Staffordshire County Council

Stoke-on-Trent & Staffordshire Enterprise Partnership

Staffordshire Means Business

Economic Bulletin - Issue 24 – July 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 we saw the **Prime Minister resign**, with the process to appoint a new leader of the Conservative party and the next Prime Minister now underway and the result of the leadership race will be announced on 5th September.
- The latest wave of **COVID 19 infections** has seen a surge in cases across the UK to around 300,000 a day, driven by fast spreading sub variants of Omicron, BA.4 and BA.5.
- Demand for beds in NHS hospitals has surged to levels usually seen in winter, with a 37 per cent rise in **hospitalisations**. Dame Jenny Harries, the Chief Executive of the UK Health Security Agency, has said the number of people being admitted to hospital with COVID 19 is expected to rise further and advised people to "go about their normal lives" but in a "precautionary way".
- The rise in cases and hospitalisations saw Heath minister, Lord Kamall suggest that **COVID restrictions** could be reintroduced if a rising number of cases has an impact on the NHS backlog. Hospitals have reintroduced mandatory masks and social distancing as they deal with the rising number of patients.
- Positively, latest data may start to indicate that **UK COVID 19 cases could be peaking**, with hospital admissions falling and the increase in cases starting to level off. In total 3.76 million or one in 17 people in the UK had the virus in the week ending July 13, up from 3.5 million the week before.
- A concern remains that nearly three million adults in England have still not come forward for a **Covid vaccine**, according to the Public Accounts Committee. The Committee have urged NHS England to reduce the number of unvaccinated adults by 500,000 to ensure adequate protection as transmission rates have risen. There is particularly a need to ensure hard to reach communities are vaccinated, with people of Black, Black British and Pakistani origins less than half as likely to have had a booster dose than people of White British origin.
- The Department of Health and Social Care has announced that **all over 50s will be offered a COVID 19 booster jab this autumn**, with younger people at high risk and health and social care staff also eligible. Details of the rollout are yet to be confirmed, but it is thought the oldest and most vulnerable will receive their vaccines from September. The flu vaccine will also be offered to all adults 50 and above, the usual high risk groups and now school children up to Year 9 in secondary school.
- This push for greater vaccination comes as research by Imperial College London shows that **around 20 million lives were saved around the world by the COVID 19 vaccine in its first year**. Over 11 billion doses have been administered worldwide to date, but the World Health Organisation has stated that almost a billion people in lower income

nations are still unvaccinated.

- There is also concern regarding a **'mental health crisis' in students**, with the "Covid generation" of students experiencing exacerbated rates of anxiety, depression and self harm, according to experts at the National Union of Students (NUS). UK universities are reporting a "significant rise" in the number of students experiencing mental health problems following the pandemic, with this expected to continue next year as a result of disruption in schools.
- Finally, the **COVID inquiry** has now opened, with families of COVID 19 victims welcoming the recognition of their "devastating" bereavement, but called for this to be reflected in the process. As the inquiry began, its chair Baroness Heather Hallett pledged to work "as speedily as possible" to make sure lessons can be learned before another pandemic emerges but warned the inquiry "will take time and have a significant cost".

Economic Impact and Support

Inflation, War in Ukraine and Cost of Living Crisis

- This month the **rate of inflation** continued to rise reaching a 40 year high of 9.4 per cent in June, up from May's 9.1 per cent. This rise was partly driven by the 42 per cent year on year increase in petrol prices and an almost 10 per cent rise in food prices.
- A **Centre for Cities** thinktank study of cities in England and Wales showed the **north south cost of living divide** was intensifying regional inequality, with poor home insulation and greater car dependency meaning inflation is up to 30 per cent higher in northern English cities than it is in London.
- Analysis by the **LGA** also shows that **councils are feeling the impact with rising energy prices, spiralling inflation, and National Living Wage increases** set to add £2.4 billion in extra cost pressures onto council budgets this year, rising to £3.6 billion in 2024/25. The LGA have suggested that councils face the prospect of having to make funding cuts to local services, such as collecting bins, filling potholes, or care for older and disabled people as a result and has called for government to ensure councils have the resources, they need to meet demand and cost pressures and protect services.
- A new survey by the **Association of Directors of Adult Social Services (Adass)** of its members has warned that the rapidly rising cost of basic things is making already challenging conditions in social care much worse. Almost three quarters of social care directors in England responding to the survey are reporting increasing requests for help.
- Research by consumer company **Which** has found that **more than 2 million households have missed a bill payment every month this year**, due to rising living costs. In June an estimated 2.1 million households missed or defaulted on at least one mortgage, rent, loan, credit card or bill.

- A report by **the Institute for Fiscal Studies** shows that benefit cuts for families with children imposed since 2010 due to austerity pushed up **child poverty** before the coronavirus pandemic, with relative child poverty, defined as the fraction of people with an income below 60% of the national median increased from 27% of all households in 2013 to 31% in 2019, the highest level since 2007. The report warns that poorer families are also among the most exposed to the cost of living crisis. The research also showed that half of all children in lone parent families are now living in relative poverty with single parents among the most exposed to soaring inflation.
- Homeless charity **Shelter** has warned that **renters evicted** from their homes are reaching out to emergency hotlines for help more than ever before as a result of the cost of living crisis. The Government recently promised an **end to "no fault evictions"** as part of a slate of housing reforms, but experts at the **Joseph Rowntree Foundation** fear this won't prevent landlords from unfairly evicting their tenants completely.
- To help ease some of the pressure on the most vulnerable, more than two million low income workers will no longer pay **National Insurance**, owing to a change in the way the tax is collected. Employees can now earn £12,570 a year before paying National Insurance, up from £9,880 a year previously.
- **Direct payments to help with the rising cost of living** are also starting to be paid by the Government into eight million people's accounts. Low income households on means tested benefits will receive the money automatically in their bank, building society or credit union account, with the **first £326 payment to be paid by the end of July and a second instalment of £324 to be transferred in the autumn**.
- However, latest energy bill forecasts by **Cornwall Insight** show that the **typical gas and electricity bill could reach more than £3,300 a year this winter and further next year**, with suppliers and consumer groups agreeing a plan that could lead to a dedicated hotline and debt support for struggling households.
- **National Grid** is also considering an **off peak energy bill discount** whereby households who use less energy during peak times could receive discounts on their electricity bills, with suppliers being consulted on the idea. Octopus Energy offered a similar incentive in a past trial, providing a discount for 100,000 customers who reduced their consumption.
- As well as energy prices continuing to impact the cost of living, **high prices of petrol are impacting sales** as motorists cut back to save money, with forecourt sales down 11 per cent compared with pre pandemic levels in the week to July 3, and down 10 per cent across a four week period, according to the **Department for Business, Energy and Industrial Strategy.**
- **Families are also cutting back on fuel and clothing** as rising prices make them question what they can afford, monthly retail data shows that in June clothing sales

dropped by 4.7 per cent as UK inflation reached new highs.

- **Nearly half of Britons have cut back on food spending** as prices soar, with some 49 per cent of people surveyed by the **Office for National Statistics** said they had purchased less food than normal between 22 June and 3 July, up from 8 per cent of those polled last September, while another 48 per cent said they had been forced to spend more than usual on their food shopping.
- **Foodbank use has gone up**, with **Citizens Advice** issuing around 700 food bank referrals a day last month, compared with 400 a day during the same period last year.
- The Prime Minister has promised that **food import tariffs will be cut** to ease cost of living squeeze, which could see price cuts of about 10 per cent for oranges, bananas, olives, rice and other products that Britain does not produce domestically.
- All of this comes as the **Office for National Statistics** has said that **pay is falling at the fastest rate since records began** when taking into account rising prices. Between March and May, growth in employees' average total pay (including bonuses) was 6.2% and growth in regular pay (excluding bonuses) was 4.3% in March to May 2022. **In real terms (adjusted for inflation), over the year, total pay fell by 0.9% and regular pay fell by 2.8%.** The ONS notes that they are comparing the latest period with a period where certain sectors (accommodation and food service activities, and wholesale and retail) had employees on furlough as a result of the winter 2020 to 2021 lockdown. Therefore, a small amount of base effect will be present for these sectors, but not to the degree we saw when comparing with periods at the start of the coronavirus (COVID 19) pandemic.

