Staffordshire County Council

Stoke-on-Trent & Staffordshire Enterprise Partnership

Staffordshire Means Business

Economic Bulletin - Issue 25 – August 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

- During the last month the country has received a welcomed boost to morale from the England lionesses beating Germany 2 1 in extra time to win the **2022 Euros** and deliver a first win at a major tournament since 1966.
- We have witnessed the phenomenal success of the **Birmingham Commonwealth Games** with 2 events held in Staffordshire and 1.5 million tickets sold making it one of the most successful ever held and it is estimated the Games will lead to an increase in output of up to half a billion pounds. Business leaders have predicted that there will be a surge in tourism due to the success leading to further economic growth in the West Midlands region.
- We have also seen **COVID 19 infections** continue to fall around the UK with the estimated percentage of the population in England that had COVID 19 during the week ending 6 August 2022 at 2.63% or 1 in 40 people compared to a peak of around 6% for the latest wave.
- The overall **hospital admission rate** of COVID 19 confirmed patients in England continued to decrease to 9.08 per 100,000 people compared to a peak of 18.07 per 100,000 during the latest wave in July, while the intensive care unit (ICU) and high dependency unit (HDU) admission rate decreased slightly to 0.26 per 100,000 people in the week ending 14 August 2022.
- Positively the number of **deaths** involving COVID 19 in the UK decreased from 802 to 674 in the latest week (ending 12 August 2022). Deaths involving COVID 19 accounted for 5.7% of all deaths in the latest week; this is a decrease from 6.6% in the previous week.
- A new study by the Institute for Fiscal Studies suggests that people living in poverty are more likely to suffer with **long COVID**, where people with coronavirus symptoms lasting more than four weeks are more likely to have been living in social housing or claiming benefits before they got ill, this follows previous studies which have shown that long COVID patients are more likely to be women, middle aged and have an underlying health condition.
- An estimated 1.8 million people in private households (2.8% of the population) were experiencing **self reported long COVID** as of 2 July 2022.
- A **new booster dose** which targets both the original strain of COVID 19 and the Omicron variant will be rolled out across England from 5 September as part of the autumn booster campaign. Care home residents and those who are housebound will be among the first of the 26 million people eligible to receive a dose of Moderna's bivalent vaccine later this year.

- Scientists have made a **"promising" advance towards developing a universal coronavirus vaccine to tackle COVID 19 and the common cold**. Researchers at the Francis Crick Institute in London have discovered that a specific area of the spike protein of Sars CoV 2 the virus which causes COVID 19 is a good target for a pan coronavirus jab that could offer protection against all the COVID 19 variants and common colds.

Economic Impact and Support

Cost of Living Crisis, Inflation and the War in Ukraine

- This month we have heard more news on a **range of Government support interventions to help ease the cost of living crisis.**
- Around 15 million households have been paid the **£150 council tax rebate**, latest figures show. The Department for Levelling Up, Housing and Communities said 80 per cent of eligible households in England have been paid the money, with a total of more than £2 billion handed out under the scheme, including to 90 per cent of those who pay their council tax by direct debit.
- The Government has also announced details of its **£400 energy bill rebate scheme**, due in October when the energy price cap is lifted once again. Households will see a discount of £66 applied to their energy bills in October and November, and £67 a month from December to March 2023.
- About 6 million **disabled people** across the UK will receive a **£150 cost of living payment** from the end of next month from the Government. The one off payment, announced in May, will be paid automatically to people who receive certain disability benefits from 20 September.
- The Transport Secretary Grant Shapps is also drawing up plans to introduce a **£2 bus fare cap for every journey** to ease cost of living burden, the plan proposes a £260 million taxpayers' subsidy to cut the cost of bus journeys that would save £3 on a single ticket for hard pressed families.
- Ministers are also urging all **broadband providers to offer "social tariffs"** to cut bills for low income families and ease the pressure of rising living costs. A new scheme, which will go live this week and be run by the Department for Work and Pensions, will allow internet providers to verify, with customers' permission, whether they are in receipt of a relevant benefit and eligible for extra financial support.
- **Libraries and museums** are preparing to act as warm havens to help people unable to afford to heat their homes in the winter months. The buildings will be part of a network across the country which will provide warm shelter to those struggling with increased energy costs. There have been calls by Libraries Connected for councils to be provided with additional funding to meet increased energy bills in these facilities.
- **Liz Truss**'s campaign team has said she would seek to immediately **reverse the rise in**

National Insurance contributions if she were to become Prime Minister, with the plan implemented within weeks.

