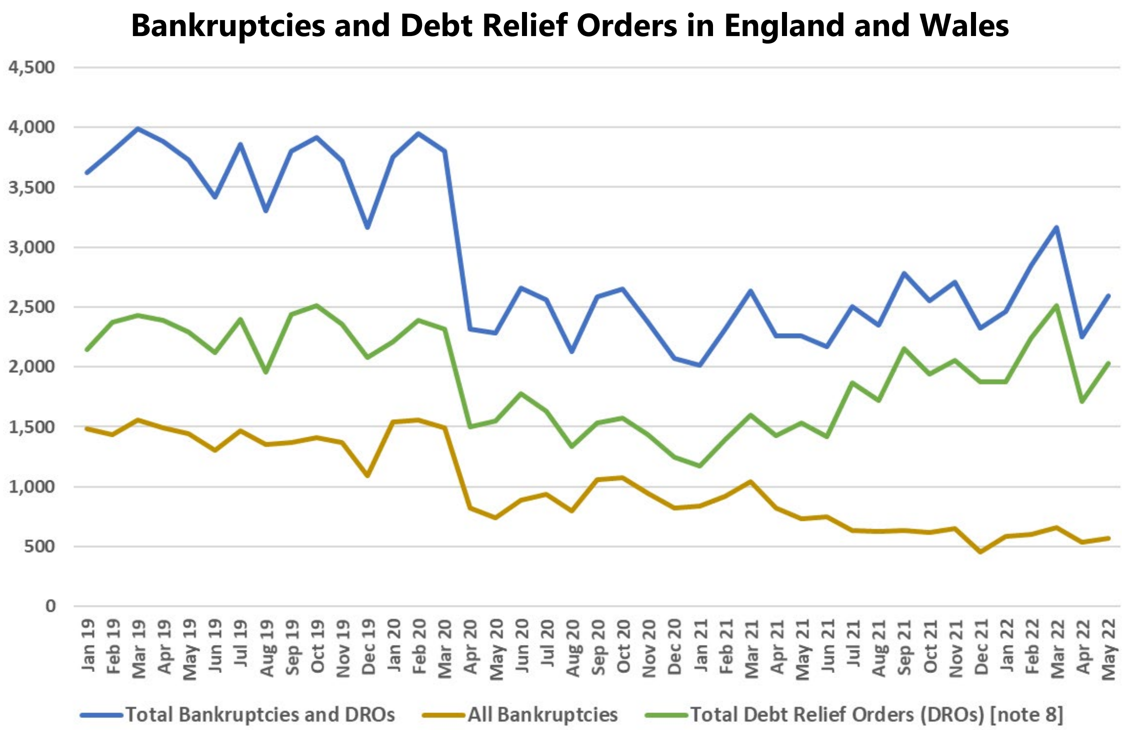
Individual Insolvencies

For individuals, **566 bankruptcies were registered in May 2022** (made up of 497 debtor applications and 69 creditor petitions), which was 23% lower than in May 2021 and 61% lower than April 2019.

There were 2,030 **Debt Relief Orders (DROs) in May 2022**, which was 33% higher than in May 2021 but 11% lower than the pre-pandemic comparison month (May 2019). The increase compared to last year 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. In the 11 months since the change in DRO eligibility criteria, an estimated 7,787 individuals have had a DRO approved who would not have previously been eligible.

There were, on average, 7,812 IVAs registered per month in the three-month period ending May 2022, which is 6% higher than the three-month period ending May 2021, and 10% higher than the three-month period ending May 2019. IVA numbers have ranged from around 6,300 to 7,800 per month over the past year.

Total bankruptcies and DROs between June 2021 and May 2022 are now 8% higher than the same period a year earlier, representing over 2,100 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 a future month's release. This includes data for all individual insolvencies in England and Wales, as well as compulsory liquidations in England and Wales.

There were 5,749 Breathing Space registrations in May 2022, which is 6% lower than the number registered in May 2021. 5,638 were Standard breathing space registrations, which is 7% lower than in May 2021, and 111 were Mental Health breathing space registrations, which is 136% higher than the number in May 2021.