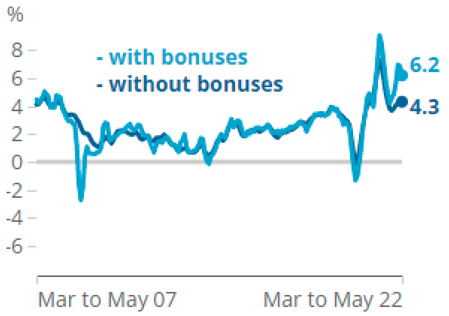
Nominal Earnings

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

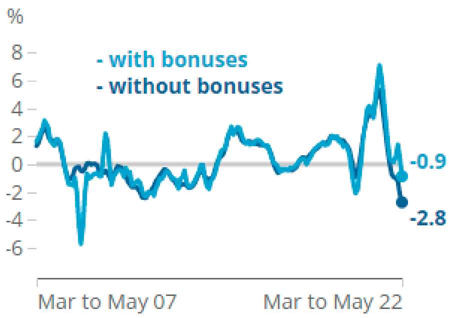


Real Earnings

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

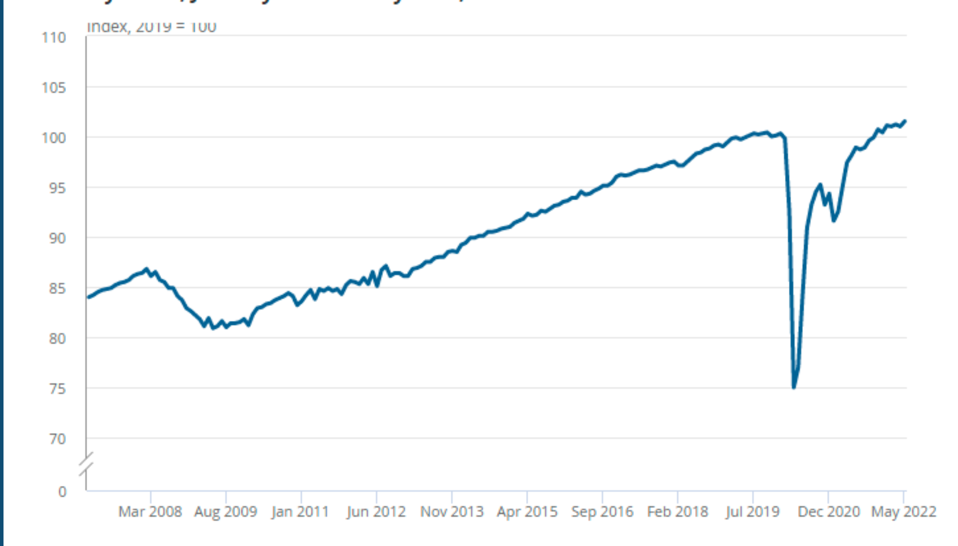


- While child poverty campaigners have accused the Government of "abandoning" struggling families after it announced a cost of living package which included free theatre tickets and supermarket discounts. The **Help for Households scheme** is intended to help families facing soaring food and fuel bills including a mix of new and pre existing discounts on meals, mobile tariffs and theatre tickets from businesses such as Asda, Morrisons, Amazon and Vodafone.

Economy

- The **UK economy rebounded in May** after shrinking in April and March, figures from the **Office for National Statistics** show that the economy grew by 0.5 per cent during the month, higher than the flat growth most analysts expected. UK GDP increased by 0.4 per cent in the three months to May 2022, and by 3.5 per cent in the 12 months to May 2022.
- **Services** output grew by 0.4% in May 2022 as human health and social work activities grew by 2.1%, mainly because of a large rise in GP appointments, which offset the continued scaling down of the NHS Test and Trace and COVID 19 Vaccination Programmes.
- Output in **consumer facing services** fell by 0.1% in May 2022, driven by a 0.5% fall in retail trade, and non consumer facing services grew by 0.5% in May, following a fall of 0.8% in April.
- **Production** grew by 0.9% in May 2022, driven by growth of 1.4% in manufacturing and 0.3% in electricity, gas, steam and air conditioning supply.
- **Construction** grew by 1.5% in May 2022, following 0.3% growth in April. This is construction's seventh consecutive month of growth.

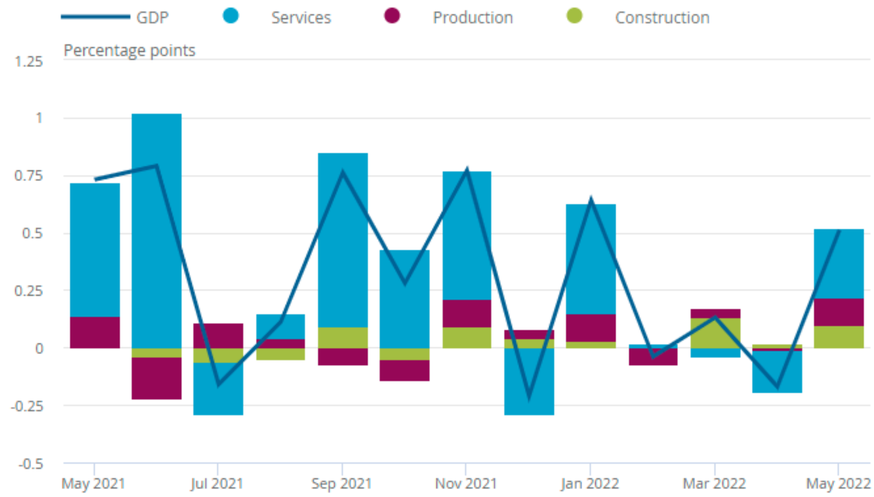
GDP Monthly index, January 2007 to May 2022, UK



Source: Office for National Statistics – GDP monthly estimate

Figure 2: All main sectors contributed positively to growth in May 2022

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



Source: Office for National Statistics – GDP monthly estimate

- The UK's **national debt** is on an "unsustainable path" unless taxes are raised and spending is tightened, according to the **Office for Budget Responsibility**. The independent forecaster said that rising energy prices and the country's ageing population risked a recession, with debt levels forecast to possibly more than treble in 50 years' time.
- Fast rising **mortgage rates** mean borrowers face paying more in interest on their home, according to a forecast by **Capital Economics**. If the bank rate reaches 3 per cent, a mortgage of £400,000 would see an additional £57,000 in interest owed over five years compared to if the deal had been made in December when the Bank Rate was at 0.1 per cent.
- The **pound is heading for its biggest six month drop against the US dollar since 2016**, the year of the Brexit referendum.
- The economy is also being impacted by a number of strikes being considered or going ahead, including:
  - **Rail workers** are set to strike for a further two days in August following a dispute over jobs, pay and conditions, the **National Union of Rail, Maritime and Transport (RMT) Workers** has confirmed. National Rail and 14 train operators will walk out on 18 and 20 of August, with another strike planned on 27 July, the day before the Commonwealth Games opens in Birmingham. This follows thousands of train operator and Network Rail workers walking out during national strike action in June, which caused disruption for millions of commuters.
  - Members of the **drivers union Aslef at eight train companies** have backed

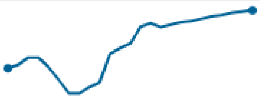
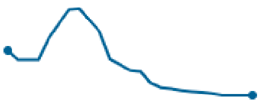
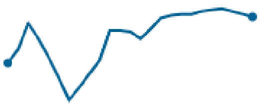
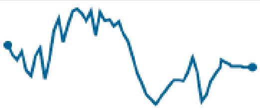
industrial action, with train drivers have voting overwhelmingly to strike over pay. Aslef members at Chiltern, LNER, Northern, TransPennine Express, Arriva Rail London, Great Western, Southeastern and West Midlands Trains voted by around 9 1 in favour of strikes.

  - **Royal Mail managers** have voted to strike over what **Unite** the union says are plans to cut 542 frontline delivery managers' jobs, as well as implement a redeployment programme with worse terms and conditions. Unite members backed the industrial action by 86 per cent, with about 2,400 managers at more than 1,000 delivery offices involved in the dispute.
  - **BT staff** have voted for a national strike, their first in 35 years. It is expected to affect customers across the country having broadband services installed or getting faults fixed. The trade union organising the ballot has said that BT customers can expect disruption to services including repairs, having new internet lines fitted or contacting support staff.
  - **Public sector** unions have begun preparation for strike action after the publication of pay deals. The deal for NHS staff recommended on average between a 4 and 5 per cent pay rise but unions have criticised the deal, saying it did not cover the increases in inflation.
  - **Doctors** have warned that they are willing to join rail workers by striking if their demands for a 30 per cent pay rise are not met, according to the **British Medical Association**.
- The **Government's flagship £4.8 billion Levelling Up Fund has been delayed**, with the online portal for applications remaining inaccessible more than a month after it was scheduled to go live. Local authorities bidding for the second round of the fund were supposed to have been able to lodge their applications from May 31 ahead of a deadline for submissions of noon on July 6.
- This delay to funding comes as a report by the **Resolution Foundation** suggests that Government plans to "level up" areas around the UK will cost billions more than thought. The think tank said levelling up will require investment that goes "far beyond anything currently being contemplated" due to stark differences in income in different local authority areas across the country.

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 60 of the **Business Insights and Conditions Survey (BICS),** which was live from 27 June to 10 July 2022.

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

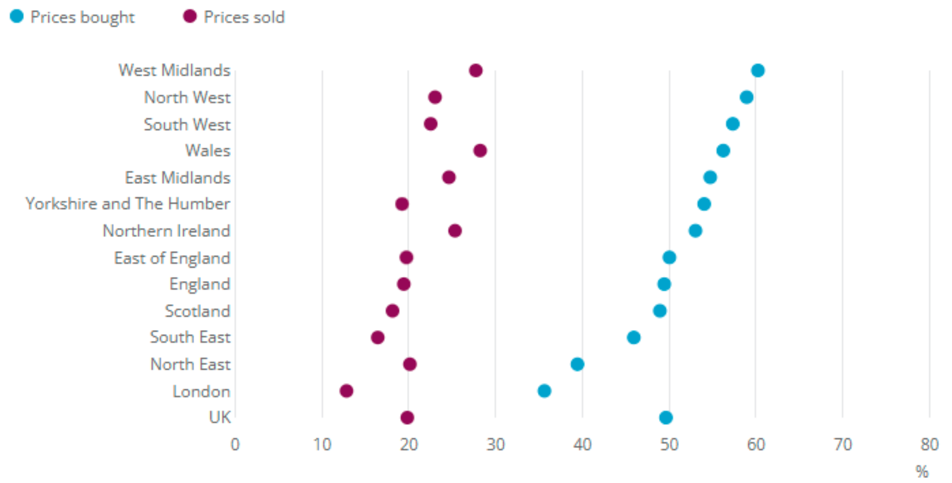
Indicator	Latest data compared with **previous wave**	Latest data compared with **period covering the start of 2022**	Latest data compared with **equivalent period the previous year**	Timeline
Trading status - Currently trading Units	0.6▲	3.3▲	4.8▲	
Trading status - Temporarily closed or paused trading Units	-0.1▼	-3.6▼	-4.2▼	
Prices - Prices bought increased Units	0.1▲	16.4▲	24.2▲	
Prices - Prices sold increased Units	-0.7▼	4.4▲	11.6▲	
Workforce status - Using a hybrid model of working Units	0.4▲	7▲	Not available	
Workforce status - Working from home Units	No change	-9.1▼	Not available	
Workforce status - Working from a designated workspace Units	-0.6▼	5.2▲	Not available	
Cash reserves - 3 months or less Units	-0.1▼	-0.9▼	0.5▲	

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

- Of currently trading businesses, 24% reported that their **turnover** decreased in June 2022 compared with May 2022; in contrast, 13% reported that their turnover had increased, while 54% of businesses reported that their turnover stayed the same.
- Half (50%) of currently trading businesses reported an increase in the **prices of goods or services bought** in June 2022, broadly stable with May 2022; in comparison, the percentage of businesses who reported an increase in the **prices of goods or services sold** (20%) continued to steadily decrease, down from 24% in March 2022.