- While the former Chancellor **Rishi Sunak** has pledged to **introduce another multibillion pound package to help ease the cost of living crisis**.
- The **Institute for Fiscal Studies** (IFS) has warned that **pledges to cut taxes by Conservative leadership candidates are "unrealistic" unless they are matched by spending cuts**, stating that large, permanent tax cuts could add to pressures on the public purse as the economic outlook deteriorates.
- However, **even with these announcements of further support many people are likely to still struggle given the extent of the cost of living crisis.**
- A **report commissioned by the former Prime Minister Gordon Brown** has found **some low income families are up to £1,600 a year worse off** because of the cost of living crisis even after government help is taken into account. For the most vulnerable there has been a triple blow to income where as well as losing the £20 a week uplift to Universal Credit, benefits are failing to keep up with inflation, and a jump in the energy price cap is expected this autumn. Leading to calls for emergency increase to Universal Credit.
- UK **inflation** hit 10.1 per cent in the year to July, a forty year high. The Bank of England predicts that it could go up to just over 13 per cent by the end of the year because of the rise in energy prices. The last time the Consumer Price Index which measures price rises was in double digits was in February 1982.
- There are some economic analysts, including investment bank **Citi and the Resolution Foundation** think tank, which predict that UK **inflation could rise as high as 18% next year**, the highest rate in nearly 50 years.
- These stark forecasts are primarily based on the **energy crisis** with **energy bills expected to top £5,300 annually in April next year**, according to energy consultancy **Cornwall Insight**, in its final forecast before Ofgem confirms October's price cap.
- Research by **Legal & General** shows that **more than one in eight UK households fear they have no further way to make cuts when energy bills rise again in the autumn**. More than a quarter of households earning less than £20,000 worry they will be unable to cope with higher bills. These fears come as **BP** sees biggest profit in 14 years as energy bills soar.
- The Bank of England raised **interest rates** from 1.25% to 1.75%, the highest jump in 27 years, as it seeks to tame runaway inflation. The increase will affect around two million homeowners almost immediately, with one in four **mortgage customers** on tracker, standard variable rate (SVR) or variable mortgages seeing their payments increase. While the price of a two year fixed mortgage has passed 4% for the first timer in nine years.

- City traders predict that the **Bank of England may be forced to raise interest rates to 4% in 2023**, more than doubling the cost of borrowing to the highest levels for 40 years to combat soaring inflation.
- While inflation and interest rates are rapidly rising we are seeing **wages** fall at a record rate, with wages when taking into account rising prices falling by 3 per cent on the year between April and June.
- Growth in employees' average total pay (including bonuses) was 5.1% and growth in regular pay (excluding bonuses) was 4.7% in April to June 2022. In real terms (adjusted for inflation), over the year, total pay fell by 2.5% and regular pay fell by a record 3.0%. The ONS notes we 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 pandemic.

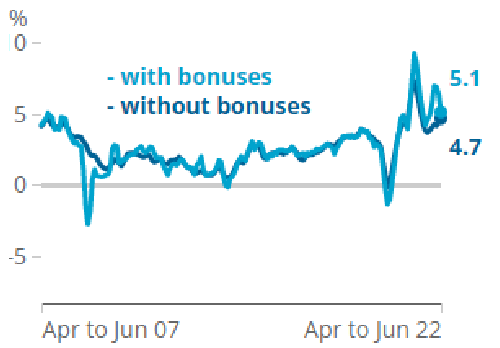
Nominal Earnings

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

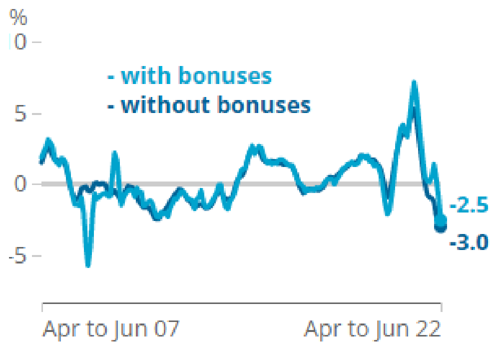


Real Earnings

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



- In light of this the **TUC** is calling for the **minimum wage** to be increased to £15 an hour as soon as possible to help millions of low paid workers struggling with the cost of living. The union body said the Government needed to draw up plans to get wages rising and that too many workers were living “wage packet to wage packet”.
- **The impacts of rising inflation, interest rates and energy costs are wide ranging and being felt by varying degrees depending on personal circumstances.**