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: May 2022

Area	Claimant Count Rate (May 2021)	Claimant Count Rate (April 2022)	Claimant Count Rate[1] (May 2022)	Number of Claimants (May 2022)	Monthly Change in Claimants (Numbers)	Monthly Change in Claimants (%)	Change in Claimants since March 2020 (Numbers)	Change in Claimants since March 2020 (%)
England	6.0	4.0	3.9	1,388,160	-17,640	-1.3%	324,655	30.5%
West Midlands	6.8	5.1	5.0	183,675	-2,285	-1.2%	39,325	27.2%
SSLEP	5.0	3.5	3.4	23,785	-660	-2.7%	4,415	22.8%
Birmingham	11.0	8.8	8.7	64,130	-195	-0.3%	14,760	29.9%
Wolverhampton	10.1	7.6	7.6	12,385	-95	-0.8%	2,005	19.3%
Sandwell	9.2	6.8	6.8	13,885	-90	-0.6%	3,105	28.8%
Walsall	8.2	5.9	5.8	10,075	-190	-1.9%	1,470	17.1%
Stoke-on-Trent	**7.6**	**5.7**	**5.6**	**8,980**	-180	**-2.0%**	1,660	**22.7%**
Dudley	6.8	5.1	5.1	9,845	-155	-1.6%	1,330	15.6%
Coventry	6.3	4.7	4.7	12,035	-15	-0.1%	4,035	50.4%
Telford and Wrekin	5.5	3.9	3.8	4,210	-115	-2.7%	780	22.7%
Solihull	5.4	3.6	3.6	4,585	-105	-2.2%	935	25.6%
Worcestershire	4.7	3.3	3.2	11,290	-285	-2.5%	2,985	35.9%
Warwickshire	4.3	2.9	2.8	10,090	-215	-2.1%	2,260	28.9%
Staffordshire	4.3	2.8	2.8	14,805	-480	-3.1%	2,755	22.9%
Shropshire	4.0	2.5	2.5	4,690	-130	-2.7%	680	17.0%
Herefordshire, County of	3.8	2.4	2.4	2,675	-35	-1.3%	565	26.8%
Tamworth	5.6	3.8	3.7	1,725	-55	-3.1%	235	15.8%
Cannock Chase	4.8	3.2	3.2	2,010	-35	-1.7%	355	21.5%
East Staffordshire	5.0	3.2	3.1	2,315	-55	-2.3%	595	34.6%
Newcastle-under-Lyme	4.1	2.9	2.8	2,310	-100	-4.1%	330	16.7%
South Staffordshire	4.1	2.8	2.7	1,775	-80	-4.3%	465	35.5%
Lichfield	4.1	2.6	2.5	1,560	-45	-2.8%	240	18.2%
Stafford	3.7	2.5	2.4	2,015	-50	-2.4%	360	21.8%
Staffordshire Moorlands	3.2	2.0	1.9	1,100	-50	-4.3%	180	19.6%

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

- The claimant count in Staffordshire saw a further decline of 480 claimants between April and May 2022 to a total of 14,805 claimants, this was a 3.1% decrease which was greater than the 1.3% decline seen nationally.

- The claimant rate now stands at 2.8% of the working age population in May.

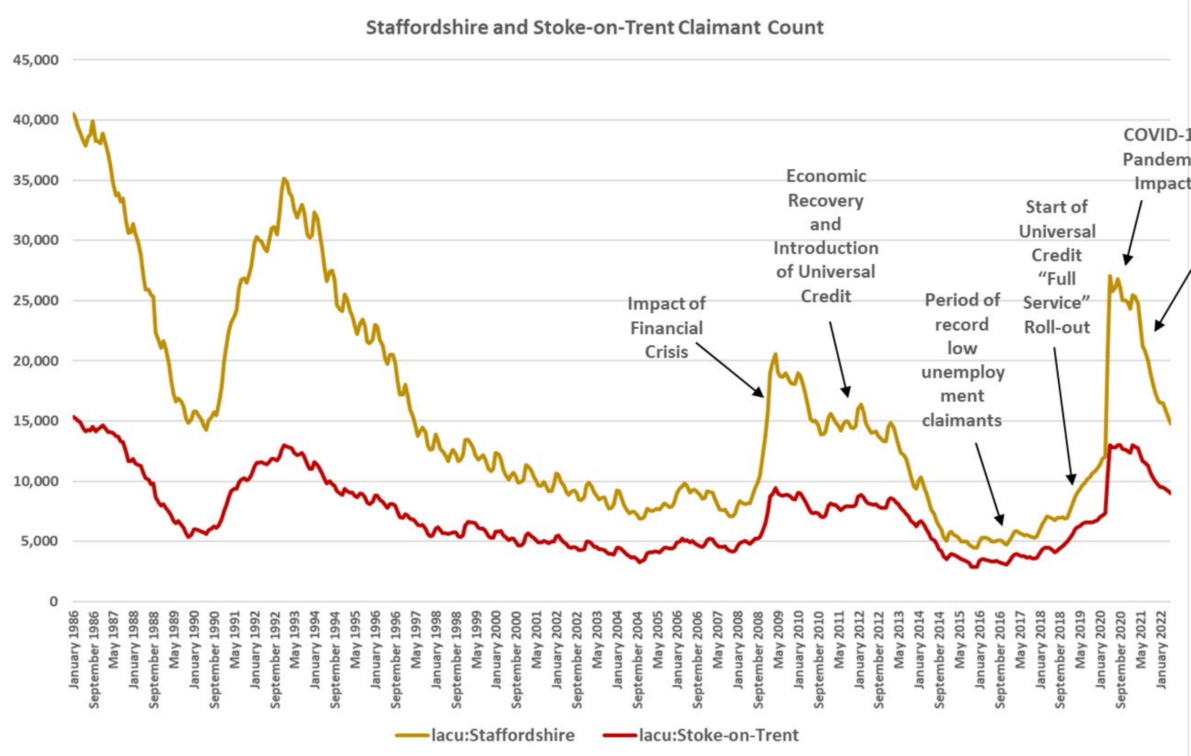
- While Stoke-on-Trent saw a decrease of 180 over the same period with a total of 8,980 claimants in May, with the rate decreasing to 5.6%.