The percentage of businesses reporting increased prices for goods and services was highest in the West Midlands

Prices bought and sold increased, single-site businesses not permanently stopped trading, broken down by country and region, weighted by count, UK, 1 June to 30 June 2022



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

- Over a quarter (26%) of currently trading businesses expect the prices of the goods or services they sell to increase in August 2022, down from 31% estimated for April 2022, with energy prices (37%) the most commonly reported reason for considering doing so.
- The percentage of businesses that reported their **production and/or suppliers had been affected by recent increases in energy prices** in early July 2022 was 35%, broadly stable with late June 2022, and a continued steady increase since early March 2022 (25%).
- More than half (60%) of businesses with fewer than 10 employees reported they had been **affected by general increases in prices**, compared with 77% for business with 10 or more employees; the data therefore suggest smaller businesses were less affected by price rises than larger businesses.
- Among businesses not permanently stopped trading, 8% of businesses reported their **stock levels of raw materials** in June 2022 were lower than in May 2022, while 7% reported **stock levels of finished goods** were lower across the same period.

- The overall number of **company insolvencies are 40% higher than in the same month last year and 15% higher than three years previously (pre pandemic).** Having seen a rapid increase in insolvencies earlier in the year over recent months we have seen a welcomed decline in business insolvencies. However, levels remain above the previous year and pre pandemic. The main concern is that levels remain high and there is a need for increased support for associated issues such as mental health and homelessness. In the coming months, the impact of the energy crisis and the withdrawal of temporary prohibitions are likely to push 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.
- **Retail sales** are falling as price rises hit household budgets, according to the **British Retail Consortium**, with shoppers are cutting back on white goods such as fridges and dishwashers as well as opting for cheaper brands, and sales in shops and online have dropped for three months in a row.
- Research by **ONS** shows that between October to December 2019 and January to March 2022, **homeworking** in the UK more than doubled from 4.7 million to 9.9 million people, the number of non homeworkers (those who live and non homework in the same region) and regional commuters (those who work in a region but live in a different region) in the UK decreased by 19.7% (down 5.5 million).
- A property survey by **Lambert Smith Hampton** has found as much as **a fifth of office space in London and south east England may not be required in the post pandemic world of work** as employees spend less time at their desks.
- The **Manufacturing Technology Centre (MTC)** has announced it will **permanently implement flexible working measures including a four day week**, following a large scale, two year trial which saw 50% of employees report **higher productivity**. The decision to trial the new approach followed an in depth review of flexible working options, in response to employee feedback. Starting in April 2020, the Fully Flexible Working Week trial provided a range of flexible working arrangements for 820 employees.

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 March to May 2022 shows that over the quarter there was an increase in the employment rate, while unemployment and economic inactivity rates decreased.

Payrolled employees

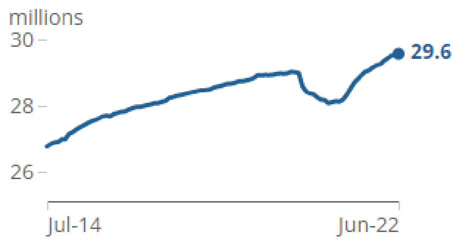
The number of payrolled employees

Monthly change: ▲ 31,000
Since Feb 2020: ▲561,000

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

Source: HMRC PAYE RTI

Read more



Employment rate

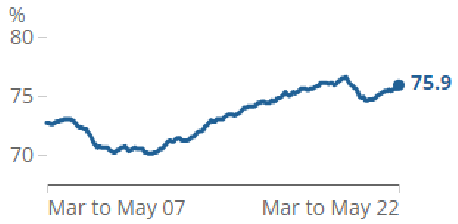
Employment rate (all aged 16 to 64)

Quarterly change: ▲0.4pps
Since Dec-Feb 2020: ▼-0.7pps

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

Source: ONS LFS

Read more



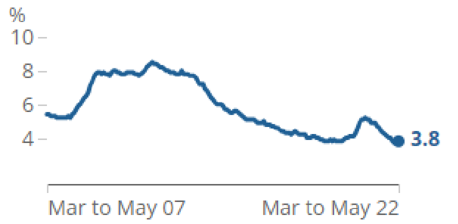
Unemployment rate

Unemployment rate (all aged 16+)

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

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

Source: ONS LFS



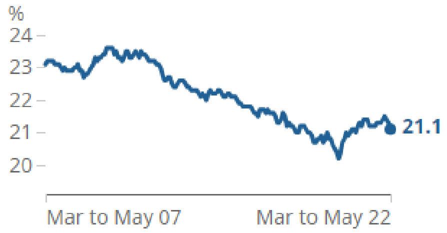
Inactivity rate

Economic inactivity rate (all aged 16 to 64)

Quarterly change: ▼-0.4pps
Since Dec-Feb 2020: ▲0.9pps

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 0.4 percentage points on the quarter to 75.9%, but is still below pre pandemic levels. The number of full time employees increased during the latest three month period to a record high. Part time employees also increased during the latest three month period, continuing to show a recovery from the large falls in the early stages of the pandemic. The number of self employed workers fell during the pandemic and has remained low, although the number has increased during the latest three month period. The increase was driven by part time self employed, and was largely offset by a decrease in the number of full time self employed.
- **Payrolled employees** for June 2022 shows a monthly increase, up 31,000 on the

revised May 2022 figures, to a record 29.6 million.

- The **unemployment rate** for March to May 2022 decreased by 0.1 percentage points on the quarter to 3.8%. Over the latest three month period, those unemployed for up to six months saw the largest increase since late 2020.
- The **economic inactivity rate** decreased by 0.4 percentage points to 21.1% in March to May 2022. Since the start of the pandemic, the increases in economic inactivity were driven by those who were economically inactive and who did not want a job. This group have now also driven the quarterly decrease during the latest period.
- The number of **job vacancies** in April to June 2022 rose to 1,294,000. However, the rate of growth in vacancies continued to slow down.
- Analysis of government data by the **Trades Union Congress** has shown at least 3.7 million people in Britain are in **insecure jobs**, up from 3.6 million in 2021, out of a total workforce of 34 million.
- According to analysis by **The Health Foundation** the **shortage of GPs** in England is set to become worse, with more than one in four posts predicted to be vacant within a decade, with the current 4,200 shortfall potentially rising to more than 10,000 by 2030/31.
- The **NHS and social care faces "the greatest workforce crisis" in their history**, according to the cross party **Commons Health and Social Care Committee**. Its report said on current projections, almost a million new jobs will need to be filled in health and social care by the early part of the next decade, with extra staff needed to keep up with rising demand as the population gets older and healthcare becomes more complex and technologically advanced.

Green Economy

- A landmark court judgment has ruled the **Government's net zero strategy** is in breach of the law due to it not explaining how targets will be met. It also finds that parliament and the public not properly informed about a shortfall in meeting a key target to cut emissions.
- The **Climate Change Committee** has warned the **Government is heading for failure on its plans to limit climate change**. It says that unless policies are radically improved, the Government will need to try another tack by persuading people to fly less and eat less meat.
- Approval has been given by government to build the **new Sizewell C nuclear power plant** on the Suffolk coast, Business Secretary Kwasi Kwarteng has confirmed. The new plant will be built next to the existing Sizewell B and will generate around 7 per cent of the UK's electricity needs, operating for 60 years.
- The use of **biofuel** in the UK, a green alternative to petrol and diesel, will reportedly be reduced amid concerns that it could contribute to the cost of living crisis. Biofuel, a

key part of the Government’s net zero ambitions, uses wheat and maize in its production, and the Government is said to be considering using the land for producing more food instead to tackle soaring prices.