- The **Institute for Fiscal Studies** feels that the high rate of inflation will wipe out a significant chunk of **planned real terms spending rises for public services**, it estimates the Treasury will have to find an extra £8 billion this financial year to compensate for the impact of inflation.
- The Institute for Fiscal Studies has also said **the larger than expected jump in energy prices forecast for the autumn means the Government would need to spend an additional £12 billion to achieve the same level of support for households as it set out in May.**
- Research carried out by the **Office for National Statistics** has shown **more than a third of people across England, Wales and Scotland are cutting back on food and essentials in order to help with the cost of living.**
- New analysis of responses to the **Opinions and Lifestyle Survey (OPN)** collected between 30 March to 19 June 2022 found the most common actions people in Great Britain took in response to rising living costs were:
    - spending less on non essentials (57%, around 26 million people)
    - using less gas and electricity in their home (51%, around 24 million people)
    - cutting back on non essential journeys in their vehicle (42%, around 19 million people)
- More than a third of those whose cost of living had gone up cut spending on food and essentials (35%, around 16 million people). This rose to 42% among those with disabilities, and 42% of those living in the most deprived areas of England.
- Almost a quarter (23%, around 11 million people) used savings to cover costs, and 13% (around 6 million people) said they were using more credit than usual.
- **Food banks** are being overwhelmed and unable to cope with unprecedented demand and are being forced to turn away families in need as more people are falling into hardship as a result of the cost of living crisis. Several managers have said they were forced to have a "painful" discussion about caps on the number of people they can help as they ran out of food this summer.
- The **NHS** has warned that an increased number of people will see their **health worsen** and will fall ill without further government action to tackle soaring energy prices. NHS Confederation said the UK was facing a **"humanitarian crisis"** and that many would find themselves choosing between skipping meals to heat their homes or living in cold and damp conditions.
- Two thirds of all UK households could be in **fuel poverty** by January with even middle income households struggling to pay their bills. Research by the **University of York** shows 18 million families, the equivalent of 45 million people, may be left struggling after rises in the energy price cap in October and January. The figure rises to more than 70% for the West Midlands, the highest for any region in England.

- A **Trade Union Congress** study shows that one in five households in the UK has **children living in poverty**. The research found that the number of key worker households with children growing up in poverty has increased by 65,000 in the previous two years, with the total now almost one million.
- **Homelessness** among private tenants are now higher than they were before the pandemic in two fifths of local authorities, according to data from the Department for Levelling Up, Housing and Communities. In 36 of 289 areas analysed, the number of homeless per 1,000 households rose by more than 50 per cent between the first quarter of 2020 and 2022, with this reportedly being attributed to landlords selling or re letting their properties as the cost of living rises. In Stoke on Trent and Staffordshire there has been a mixed picture:
    - Stafford: 48% between Q1 2020 to Q1 2022 / Homeless per 1,000 households at 0.48
    - Newcastle under Lyme: 36% between Q1 2020 to Q1 2022 / Homeless per 1,000 households at 0.75
    - East Staffordshire: 12% between Q1 2020 to Q1 2022 / Homeless per 1,000 households at 0.85
    - England: 2.5% between Q1 2020 to Q1 2022 / Homeless per 1,000 households at 1.56
    - Stoke on Trent: 30% between Q1 2020 to Q1 2022 / Homeless per 1,000 households at 2.20
    - Lichfield: 33% between Q1 2020 to Q1 2022 / Homeless per 1,000 households at 1.06
    - Tamworth: 39% between Q1 2020 to Q1 2022 / Homeless per 1,000 households at 1.92
    - South Staffordshire: 44% between Q1 2020 to Q1 2022 / Homeless per 1,000 households at 0.23
    - Staffordshire Moorlands: 74% between Q1 2020 to Q1 2022 / Homeless per 1,000 households at 0.78
    - Cannock Chase: 84% between Q1 2020 to Q1 2022 / Homeless per 1,000 households at 1.25
- There continue to be a number of **business critical strikes** taking place or planned for the coming months.
    - 6,500 **train drivers** at nine rail companies have staged further 24 hour walkouts in a dispute over pay, including Avanti West Coast, Southeastern, CrossCountry, London Northwestern Railway, West Midlands Railway, Great Western, Greater Anglia, LNER and Hull Trains. Drivers at Arriva Rail London who operate London Underground are also striking.
    - Workers at the **port of Felixstowe** have gone on strike for the first time in 30 years, around 2,000 workers are holding an 8 days of strike action at the port due to disputes over pay and conditions.