- The strong decline in claimants seen during May continues the County's long-term labour market recovery with declining work related benefit claimants reflective of the record number of job vacancies currently available across the full economy, with more local residents finding employment in areas of demand to aid the recovery from the

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

pandemic. There remain clear opportunities for more people in 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 22.9% or 2,755 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 2.8% of the working age population in May compared to 5.0% regionally and 3.9% nationally. In Stoke-on-Trent the Claimant Count rate remains above both the regional and national averages at 5.6%.

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

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

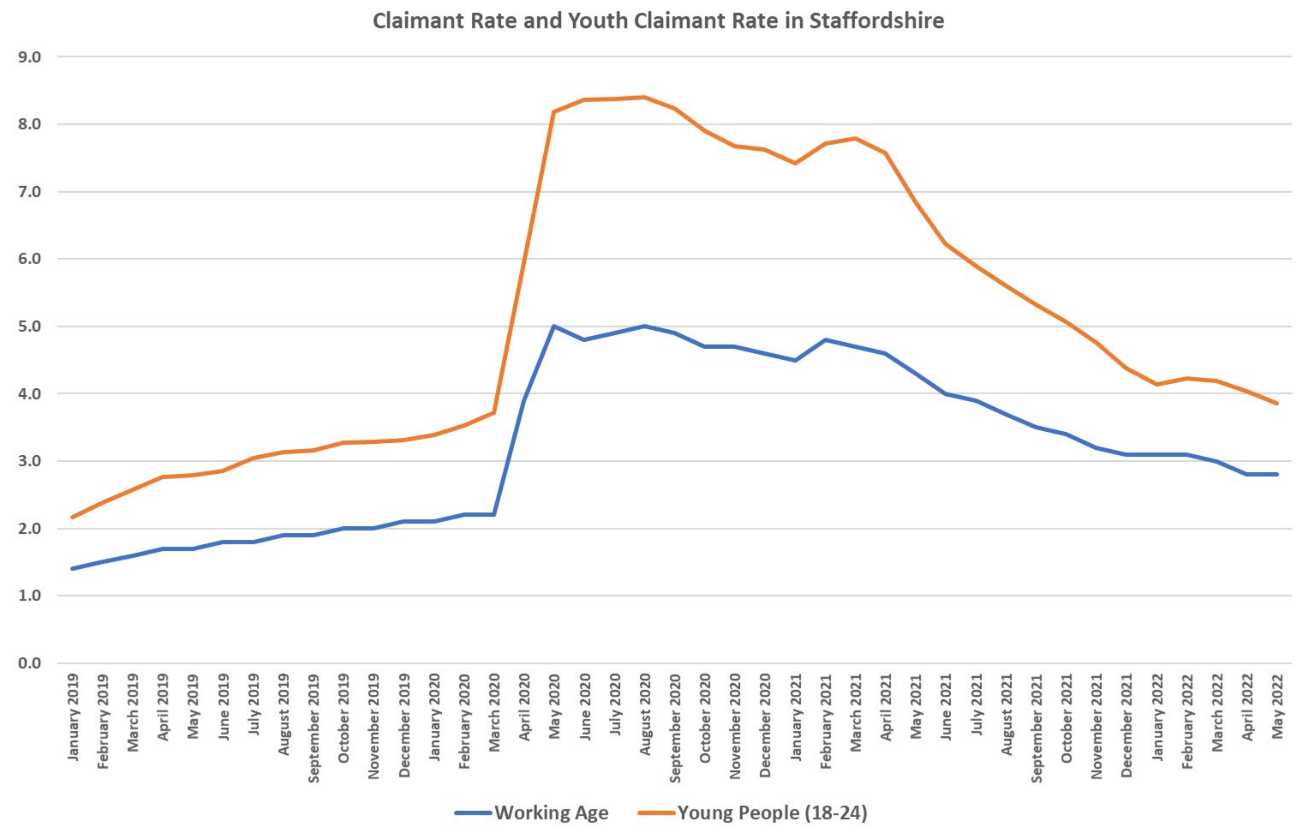
- As with the claimant count overall, this month the youth claimant count in Staffordshire saw a decrease of 120 to a total of 2,505 which is only 90 more than the pre-pandemic level, this is reflective of the many job vacancies currently available to young people across Staffordshire.