- The potential green light from government to open the UK’s first **deep coal mine** in 30 years is questioned due to its impact on the environment, with concern that a move to coal despite the national net zero ambitions would also negatively impact the Government’s international influence and credibility on climate change.
- A study by **WWF and ScottishPower** has found that **installing green technologies could reduce energy bills** by up to £1,878 a year and **cut home carbon emissions** by more than 95 per cent over the lifetime of their installation. The report also claims that homeowners can boost the value of their property by an average of £10,000.
- Hundreds of thousands of households with **solar panels** will save an estimated £600 million on their energy bills this year after a scramble to beat the cost of living crisis. Builders have fitted the highest number of small scale panel installations in seven years as homeowners seek to protect themselves from a sharp rise in gas and electricity costs, with the number of panels installed on residential roofs more than doubled in the first five months of 2022 compared to a year earlier.
- New analysis from the **LGA** shows that three million households in fuel poverty in England are having to pay an extra £250 a year in fuel bills or £770m a year due to **poorly insulated homes**.
- In a comment piece, the hurdles that need to be overcome to achieve **energy efficiency in social housing** was discussed, following the publication of a report on **hard to decarbonise homes**. The piece, co authored by the **LGA and National Housing Federation**, said that social landlords are already making great progress towards decarbonising their stock, but that “long term public funding is vital to unlock retrofit at the scale and pace needed to reach net zero targets.”
- Around 135 **bus routes** across England could be cut or closed this summer due to falling passenger numbers, staff shortages and funding constraints. David Renard, transport spokesperson for the LGA, said: “Passenger numbers will take longer to return to those seen before the pandemic and without continued support, it is clear that some routes will no longer be viable and will have to be reduced. We want to encourage greater use of public transport, and this means the government must embark on a long term funding plan for bus services.”

Housing

- **House prices** in the UK rose at the fastest rate for 18 years last month as demand continues to outweigh the low number of properties for sale. **Halifax**, one of the country’s biggest mortgage lenders, warned that that the market “defied any expectations of a slowdown”, with June seeing a rise of 1.8 per cent, the biggest monthly rise since 2007.

- There is a rising number of **modular homes** being built in the UK, with around 15,000 being built every year, according to research by **Mordor Intelligence**. The news comes as construction company **Top Hat** opens a new UK factory aiming to build an additional 4,000 modular homes a year.

Local Picture

- The claimant count in Staffordshire saw a further **decline of 180 claimants between May and June 2022 to a total of 14,390 claimants**, this was a 1.2% decrease which was slightly greater than the 1.1% decline seen nationally. The **claimant rate now stands at 2.7% of the working age population in June.**
- The further decline in claimants seen during June continues the County's long term labour market recovery with declining work related benefit claimants reflective of the strong and resilient local economy and 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 19.4% or 2,340 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 or have seen reduced hours (under employment)**, 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 2.7% of the working age population in June compared to 4.9% regionally and 3.8% nationally.**
- As with the claimant count overall, this month the youth claimant count in Staffordshire saw a decrease of 55 to a total of 2,400 young people which for the first time is now 15 below the pre pandemic level which is in contrast to the regional and national picture where youth claimants remain above the pre pandemic position. 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 3.7% compared to 2.7% 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 remain the same between May and June at around 15,700, which shows that there are now more vacancies than work related benefit claimants. Stoke on Trent saw a 7% rise in vacancies equivalent to just over 360 more job vacancies to a total of over 5,800 which is lower than the number of claimants.** Clearly, there continues to be 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 June 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 **'customer service occupations', 'sales related occupations' and 'administrative occupations'.**
- In logistics there is high demand for roles including '**elementary storage occupations', LGV drivers and van drivers.**
- While in hospitality **kitchen and catering assistants** and **chefs** remain the roles in most demand.
- There is also high demand for digital roles in particular **programmers and software development professionals**.
- In manufacturing **engineering technicians and science, engineering and production technicians** are most in demand.
- There is also high demand for**, '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.
- In education there also remains demand for **'teaching and other educational professionals' and teaching assistants**, 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, waiting and bar 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 and improve their own prosperity through better pay. 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 SMEs 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 of 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 opening in one of Staffordshire's historic buildings is signing up tenants now. The **Shire Hall Business Centre** in Stafford's Market Square has been completed and potential tenants can take on a flexible licence today. Anyone interested can get in touch to find out more and are welcome to have a tour of the

new centre, which officially opens on July 18. Stafford Chambers of Commerce will be among the first occupants to move into the exciting new business centre which is an interesting mix of historic building and modern office space. 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 Samantha Neal, centre administrator, at samantha.neal@staffordshire.gov.uk.

Conclusion

- In conclusion, we are still in the midst of a **fifth wave of COVID 19** with high infections and hospitalisations, although there are potentially some early signs that the wave may be peaking. Thankfully deaths remain comparatively low and vaccine booster for the most vulnerable during autumn will hopefully help further protect against further loss of life.
- The **cost of living crisis** continues to be the most pressing matter for many with **inflation** continuing to rise leading to increasingly difficult decisions for low income families and the most vulnerable in our society. This is changing consumer behaviour which is impacting business sales and leading to rapidly rising bill payment defaulting, debt, evictions and child poverty, alongside increasing issues related to mental health, substance misuse and domestic abuse. Although **Government support** such as reduced National Insurance, direct cost of living payments and the Help for Households scheme are welcomed many feel that it does not go far enough given the increased forecast for **energy prices** this winter and **declining wages**.
- Positively the **UK economy rebounded** in May with growth in services, production and construction, however this may be short lived with the **pound weakening** and a series of **national strikes** likely to impact economic activity during the summer. There is also concern about rising interest rates leading to **unsustainable national debt** and many potentially struggling with **mortgage repayments.** While **levelling up** funding has been delayed and is seen by many as lower than is actually needed to achieve true levelling up across the country.
- **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 as **turnover declines**. The way in which many businesses operate has clearly been permanently impacted by the pandemic with **homeworking** more than doubling, raising concerns about the feasibility of large

office space in the new normal world of work.

- 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.** There is particular concern within the health and social care sector, with the **NHS and social care facing a workforce crisis** to address the **backlog** caused by the pandemic and meet growing demand from an **ageing population.**
- 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 June 2022, which show the number of new companies and individuals who are unable to pay debts and enter a formal insolvency procedure.

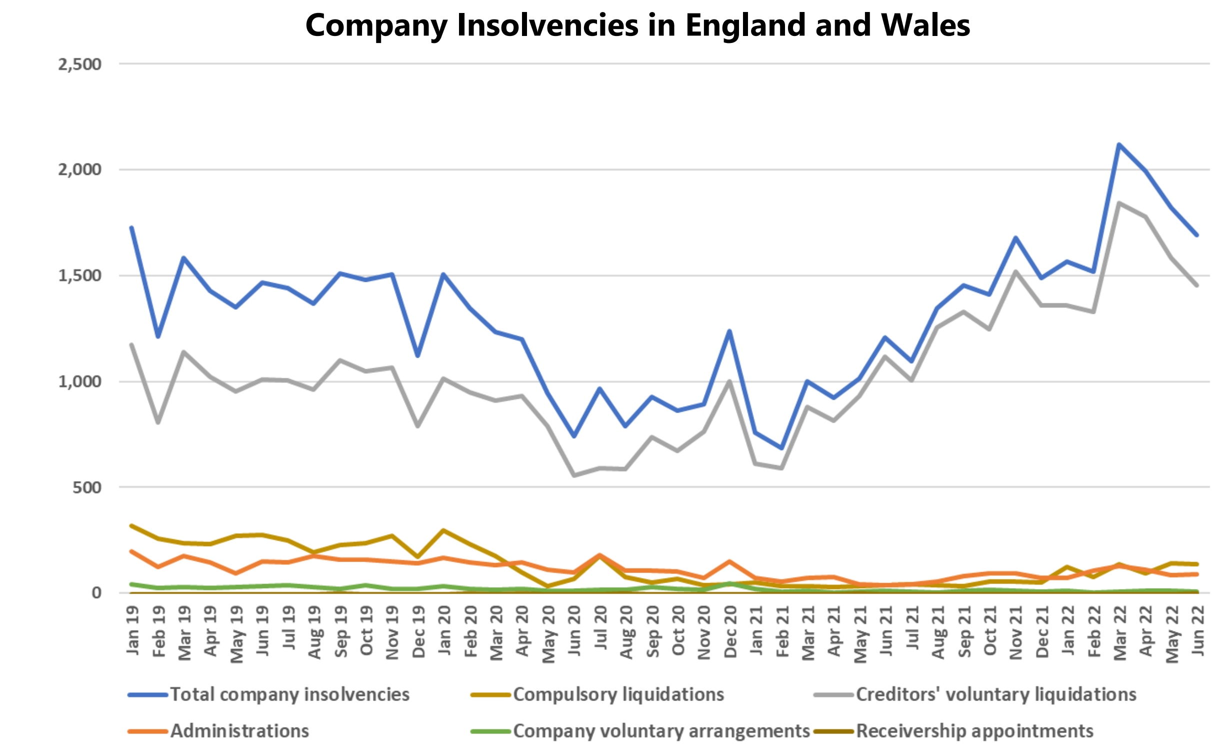
Company Insolvencies

In June 2022 there were a total of 1,691 company insolvencies in England and Wales.

The overall number of **company insolvencies are 40% higher than in the same month last year and 15% 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 June 2022 there were 1,456 Creditors' Voluntary Liquidations (CVLs), 30% higher than in June 2021 and 44% higher than June 2019. Numbers for other types of company insolvencies, such as compulsory liquidations, remained lower than before the pandemic, although there were 3.6 times as many compulsory liquidations in June 2022 as in June 2021, and the number of administrations was 2.3 times higher than a year ago.

Company insolvencies between July 2021 and June 2022 are now 70% 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_june_2022

The sectors to have seen the largest number of company insolvencies between June 2021 and May 2022 are construction (3,611), wholesale and retail (2,425) and accommodation and food (2,193). Levels now exceed those seen for the same period the previous year with construction 112% higher, wholesale and retail 78% higher, and accommodation and food 56% higher than levels seen a year earlier. This is clearly related to commodity costs in construction and the impact of the pandemic on the high street.