- **Journalists** at the Mirror, Express and regional newspapers have voted to strike next month in a dispute over pay. They will stop work for four days over the next month after staff turned down a pay offer of a 3 per cent pay rise, arguing it is not enough to cope with the cost of living crisis.
- Millions of **public sector workers** are expected to vote on strike action over pay this autumn in what unions suggest could lead to the biggest wave of industrial action since the 1970s. The walkouts would see staff shortages in hospitals, fire stations, schools and on the transport network, if negotiations over pay rises cannot be resolved.

Economy

- The **UK economy monthly gross domestic product (GDP)** fell by 0.6% in June 2022, after growth of 0.4% in May 2022 (revised down from 0.5%).
- The Platinum Jubilee, and the move of the May bank holiday, led to an additional working day in May 2022 and two fewer working days in June 2022. This should be considered when interpreting the seasonally adjusted movements involving May and June 2022.
- **Services** fell by 0.5% in June 2022, and was the main driver of the fall in GDP. A decline in human health activities was the largest contributor as test and trace activity reduced further and vaccinations continued to tail off, following the spring booster campaign.
- **Production** fell by 0.9% in June 2022, following an increase of 1.3% in May. This was mainly because of a fall of 1.6% in manufacturing following strong growth in May 2022.
- **Construction** also fell by 1.4% in June 2022, following seven consecutive months of growth.
- Output in **consumer facing services** remained flat in June 2022, following a fall of 0.3% in May. Consumer facing services were 4.9% below their pre coronavirus (COVID 19) levels (February 2020) in June 2022, while all other services were 2.7% above.

GDP Monthly index, January 2007 to June 2022, UK

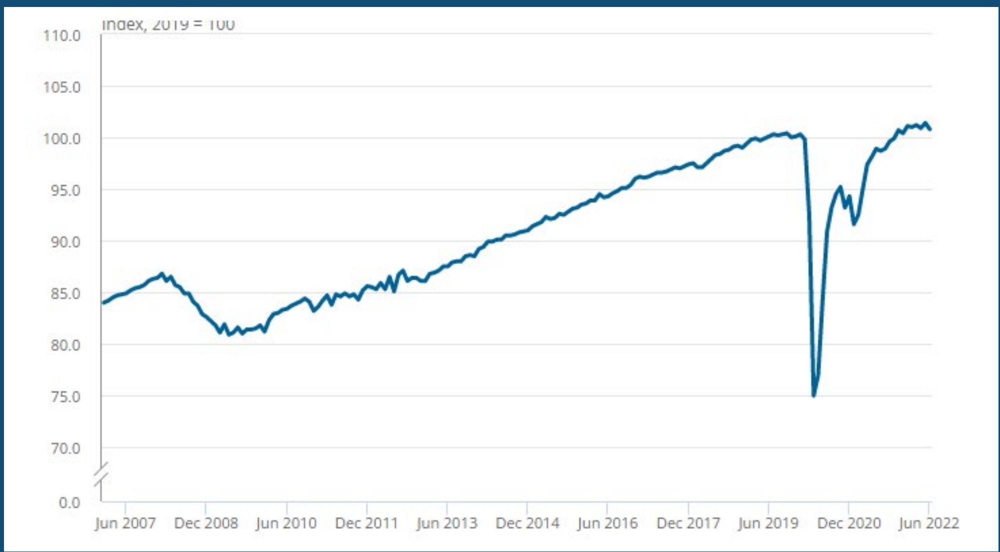
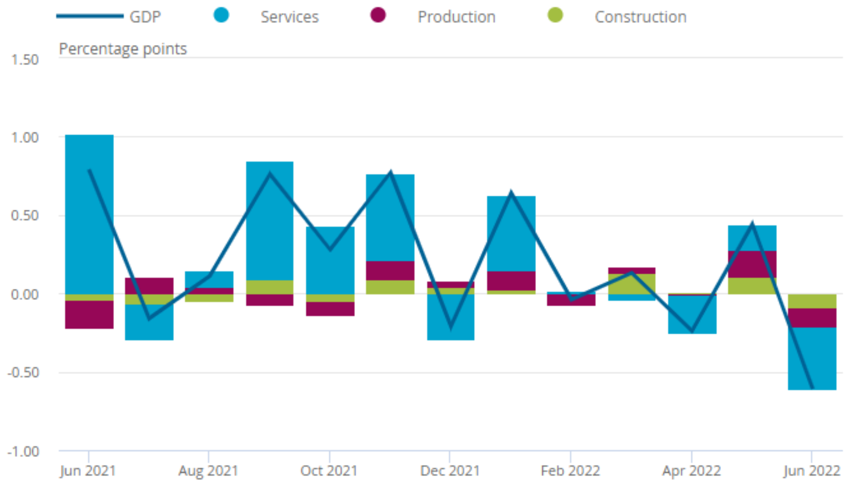