Youth Claimant Count (Universal Credit) Statistics: May 2022

Area	Youth Claimant Count Rate (May 2021)	Youth Claimant Count Rate (Apr 2022)	Youth Claimant Count Rate1 (May 2022)	Number of Youth Claimants (May 2022)	Monthly Change in Youth Claimants (Numbers)	Monthly Change in Youth Claimants (%)	Change in Youth Claimants since March 2020 (Numbers)	Change in Youth Claimants since March 2020 (%)
England	8.3	4.6	4.5	213,350	-5,170	-2.4%	15,620	7.9%
West Midlands	9.3	5.9	5.8	30,325	-685	-2.2%	2,420	8.7%
SSLEP	7.6	4.8	4.6	4,050	-195	-4.6%	230	6.0%
Wolverhampton	14.9	9.5	9.5	1,975	0	0.0%	65	3.4%
Sandwell	14.2	9.2	9.0	2,360	-75	-3.1%	245	11.6%
Walsall	13.4	8.3	8.2	1,870	-30	-1.6%	-45	-2.3%
Birmingham	11.0	7.7	7.6	10,570	-135	-1.3%	1,465	16.1%
Dudley	11.6	7.1	7.1	1,695	-5	-0.3%	-55	-3.1%
Stoke on Trent	**9.7**	**7.0**	**6.7**	**1,545**	**70**	**4.3%**	**140**	**10.0%**
Solihull	9.8	5.6	5.4	825	-30	-3.5%	0	0.0%
Telford and Wrekin	9.1	5.7	5.4	790	-45	-5.4%	30	3.9%
Worcestershire	7.7	4.4	4.1	1,680	-105	-5.9%	85	5.3%
Staffordshire	**6.9**	**4.0**	**3.9**	**2,505**	**120**	**4.6%**	**90**	**3.7%**
Coventry	5.7	3.6	3.6	1,960	5	0.3%	425	27.7%
Warwickshire	6.0	3.4	3.3	1,510	-55	-3.5%	175	13.1%
Shropshire	6.9	3.2	3.2	655	-5	-0.8%	-170	-20.6%
Herefordshire	6.4	3.3	3.2	385	-5	-1.3%	-30	-7.2%
Tamworth	10.3	6.0	5.8	325	-10	-3.0%	30	10.2%
Cannock Chase	9.1	5.8	5.3	380	-35	-8.4%	15	4.1%
East Staffordshire	7.5	4.2	4.2	355	-5	-1.4%	35	10.9%
Stafford	6.2	3.9	3.9	345	0	0.0%	30	9.5%
South Staffordshire	7.2	4.2	3.8	300	-30	-9.1%	50	20.0%
Lichfield	6.5	3.9	3.7	260	-15	-5.5%	-10	-3.7%
Newcastle-under-Lyme	5.2	3.0	2.9	400	-20	-4.8%	-25	-5.9%
Staffordshire Moorlands	5.0	2.4	2.2	135	-15	-10.0%	-40	-22.9%

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

- However, the proportion of young people in Staffordshire aged 18-24 that are claiming work-related Universal Credit currently stands at 3.9% compared to 2.8% for the working age population, while in Stoke-on-Trent the rate is now at 6.7% in May 2022.



- All Staffordshire Districts have seen decreases in youth claimants this month, with the exception of Stafford which saw no change during May. Cannock Chase saw the largest decline of 35 youth claimants, followed by South Staffordshire which saw a 30 decline.
- 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

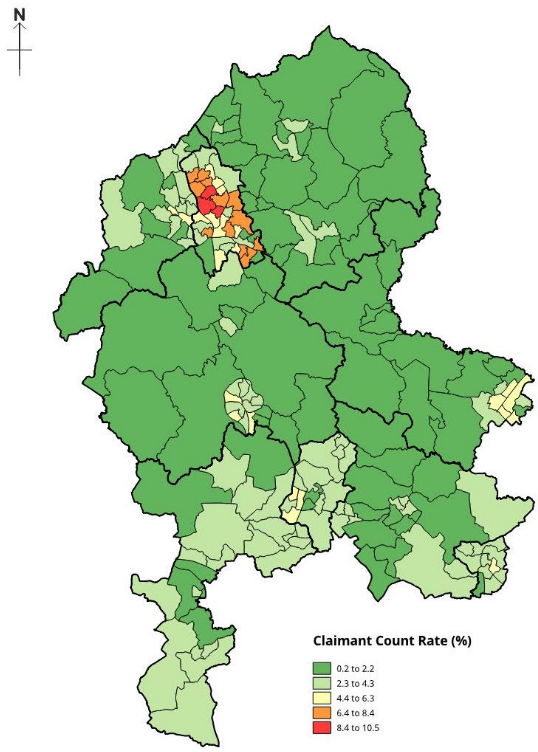
The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

Claimant Count Rate May 2022

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 56 were above the England average of 3.9% for the number of claimants as a proportion of the working age population.