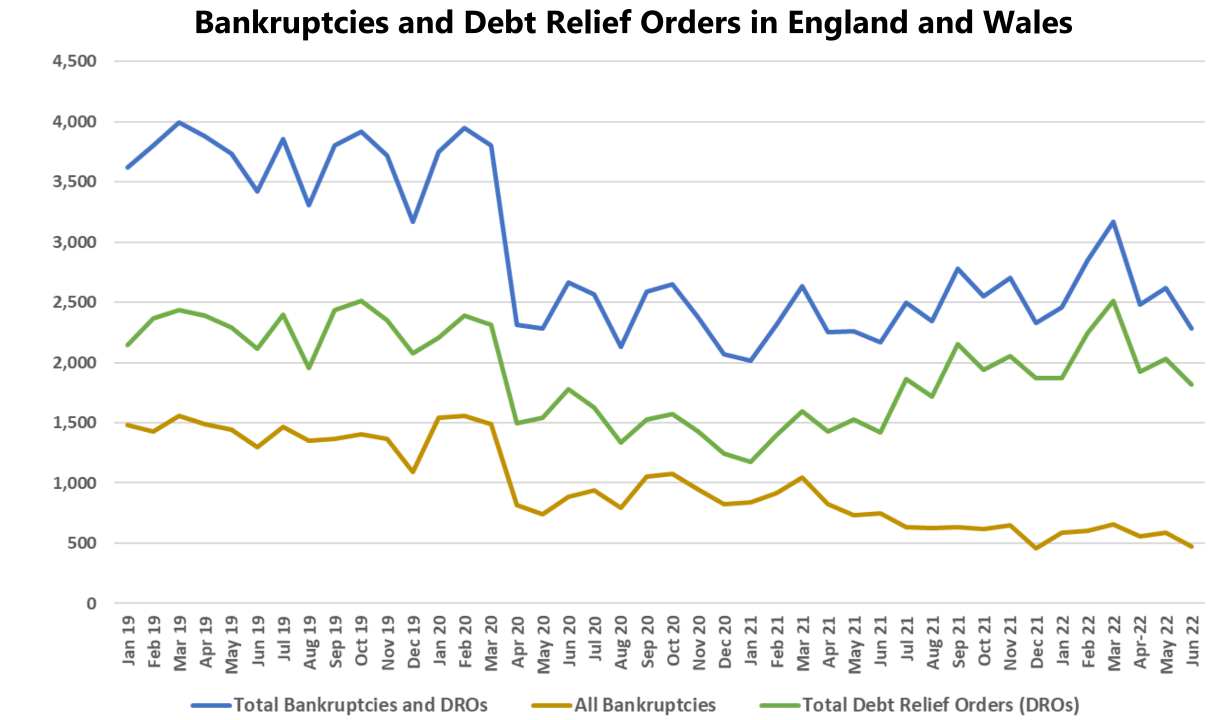
Individual Insolvencies

For individuals, **471 bankruptcies were registered in June 2022** (made up of 401 debtor applications and 70 creditor petitions), which was 37% lower than in June 2021 and 64% lower than June 2019.

There were 1,815 **Debt Relief Orders (DROs) in June 2022**, which was 28% higher than in June 2021 but 14% lower than the pre-pandemic comparison month (June 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 12 months since the change in DRO eligibility criteria, an estimated 8,628 individuals have had a DRO approved who would not have previously been eligible.

There were, on average, 7,575 IVAs registered per month in the three-month period ending June 2022, which is 6% higher than the three-month period ending June 2021, and 17% higher than the three-month period ending June 2019. IVA numbers have ranged from around 6,300 to 7,800 per month over the past year.

Total bankruptcies and DROs between July 2021 and June 2022 are now 11% higher than the same period a year earlier, representing over 3,000 more.



Due to a temporary data warehouse issue, some data from one working day of April 2022 was missing in previous releases. The missing cases are included in this release and the charts in this commentary have been updated accordingly. Upward revisions made to April 2022 numbers are 215 DROs, 20 bankruptcies and 137 IVAs in England and Wales.

There were 5,772 Breathing Space registrations in June 2022, which is 2% higher than the number registered in June 2021. 5,687 were Standard breathing space registrations, which is 2% higher than in June 2021, and 85 were Mental Health breathing space registrations, which is 35% higher than the number in June 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 with higher levels of company and individual insolvencies are associated issues such as mental health and 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: June 2022

Area	Claimant Count Rate (June 2021)	Claimant Count Rate (May 2022)	Claimant Count Rate[1] (June 2022)	Number of Claimants (June 2022)	Monthly Change in Claimants (Numbers)	Monthly Change in Claimants (%)	Change in Claimants since March 2020 (Numbers)	Change in Claimants since March 2020 (%)
England	5.6	3.9	3.8	1,349,920	-14,895	-1.1%	286,415	26.9%
West Midlands	6.5	4.9	4.9	179,935	-1,070	-0.6%	35,585	24.7%
SSLEP	4.7	3.4	3.3	22,945	-465	-2.0%	3,575	18.5%
Birmingham	10.6	8.6	8.6	62,990	-170	-0.3%	13,620	27.6%
Wolverhampton	9.7	7.4	7.5	12,255	90	0.7%	1,875	18.1%
Sandwell	8.7	6.6	6.7	13,785	185	1.4%	3,005	27.9%
Walsall	7.8	5.7	5.7	9,870	-15	-0.2%	1,265	14.7%
Stoke on Trent	**7.3**	**5.5**	**5.4**	**8,555**	**285**	**3.2%**	**1,235**	**16.9%**
Dudley	6.5	5.0	5.0	9,645	-70	-0.7%	1,130	13.3%
Coventry	6.0	4.6	4.7	11,970	140	1.2%	3,970	49.6%
Telford and Wrekin	5.1	3.8	3.7	4,115	-105	-2.5%	685	20.0%
Solihull	5.0	3.5	3.4	4,380	-125	-2.8%	730	20.0%
Worcestershire	4.3	3.2	3.1	11,015	-210	-1.9%	2,710	32.6%
Warwickshire	4.0	2.8	2.8	9,805	-150	-1.5%	1,975	25.2%
Staffordshire	**4.0**	**2.7**	**2.7**	**14,390**	**180**	**1.2%**	**2,340**	**19.4%**
Shropshire	3.7	2.4	2.4	4,560	-85	-1.8%	550	13.7%
Herefordshire, County of	3.4	2.4	2.3	2,595	-100	-3.7%	485	23.0%
Tamworth	5.2	3.7	3.6	1,685	-40	-2.3%	195	13.1%
Cannock Chase	4.4	3.1	3.1	1,955	-5	-0.3%	300	18.1%
East Staffordshire	4.7	3.1	3.0	2,255	0	0.0%	535	31.1%
Newcastle-under-Lyme	3.8	2.8	2.7	2,190	-85	-3.7%	210	10.6%
South Staffordshire	3.8	2.6	2.6	1,730	-20	-1.1%	420	32.1%
Lichfield	3.7	2.5	2.5	1,535	5	0.3%	215	16.3%
Stafford	3.4	2.4	2.3	1,950	-35	-1.8%	295	17.8%
Staffordshire Moorlands	3.0	1.9	1.9	1,095	5	0.5%	175	19.0%

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

- The claimant count in Staffordshire saw a further decline of 180 claimants between May and June 2022 to a total of 14,390 claimants, this was a 1.2% decrease which was slightly greater than the 1.1% decline seen nationally.

- The claimant rate now stands at 2.7% of the working age population in June.

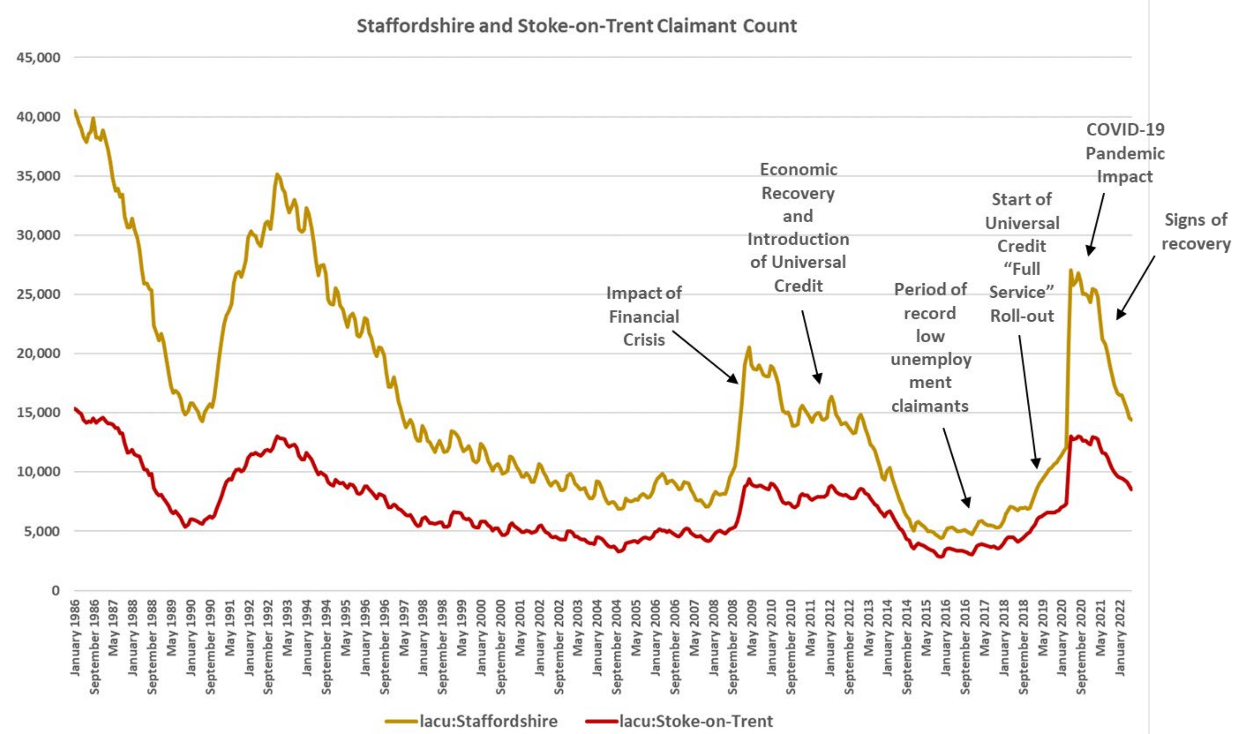
- While Stoke-on-Trent saw a decrease of 285 over the same period with a total of 8,555 claimants in June, with the rate decreasing to 5.4%.