Figure 2: All main sectors contributed negatively to growth in June 2022

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



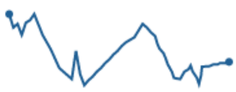
Source: Source: Office for National Statistics – GDP monthly estimate

- Based on **quarterly GDP**, the UK economy contracted by 0.1 per cent in the second quarter of the year, compared to the first three months of this year when gross domestic product grew.
- **Manufacturing sales** across the UK picked up last year after a slump in the early stages of the pandemic with food products still dominating the market. The total value of product sales was £400.8 billion in 2021, which was up from £366.4 billion in 2020 but still slightly below the £402.2 billion recorded in 2019.
- **Retail sales** across Great Britain rose by 0.3% in July 2022, following a fall of 0.2% in June. Retail sales volumes were 2.3% higher in July 2022 compared with pre pandemic levels in February 2020. However, in the three months to July, retail sales volumes were 4.9% lower compared with the same period in 2021.
- The **Bank of England** has predicted that the **UK will fall into recession towards the end of this year and the downturn will last for the whole of next year.**
- The **International Monetary Fund** (IMF) is also predicting that the **UK will see the slowest growth of G7 countries in 2023, with UK growth falling to just 0.5% in 2023, much lower than its forecast in April of 1.2%.** The IMF has also shown that the global economy has shrunk for the first time since 2020 due to the Ukraine war and Covid 19 and warned that with growth stalling in the UK, US, China and Europe, the world "may soon be teetering on the edge of a global recession”.
- **Government borrowing** since April was £3 billion higher than forecast, totalling £55 billion, according to the Office for Budget Responsibility. A combination of the need to deliver more support for households facing a cost of living crisis, and an economic downturn eating into tax revenues is reportedly to blame.

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 62 of the **Business Insights and Conditions Survey (BICS)**, which was live from 25 July to 7 August 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	-1.4▼	2.5▲	4.1▲	 65.9 15/06/2020 93.1 07/08/2022
Trading status Temporarily closed or paused trading Units	1.6▲	-2.4▼	-2.7▼	 33.4 15/06/2020 5.0 07/08/2022
Intra UK Procurement Yes, the business has been able to get the materials, goods or services it needed Units	1.6▲	5.1▲	6.6▲	 43.4 01/06/2020 48.6 30/06/2022
Intra UK Procurement Yes, but the business had to change suppliers or find alternative solutions Units	1.4▲	3.5▲	6.5▲	 19.2 01/06/2020 14.9 30/06/2022
Intra UK Procurement No, the business has not been able to get the materials, goods or services needed Units	0.1▲	1.4▲	-1.6▼	 9.2 01/06/2020 5.3 30/06/2022

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

- In June 2022, 7% of businesses were affected by **industrial action**; this percentage was 8% for businesses with 10 or more employees.

- Of the businesses with 10 or more employees affected by industrial action, 34% reported their workforce had to change their working location and 27% reported their workforce were unable to perform their roles.
- Of businesses with 10 or more employees, 23% reported that their **employees' hourly wages** had increased in June 2022 compared with May 2022; for businesses of all sizes, this percentage was 12%.
- Approximately 5% of businesses with 250 or more employees offered a **one off cost of living payment** to their employees in the last three months; this compares with 1% for businesses with fewer than 250 employees offering a payment.
- Businesses continued to report **input price inflation** as their main concern for August 2022 at 27%, followed by **energy prices** at 20%; these have remained the top two main concerns reported by businesses since the question was first introduced into BICS in late February 2022.
- Of businesses with 10 or more employees, 20% reported experiencing **global supply chain disruption** in June 2022, with the manufacturing industry reporting the highest proportion, at 35%; in contrast, 45% of businesses with 10 or more employees reported not experiencing global supply chain issues.
- In June 2022, 58% of trading businesses with 10 or more employees experienced an increase in **challenges while importing** compared with May 2022, this percentage was 56% for exporting businesses; **changes in transportation costs** was the most commonly reported challenge for importing and exporting businesses with 10 or more employees, at 43% and 37%, respectively.
- In July the overall number of **company insolvencies were 67% higher than in the same month last year and 27% higher than three years previously (pre pandemic).** The main concern with higher levels of company and individual insolvencies are 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.
- Based on a Freedom of Information request made by the BBC more than 16,000 businesses which took out a type of **government backed Covid loan** have gone bust without paying the money back, with the cost to the taxpayer of these insolvencies could be as much as £500m, and is likely to grow as more companies go under.
- Parents are being left without childcare as **nurseries** shut at short notice as a result of financial pressures and staff shortages. The campaign group **Pregnant Then Screwed** said it had been "inundated" with messages from parents whose local nursery had

closed suddenly.