Of the top 15 wards with the highest claimant count rate all were in Stoke-on-Trent with Joiner's Square (10.5% or 480 claimants), Moorcroft (9.4% or 350) and Etruria and Hanley (9.3% or 500) having the highest rates.

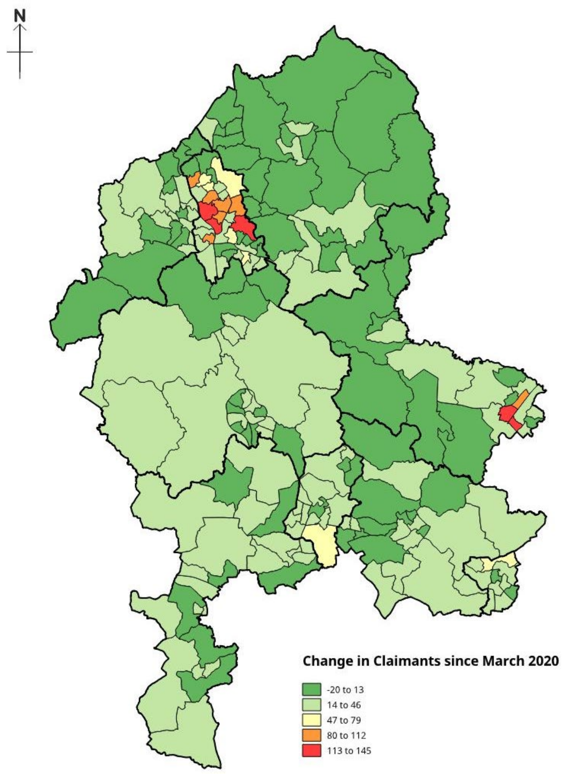
In Staffordshire the 4 wards with the highest claimant count rates were all in East Staffordshire, Burton (6.3% or 190), Shobnall (6.0% or 325), Anglesey (5.8% or 315) and Eton Park (5.7% or 280).



Change in Claimant Count since March 2020

Out of the top 17 wards with the highest change in the number of claimants since March 2020 there were 14 in Stoke-on-Trent and included Etruria and Hanley (145 increase to 500 claimants), Bentilee and Ubberley (125 rise to 525) and Hanley Park and Shelton (120 increase to 305 in total).

The remaining 3 wards in the top 14 were all in East Staffordshire the highest increases were seen in Anglesey (125 rise to 315), Shobnall (115 increase to 325) and Eton Park (100 rise to 280).



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

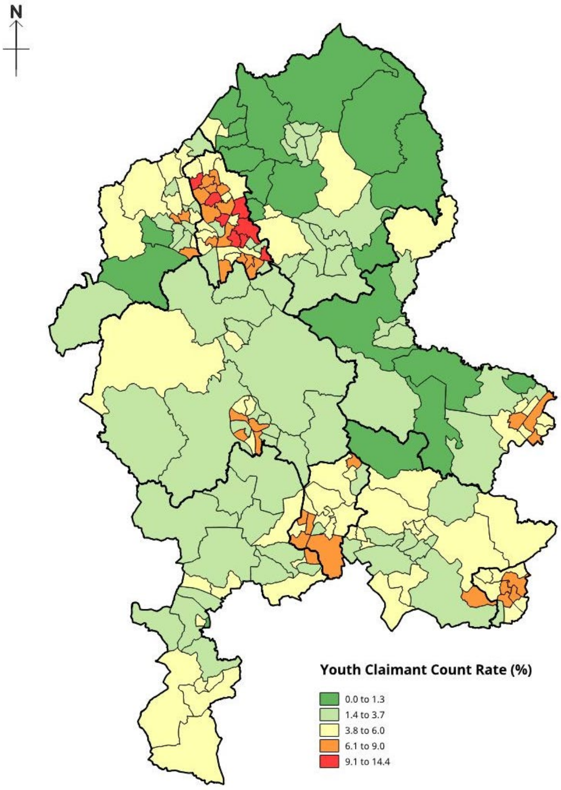
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

Youth Claimant Count Rate May 2022

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 83 were above the England average of 4.5% 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 9 were in Stoke-on-Trent with Joiner's Square (14.4% or 110 claimants), Bentilee and Ubberley (11.6% or 105) and Fenton East (10.7% or 50) having the highest rates.