- The further decline in claimants seen during June continues the County's long-term labour market recovery with declining work-related benefit claimants reflective of the strong and resilient local economy and 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 remains clear

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

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 19.4% or 2,340 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 or have seen reduced hours (under-employment). 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 2.7% of the working age population in June compared to 4.9% regionally and 3.8% nationally. In Stoke-on-Trent the Claimant Count rate remains above both the regional and national averages at 5.4%.

- This month the majority of Staffordshire Districts have seen a decrease in the number of claimants, with Newcastle-under-Lyme seeing the largest decline of 85. While Lichfield and Staffordshire Moorlands both saw small increases of 5 claimants.

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

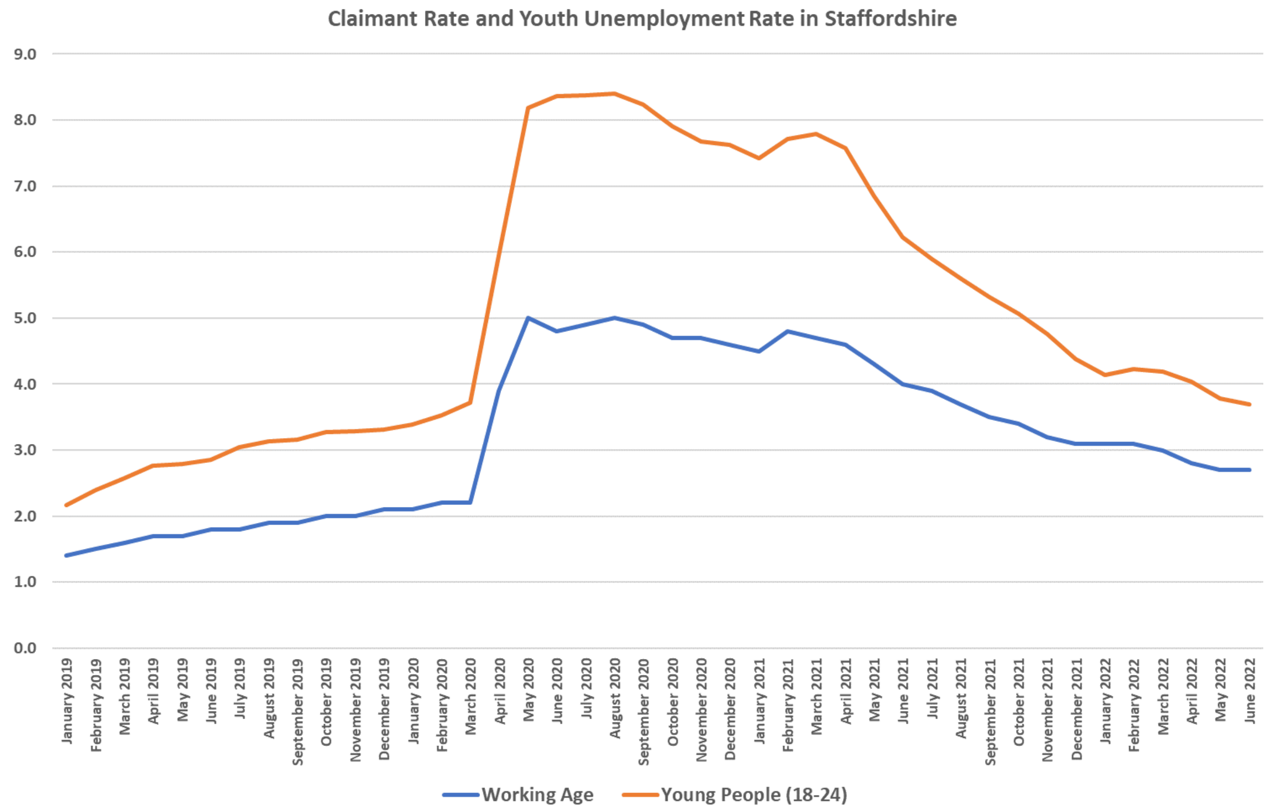
- As with the claimant count overall, this month the youth claimant count in Staffordshire saw a decrease of 55 to a total of 2,400 young people which for the first time is now 15 below the pre-pandemic level which is in contrast to the regional and national picture where youth claimants remain above the pre-pandemic position. This is reflective of the many job vacancies currently available to young people across Staffordshire.

Youth Claimant Count (Universal Credit) Statistics: June 2022

Area	Youth Claimant Count Rate (June 2021)	Youth Claimant Count Rate (May 2022)	Youth Claimant Count Rate[1] (June 2022)	Number of Youth Claimants (June 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	7.6	4.5	4.4	208,415	-1,605	-0.8%	10,685	5.4%
West Midlands	8.7	5.7	5.7	29,690	-265	-0.9%	1,785	6.4%
SSLEP	7.0	4.5	4.4	3,870	-100	-2.5%	50	1.3%
Wolverhampton	14.4	9.5	9.4	1,960	-5	-0.3%	50	2.6%
Sandwell	13.3	8.8	8.9	2,355	25	1.1%	240	11.3%
Walsall	12.5	8.0	8.0	1,820	-20	-1.1%	-95	-5.0%
Birmingham	10.6	7.4	7.4	10,375	-45	-0.4%	1,270	13.9%
Dudley	10.7	7.1	7.0	1,655	-30	-1.8%	-95	-5.4%
Stoke on Trent	**9.2**	**6.5**	**6.3**	**1,470**	**45**	**3.0%**	**65**	**4.6%**
Telford and Wrekin	8.6	5.4	5.3	785	-5	-0.6%	25	3.3%
Solihull	8.9	5.3	5.1	785	-20	-2.5%	-40	-4.8%
Worcestershire	7.0	4.1	4.1	1,690	10	0.6%	95	6.0%
Staffordshire	**6.2**	**3.8**	**3.7**	**2,400**	**55**	**2.2%**	**15**	**0.6%**
Coventry	5.4	3.5	3.6	1,945	25	1.3%	410	26.7%
Warwickshire	5.5	3.3	3.2	1,450	-50	-3.3%	115	8.6%
Herefordshire, County of	5.8	3.3	3.1	370	-30	-7.5%	-45	-10.8%
Shropshire	6.0	3.2	3.1	625	-25	-3.8%	-200	-24.2%
Tamworth	9.6	5.7	5.6	315	-5	-1.6%	20	6.8%
Cannock Chase	8.1	5.1	5.1	365	-5	-1.4%	0	0.0%
East Staffordshire	7.2	4.1	4.1	345	0	0.0%	25	7.8%
Lichfield	5.8	3.7	3.8	265	5	1.9%	-5	-1.9%
South Staffordshire	6.3	3.8	3.7	290	-5	-1.7%	40	16.0%
Stafford	5.6	3.9	3.6	320	-20	-5.9%	5	1.6%
Newcastle-under-Lyme	4.6	2.8	2.7	375	-15	-3.8%	-50	-11.8%
Staffordshire Moorlands	4.6	2.1	2.1	130	0	0.0%	-45	-25.7%

[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 3.7% compared to 2.7% for the working age population, while in Stoke-on-Trent the rate is now at 6.3% in June 2022.



- The majority of Staffordshire Districts have seen decreases in youth claimants this month, with only Lichfield seeing a small increase of 5 during June. Stafford saw the largest decline of 20 youth claimants, followed by Newcastle-under-Lyme which saw a 15 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

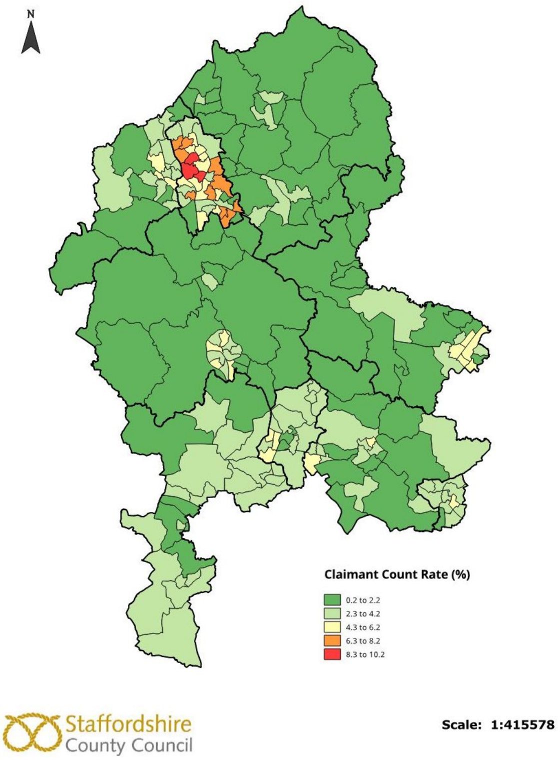
The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

Claimant Count Rate June 2022

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 53 were above the England average of 3.8% for the number of claimants as a proportion of the working age population.