- The **Night Time Industries Association** has stated that Britain has 20 per cent fewer **nightclubs** than it had when the country first went into lockdown in March 2020. This is despite the Government offering billions of pounds in grants and loans throughout the pandemic to support hospitality businesses that were forced to shut down.

Labour Market

- Alongside trading issues, **labour market challenges** continue to persist with **declining unemployment** and **job vacancies 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 latest data for April to June 2022 shows that there was little change in rates over the quarter. There was a small decrease in the employment rate, a small increase in the unemployment rate while the economic inactivity rate remained unchanged.

Payrolled employees
The number of payrolled employees

Monthly change: ▲ 73,000
Since Feb 2020: ▲649,000

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

Source: HMRC PAYE RTI
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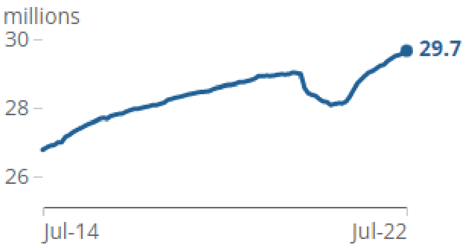
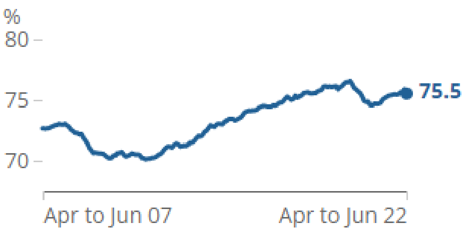


Employment rate
Employment rate (all aged 16 to 64)

Quarterly change: ▼-0.1pps
Since Dec-Feb 2020: ▼-1pps

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

Source: ONS LFS
Read more

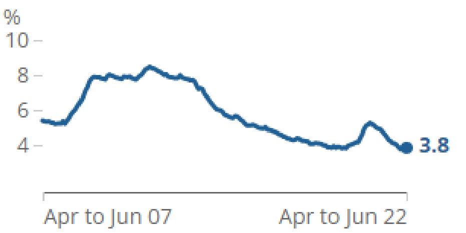


Unemployment rate
Unemployment rate (all aged 16+)

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

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

Source: ONS LFS
Read more



Inactivity rate

Economic inactivity rate (all aged 16 to 64)

Quarterly change: ◀▶ 0pps
Since Dec-Feb 2020: ▲1.2pps

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

Source: ONS LFS

- The UK **employment rate** for people aged 16 to 64 years decreased by 0.1 percentage points on the quarter to 75.5%, and is still below pre pandemic levels. However, the number of people in employment aged 16 years and over increased on the quarter by 160,000. The number of full time employees increased during the latest three month period. While part time employees had generally been increasing since the beginning of 2021, showing recovery from the large falls in the early stages of the pandemic, there was a decrease during the latest three month period. The number of self employed workers fell in the first year of the pandemic and has remained low, although the number has increased slightly during the latest three month period.
- The most timely estimate of **payrolled employees** for July 2022 shows a monthly increase, up 73,000 on the revised June 2022 figures, to a record 29.7 million.
- The **unemployment rate** for April to June 2022 increased by 0.1 percentage points on the quarter to 3.8%. The number of people unemployed for up to 12 months increased during the latest three month period, with those unemployed for between 6 and 12 months increasing for the first time since February to April 2021. This increase was partially offset by a decrease in those unemployed for over 12 months.
- The **economic inactivity rate** was unchanged on the quarter at 21.4% in April to June 2022. The increase in economic inactivity since the start of the coronavirus pandemic had been largely driven by those who were students and the long term sick. In the latest three month period, there was an increase in the number of people who were economically inactive owing to long term sickness, which was largely offset by a decrease in those economically inactive for "other" reasons.
- A report by the **Institute of Fiscal Studies** has found that **Long Covid** has left 110,000 people out of work at any given moment. As many as one in 10 of the 2 million people with long Covid have taken time out of work.
- The number of **job vacancies** in May to July 2022 was 1.274 million; a decrease of 19,800 from the previous quarter and the first quarterly fall we have seen since June to August 2020. Since vacancies fell to an all time low in April to June 2020, they have increased by 945,000 in a little over two years.
- Businesses and charities have expressed concerns about how a growing number of job

vacancies can be filled, particularly in the **hospitality industry**. Hospitality businesses said they were seeing significantly smaller numbers of people applying for roles compared to pre pandemic levels. **BBC Newsnight cited research for the LGA's Work Local campaign**, highlighting how the New Forest is one of a number of areas across the country with a high number of vacancies but a relatively small labour force.