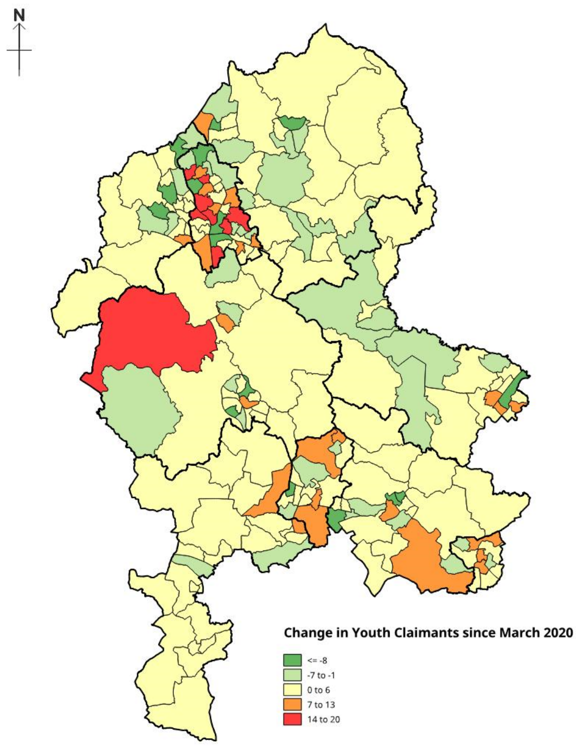
In Staffordshire, the highest rate was Highfields & Western Downs in Stafford with 8.7% or 45, followed by Glascote in Tamworth with 8.6% or 50 youth claimants.



Change in Youth Claimant Count since March 2020

Out of the top 9 wards with the highest change in the number of youth claimants since March 2020 8 were in Stoke-on-Trent including Tunstall (20 rise to 60), Hartshill and Basford (20 increase to 45) and Hanley Park and Shelton (20 rise to 50) with the highest increases since March 2020.

In Staffordshire, the highest increase was seen in Eccleshall in Stafford 15 rise to 15 youth claimants.



Job Vacancies[3]

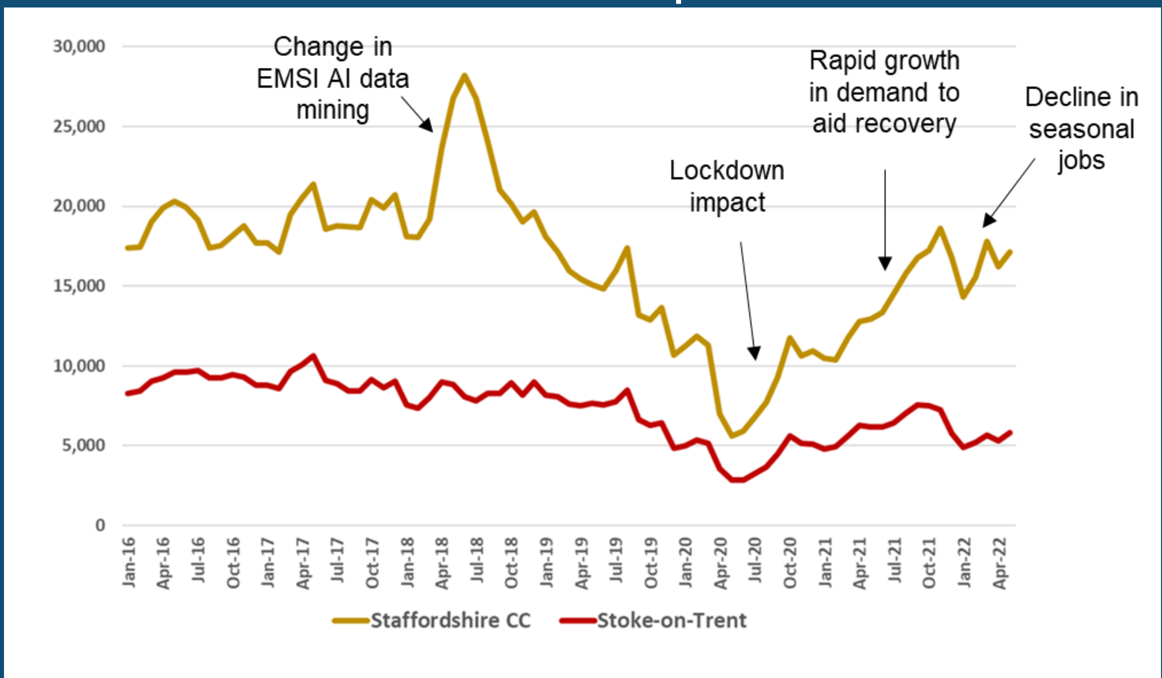
- **Staffordshire saw job vacancies increase by 6% between April and May equivalent to over 900 more job vacancies, this was similar to the 7% rise seen nationally.**

- **Stoke on Trent saw a 10% rise in vacancies equivalent to just over 500 more job vacancies.**

- This is reflective of the continuing high demand for labour and skills across most parts of the economy to aid the recovery from the pandemic.

- 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 May with the largest rises seen in 'managers, directors and senior officials' (11% rise), 'administrative and secretarial occupations' (10% rise) and 'caring, leisure and other service occupations' (9% rise). Although it was 'professional occupations' which saw the largest actual rise with an increase of 385.