Of the top 14 wards with the highest claimant count rate all were in Stoke-on-Trent with Joiner's Square (10.2% or 465 claimants), Moorcroft (9.2% or 340) and Etruria and Hanley (8.7% or 470) having the highest rates.

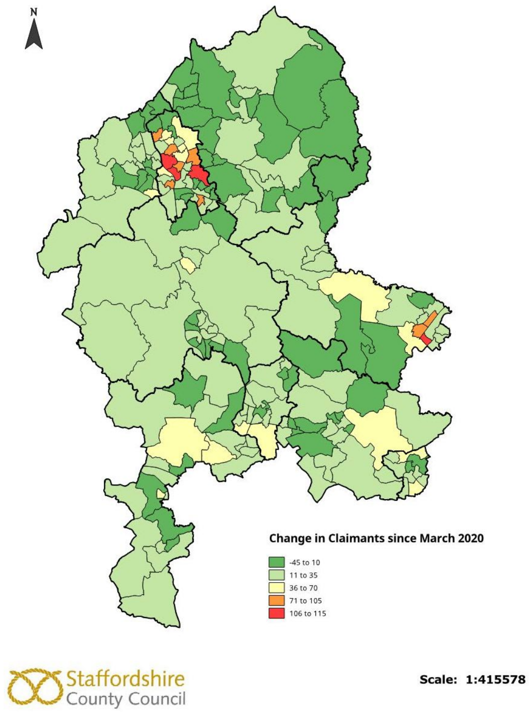
In Staffordshire the 4 wards with the highest claimant count rates were all in East Staffordshire, Burton (6.0% or 180), Anglesey (5.6% or 305), Eton Park (5.5% or 270) and Shobnall (5.5% or 300).



Change in Claimant Count since March 2020

Out of the top 13 wards with the highest change in the number of claimants since March 2020 there were 10 in Stoke-on-Trent and included Etruria and Hanley (115 increase to 470 claimants), Bentilee and Ubberley (110 rise to 510) and Hanley Park and Shelton (105 increase to 290 in total).

The remaining 3 wards in the top 13 were all in East Staffordshire the highest increases seen in Anglesey (115 rise to 305), Eton Park (90 increase to 270) and Shobnall (90 rise to 300).



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

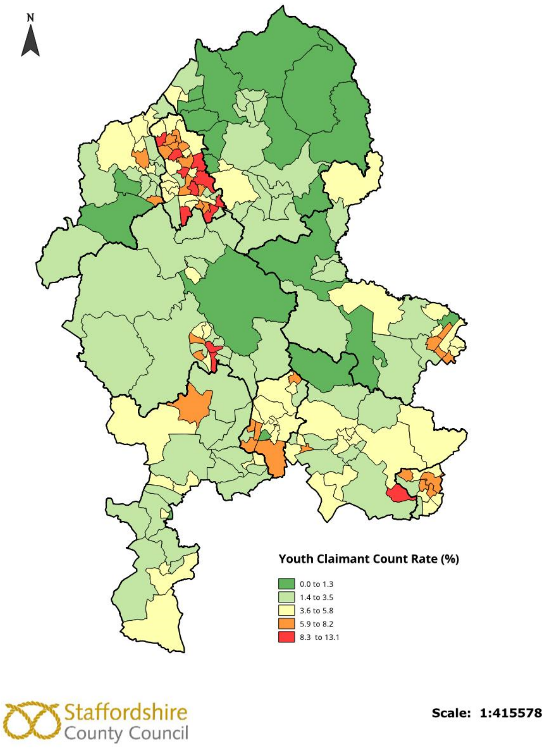
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

Youth Claimant Count Rate June 2022

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 79 were above the England average of 4.4% 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 9 were in Stoke-on-Trent with Joiner's Square (13.1% or 100 claimants), Bentilee and Ubberley (10.5% or 95) and Moorcroft (10.2% or 55) having the highest rates.

In Staffordshire, the highest rate was Fazeley in Lichfield with 9.3% or 30, followed by Forebridge in Stafford with 8.6% or 25 youth claimants.

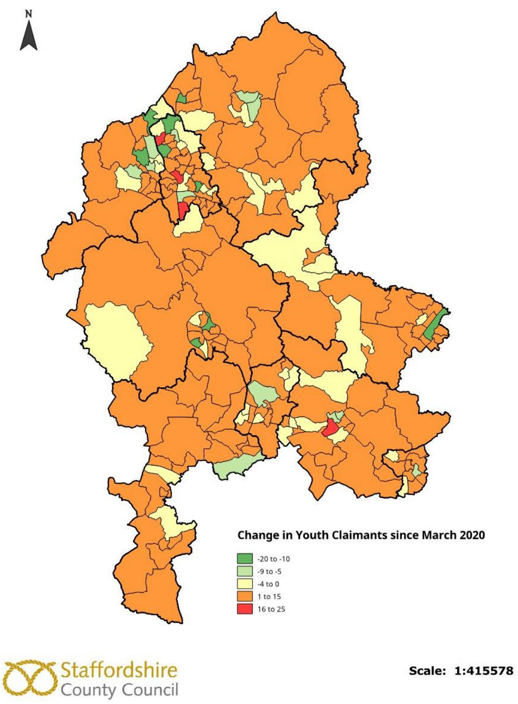


Staffordshire County Council

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 7 were in Stoke-on-Trent including Hanley Park and Shelton (25 rise to 55), Tunstall (15 increase to 55) and Blurton West and Newstead (15 rise to 50) with the highest increases since March 2020.

In Staffordshire, the highest increase was seen in Leomansley in Lichfield with a 15 rise to 20, followed by Forebridge in Stafford with an increase of 10 to 25 youth claimants.



Staffordshire County Council

Job Vacancies[3]

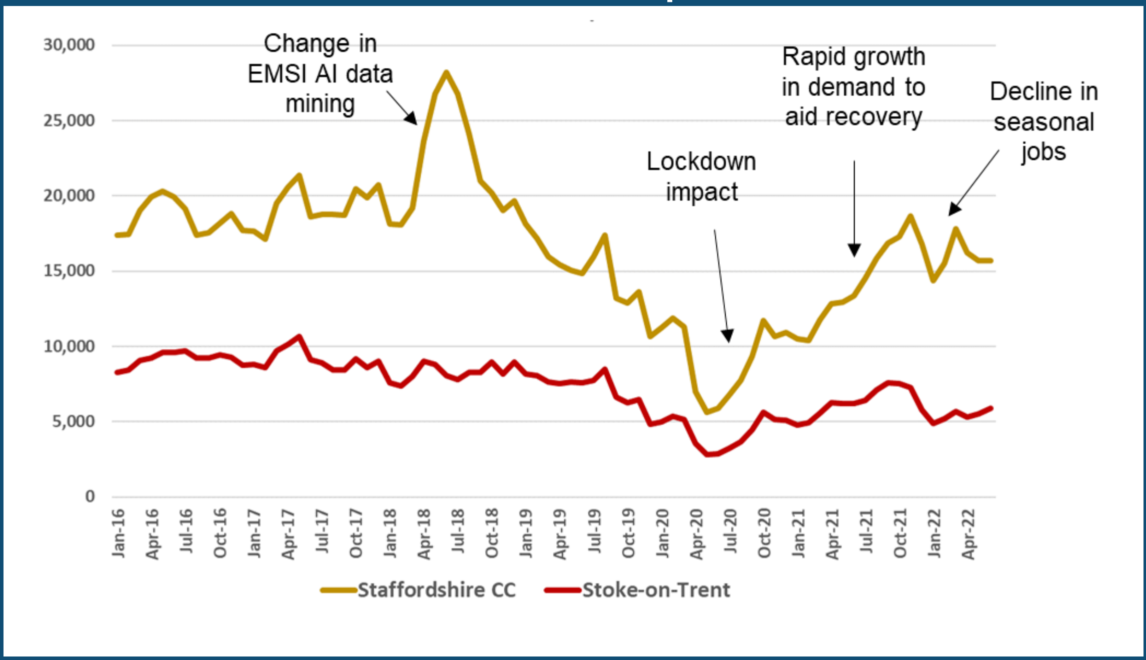
- **Staffordshire saw job vacancies remain the same between May and June at around 15,700, which shows that there are now more vacancies than work related benefit claimants.**

- **Stoke on Trent saw a 7% rise in vacancies equivalent to just over 360 more job vacancies to a total of over 5,800 which is lower than the number of claimants.**

- Clearly, there continues to be 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: Lightcast (formerly EMSI/Burning Glass)

Monthly Trends in recruitment

- The majority of occupational groups saw an increase in vacancies during June with the largest rises seen in 'sales and customer service occupations' (6% rise), 'elementary occupations' (5% rise) and 'process, plant and machine operatives' (4% rise).