- The **Government's Way to Work scheme**, which set a target to support 500,000 people into employment, has been criticised as new Office for National Statistics figures show the number of unemployed people finding work fell by 148,000 in the last six months. The **Office for Statistics Regulation** has criticised the Government for failing to set clear targets.
- A **shortage of staff in care homes** is leading to a drop in the level of care received by residents, it has been reported. **Guardian** analysis found that staff shortages were identified as a key problem in three quarters of all the care homes in England where the Care Quality Commission regulator had cut their rating from "good" before COVID 19 to "inadequate" this summer.
- The **Health Secretary, Steve Barclay**, has warned it will be "a sprint" to avert an NHS winter emergency. He said hospitals were facing "very serious challenges coming down the track in the autumn". Mr Barclay has ordered a recruitment drive which could see thousands more healthcare workers arrive in Britain over the coming months, with a focus on bolstering the social care sector.
- A survey by consultancy **Advanced Workplace Associates** suggests UK workers are **going into the office** an average of 1.5 days a week, with 13 per cent coming in on a Friday.

Education and Skills

- **Andy Burnham, Labour mayor of Greater Manchester, and Andy Street, Conservative mayor of the West Midlands**, are pressing the Government to **devolve control over adult technical skills**, saying this is key to raising national productivity. Potential investors rate the skills gap as their top concern, according to the mayors, but at the moment an overly centralised system meant he was unable to steer provision towards the labour market.
- An **Institute for Fiscal Studies (IFS)** report has found that **attainment gap at schools** between the most affluent and deprived pupils has not improved in England for 20 years. 57 per cent of English pupils eligible for free school meals reached a good level of development at the end of reception in 2019, compared with 74 per cent of their better off peers.
- The proportion of **A levels** graded at an A or above in England, Wales and Northern Ireland have fallen on last year, but remains higher than in 2019. This year marked the first time in two years that A level grades have been based on public exams, following

cancellations caused by the pandemic. Around 36.4 per cent of A levels this year were marked at A* or A, compared to 44.8 per cent last year.

Green Economy

- The Government should provide greater **support for people to insulate their homes and cut energy bills**, campaigners have said. The LGA said households are paying £770 million a year to heat properties without adequate insulation, with an average household paying £250 for additional heating costs they could otherwise avoid.
- A pioneering project in **Greater Manchester** will see residents able to **access funding for home upgrades** that will cut energy use and lower bills by installing things like insulation, shading or heat pumps. This model will fund energy efficiency upgrades, which would lower emissions of climate heating carbon dioxide as well as energy bills.
- The Government has set out **ambitions to recycle far more of the UK's waste domestically**, including increasing the recycling rate for plastic packaging from 43.8 per cent last year to 62 per cent by 2030. This includes plans to standardise waste collection across the country, providing separate bins for glass, metal, paper and plastic, which the District Councils' Network has criticised and said that many households will not have space for the extra bins.

Housing

- A new study from the **University of Kent** suggests that England would use up the entirety of its 1.5C **carbon budget** on housing alone if 300,000 homes are built a year, 104 per cent of the country's cumulative carbon budget by 2050. The study says that retrofitting existing houses, cutting the number of second homes, stopping people from buying houses as financial investments and making people live in smaller buildings would be more sustainable ways to address the housing crisis.