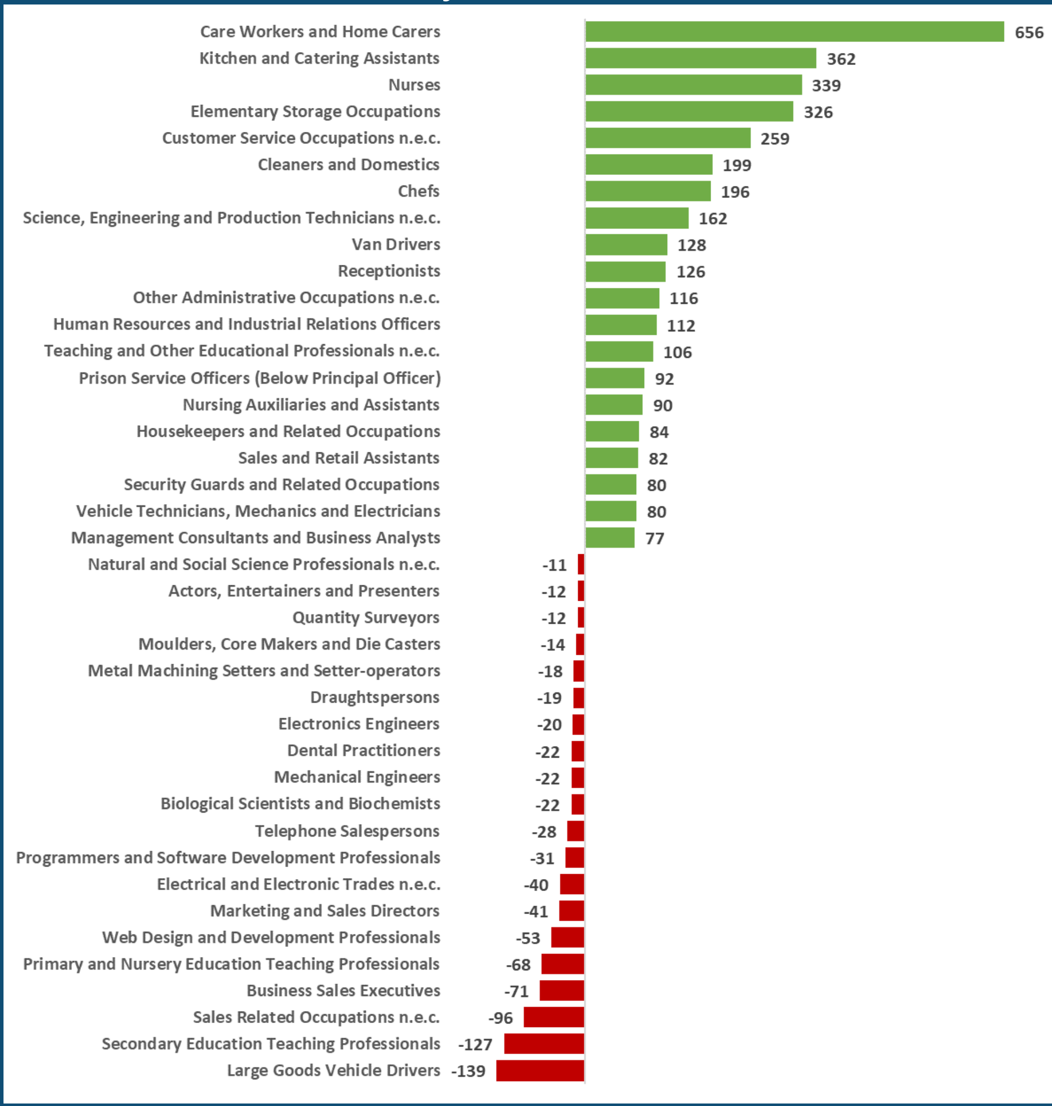
- The occupations to see the most significant increases during May include roles in sectors experiencing recruitment difficulties such as health and social care, logistics and hospitality and occupations to support business recovery and growth including digital roles and business and financial management 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' and 'chefs';
  - **Logistics** including 'elementary storage occupations' and 'van drivers';
  - **Manufacturing** including 'science, engineering and production technicians';
  - **Education** including '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 May 2022 in SSLEP