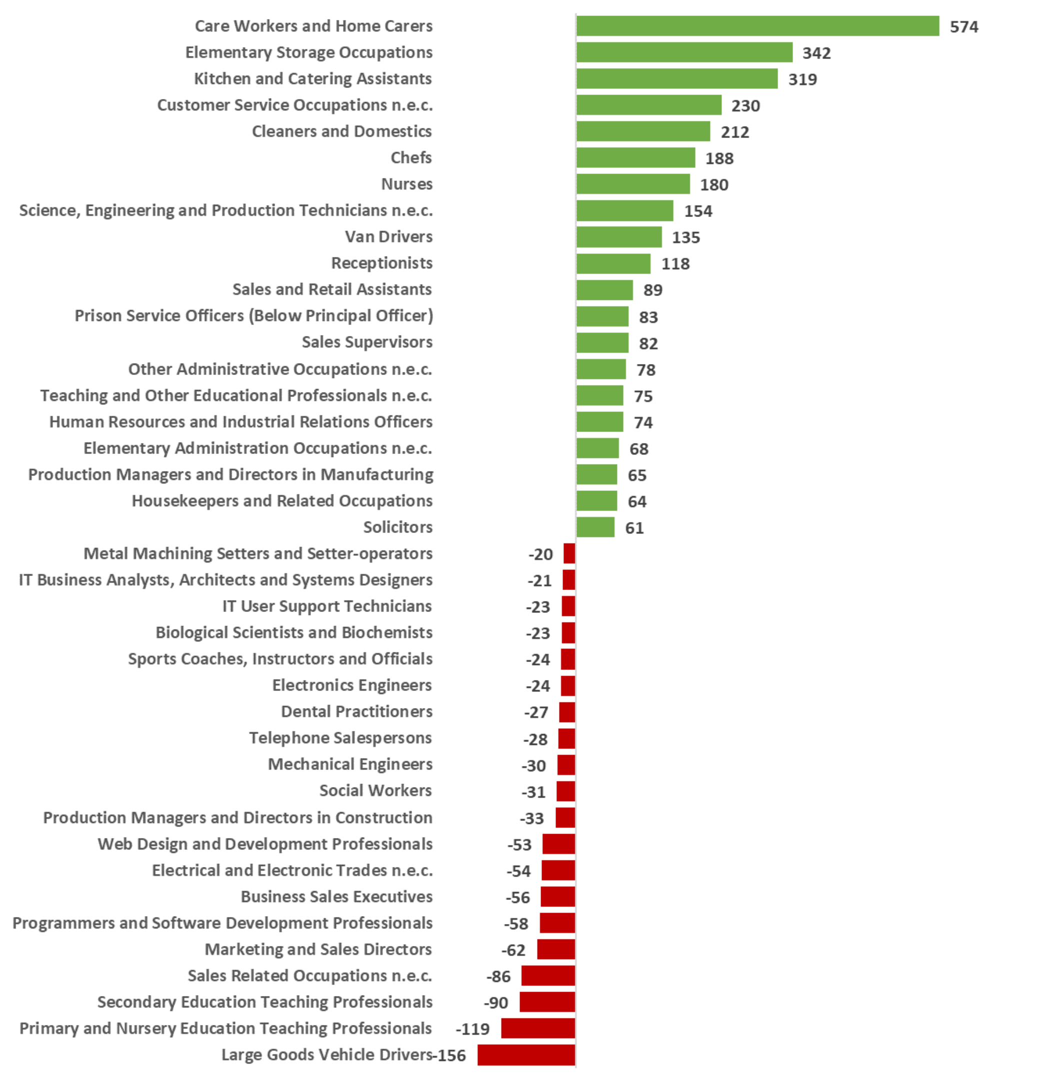
- The occupations to see the most significant increases during June include roles in sectors experiencing recruitment difficulties such as retail, logistics, education, hospitality and health & social care and occupations to support business recovery and growth including digital roles and business and 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' and 'nurses'.
    - **Logistics** including 'elementary storage occupations' and 'van drivers'.
    - **Hospitality** including 'kitchen and catering assistants' and 'chefs'.
    - **Manufacturing** including 'science, engineering and production technicians'.
    - **Retail** including 'sales and retail assistants.

  This is reflective of the recruitment difficulties in health and social care, logistics, hospitality, manufacturing and retail.

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



Top Occupations in Demand

- The **occupations** to see the most significant increases during June 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 **'customer service occupations', 'sales related occupations' and 'administrative occupations'.**

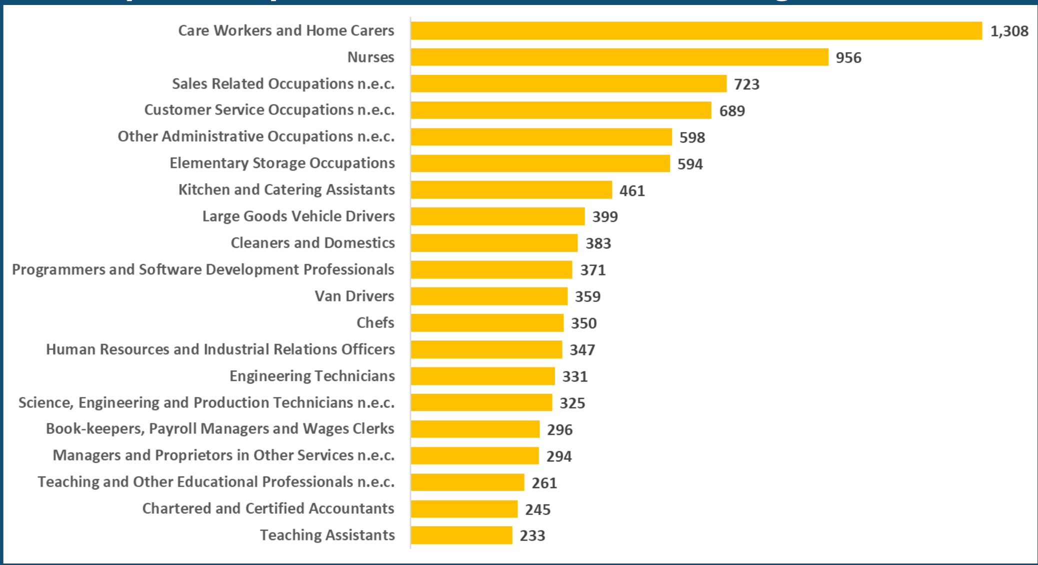
- In logistics there is high demand for roles including '**elementary storage occupations', LGV drivers and van drivers.** While in hospitality **kitchen and catering assistants** and **chefs** remain the roles in most demand.

- There is also high demand for digital roles in particular **programmers and software development professionals**. In manufacturing **engineering technicians and science, engineering and production technicians** are most in demand.

- There is also high demand for**, ‘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.

- In education there also remains demand for **‘teaching and other educational professionals’ and teaching assistants**, 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 June 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	Jun 2021 Unique Postings	Apr 2022 Unique Postings	May 2022 Unique Postings	Jun 2022 Unique Postings	May 2022-Jun 2022 (Month on Month Change)	May 2022-Jun 2022 Monthly % Change	Feb 2020-Jun 2022 (Month on Month Change)	Feb 2020-Jun 2022 Monthly % Change	May 2021-May 2022 (Year on Year Change)	May 2021-May 2022 Annual % Change
Staffordshire CC	11,874	13,385	16,235	15,711	15,725	14	0%	3,851	32%	2,340	17%
Stoke-on-Trent	5,355	6,189	5,335	5,530	5,891	361	7%	536	10%	-298	-5%
SSLEP	17,229	19,574	21,570	21,241	21,616	375	2%	4,387	25%	2,042	10%
West Midlands	117,037	125,589	161,564	161,290	161,707	417	0%	44,670	38%	36,118	29%
England	1,126,753	1,450,015	1,900,908	1,876,532	1,843,781	-32,751	-2%	717,028	64%	393,766	27%
Staffordshire Moorlands	267	362	376	629	647	18	3%	380	142%	285	79%
East Staffordshire	2,665	3,163	5,678	4,802	4,717	-85	-2%	2,052	77%	1,554	49%
Lichfield	1,337	1,587	1,858	1,962	2,025	63	3%	688	51%	438	28%
Tamworth	2,139	2,148	2,427	2,562	2,655	93	4%	516	24%	507	24%
Cannock Chase	1,613	1,934	1,949	1,901	1,787	-114	-6%	174	11%	-147	-8%
Stafford	2,848	3,246	3,251	3,058	2,931	-127	-4%	83	3%	-315	-10%
South Staffordshire	148	133	157	126	150	24	19%	2	1%	17	13%
Newcastle-under-Lyme	857	812	539	671	813	142	21%	-44	-5%	1	0%
Elementary Occupations	1,001	1,815	2,176	2,121	2,225	104	5%	1,224	122%	410	23%
Caring, Leisure and Other Service Occupations	1,415	1,701	2,340	2,367	2,324	-43	-2%	909	64%	623	37%
Administrative and Secretarial Occupations	1,550	1,878	1,966	2,005	2,017	12	1%	467	30%	139	7%
Associate Professional and Technical Occupations	2,861	3,082	3,529	3,427	3,540	113	3%	679	24%	458	15%
Sales and Customer Service Occupations	1,675	1,774	1,951	1,938	2,060	122	6%	385	23%	286	16%
Skilled Trades Occupations	1,252	1,586	1,657	1,527	1,516	-11	-1%	264	21%	-70	-4%
Managers, Directors and Senior Officials	1,370	1,416	1,472	1,502	1,542	40	3%	172	13%	126	9%
Professional Occupations	4,761	4,659	5,154	5,087	5,078	-9	0%	317	7%	419	9%
Process, Plant and Machine Operatives	1,229	1,519	1,274	1,211	1,255	44	4%	26	2%	-264	-17%

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 <u>required</u> to look/be available for work as a condition of benefit, while the ILO measure is those who say that they <u>actually are</u> 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.