Top Occupations in Demand

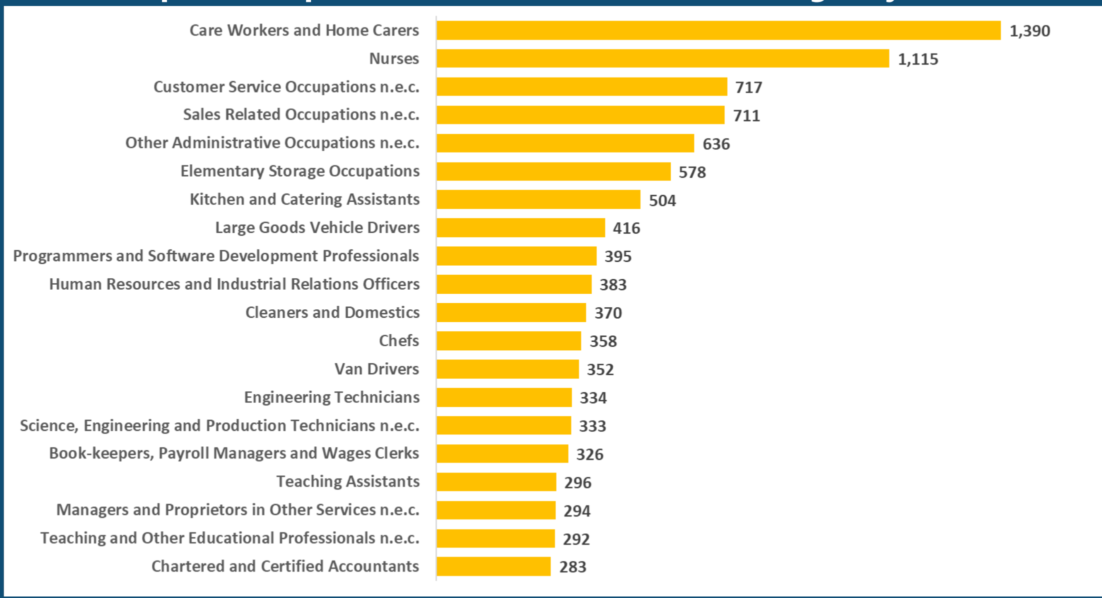
- However, even with these changes in recruitment during the last month, demand for roles in health and social care including **care workers and home carers and nurses** remain by far the strongest of all occupations.

- There remains high demand for roles in logistics such as **elementary storage occupations** (alongside LGV and van drivers to a lesser extent), hospitality including **kitchen and catering assistants** and **chefs**, and manufacturing such as **engineering technicians and science, engineering and production 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', 'managers'** 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 May 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	May 2021 Unique Postings	Mar 2022 Unique Postings	Apr 2022 Unique Postings	May 2022 Unique Postings	Apr 2022-May 2022 (Month on Month Change)	Apr 2022-May 2022 Monthly % Change	Feb 2020-May 2022 (Month on Month Change)	Feb 2020-May 2022 Monthly % Change	May 2021 May 2022 (Year on Year Change)	May 2021 May 2022 Annual % Change
Staffordshire CC	11,855	12,927	17,806	16,190	17,110	920	6%	5,255	44%	4,183	32%
Stoke-on-Trent	5,348	6,194	5,673	5,315	5,824	509	10%	476	9%	-370	-6%
SSLEP	17,203	19,121	23,479	21,505	22,934	1,429	7%	5,731	33%	3,813	20%
West Midlands	116,862	120,892	180,570	160,551	176,554	16,003	10%	59,692	51%	55,662	46%
England	1,123,527	1,374,090	1,976,667	1,887,003	2,010,038	123,035	7%	886,511	79%	635,948	46%
Staffordshire Moorlands	267	357	400	376	661	285	76%	394	148%	304	85%
East Staffordshire	2,664	3,017	6,413	5,656	5,364	-292	-5%	2,700	101%	2,347	78%
Lichfield	1,335	1,556	2,179	1,857	2,125	268	14%	790	59%	569	37%
Tamworth	2,136	2,059	2,542	2,424	2,763	339	14%	627	29%	704	34%
Cannock Chase	1,613	1,814	2,046	1,941	2,041	100	5%	428	27%	227	13%
Stafford	2,836	3,228	3,621	3,243	3,314	71	2%	478	17%	86	3%
South Staffordshire	148	127	190	157	145	-12	-8%	-3	-2%	18	14%
Newcastle-under-Lyme	856	769	415	536	697	161	30%	-159	-19%	-72	-9%
Elementary Occupations	1,001	1,708	2,454	2,171	2,280	109	5%	1,279	128%	572	33%
Caring, Leisure and Other Service Occupations	1,415	1,764	2,392	2,339	2,548	209	9%	1,133	80%	784	44%
Administrative and Secretarial Occupations	1,548	1,805	2,135	1,961	2,163	202	10%	615	40%	358	20%
Skilled Trades Occupations	1,249	1,571	1,907	1,655	1,664	9	1%	415	33%	93	6%
Associate Professional and Technical Occupations	2,854	3,024	3,959	3,519	3,710	191	5%	856	30%	686	23%
Sales and Customer Service Occupations	1,672	1,619	2,078	1,943	2,061	118	6%	389	23%	442	27%
Managers, Directors and Senior Officials	1,369	1,424	1,677	1,467	1,626	159	11%	257	19%	202	14%
Professional Occupations	4,752	4,606	5,376	5,129	5,514	385	8%	762	16%	908	20%
Process, Plant and Machine Operatives	1,228	1,471	1,431	1,270	1,309	39	3%	81	7%	-162	-11%

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.