Local Picture

- The claimant count in Staffordshire saw an **increase of 130 claimants between June and July 2022 to a total of 14,430 claimants**, this was a 0.9% increase compared to a 0.6% decline seen nationally. The **claimant rate has remained at 2.7% of the working age population in July.**
- Although more people continue to find work with a net flow from unemployment to employment we are also now seeing more people moving from being economically inactive to unemployed claiming work related benefits and looking for work, this provides a larger pool of potential labour and skills for businesses to recruit from and boost economic growth locally. 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 19.8% or 2,380 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 July compared to 4.8% regionally and 3.8% nationally.**
- As with the claimant count overall, this month the youth claimant count in Staffordshire saw an increase of 85 to a total of 2,490 young people which is similar to the regional and national picture where youth claimants have also increased this month. This is likely reflective of young people leaving formal education with no immediate job or further training to progress into. The **proportion of young people in Staffordshire aged 18 24 that are claiming work related Universal Credit currently stands at 3.8% 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 a 23% rise in job vacancies between June and July, equivalent to just under 3,600 more job vacancies to a total of over 19,300 which is more than work related benefit claimants. Stoke on Trent saw a 15% rise in vacancies equivalent to nearly 900 more job vacancies to a total of over 6,700 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 July include roles in sectors experiencing recruitment difficulties such as **logistics, social care 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 **'sales related occupations', 'administrative occupations'** and **'customer service 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 **science, engineering and production technicians and engineering 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.

- **Staffordshire County Council** has increased its **investment in major highway resurfacing projects.** After previously announcing an investment of £3.9 million, the county council has added a further £1.3 million bringing the total investment to £5.2 million. The extra money means the A34 Stone Road, through Holmcroft in Stafford has been added to the list of key roads due to be resurfaced. All roads have been chosen based on their current condition and status as a major gateway for traffic. The complete list of schemes is:
    - A34 Walton Island, Stone
    - A51 / A518 London Road, Weston
    - A521 Uttoxeter Road, Blythe Bridge
    - A460 Wolverhampton Road roundabout, Saredon
    - A5195 Ogley Hay Road roundabout, Burntwood
    - B4210 Broad Lane, Essington
    - C0091 Station Road/Dovecliffe Road, Rolleston on Dove
    - A34 Stone Road, through Holmcroft
- Projects are still being scheduled, with the first due to begin in late summer. The money is part of a £15.5 million investment by the county council to repair and maintain the county's roads.
- **Stoke on Trent City Council** is one of five local authorities alongside Midlands Connect to submit bid for £935,355 Government funding for electric vehicle charging points, as part of Government's Local Electric Vehicle Infrastructure Pilot. If successful, funding would be used to deliver 322 standard and 27 rapid EV charging points across Stoke on Trent, Lincolnshire, Herefordshire, Leicestershire, and Rutland. Nominated chargepoint locations would be targeted towards areas with low % of off street parking.
- Residents and businesses across Stafford are being asked for their views on plans to

deliver new homes, businesses, hotel, and leisure facilities in the town. The **Stafford Station Gateway masterplan** will focus on revitalising under utilised brownfield land around the railway station. The project would see the 'Station Gateway' become a thriving active community, boosted by the town's location at the heart of the proposed HS2 route. Consultation with the community has begun and will last for six weeks, with residents and local stakeholders invited to have their say via in person pop up events and online. Read more

- **Staffordshire University** is offering businesses a variety of **funded masterclasses and training courses** to enrich your team with expert fundamental knowledge, improve staff morale and give your growing business a competitive edge. Free September training courses:
  - 01 Sep | Introduction to Ethical Hacking
  - 07 Sep | Managing, Leadership and Performance
  - 13 Sep | Introduction to Project Management
  - 21 Sep | Data Analytics
  - 21 Sep | Introduction to Python Programming
  - 23 Sep | Introduction to Project Management
  - 28 Sep | Digital Marketing Masterclass
  - 30 Sep | Social Media Marketing Strategy

  FUNDED COURSES

Conclusion

- In conclusion, positively we are now seeing a **decline in COVID 19 infections, hospitalisations and deaths** following the peak of the fifth wave. The new **vaccine booster** is to be rolled out shortly which will hopefully provide further protection going into autumn and winter and ease the potential pressures on the NHS.
- Clearly the **cost of living crisis** continues to be the most pressing matter for many, the Government has announced more details around the **support package** for those struggling with increased costs including the £400 energy bill rebate scheme.
- However, even with these announcements of further support many people are likely to still struggle given the extent of the cost of living crisis. For the most **vulnerable low income households** there has been a **triple blow to income** where as well as losing the £20-a week uplift to Universal Credit, benefits are failing to keep up with inflation, and a jump in the energy price cap is expected this autumn leading to hardship and poverty.
- Although it is not just the poorest that are now feeling the effects of rapidly rising **inflation,** increasing **interest rates** and significant **energy price rises** while **pay** falls, forcing many into difficult decisions and changing consumer behaviour impacting business sales and profits.

- The **economy is now contracting** and the Bank of England has predicted that the UK will fall into **recession towards the end of this year and the downturn will last for the whole of next year.**
- There are lingering **business issues** including **inflated commodity costs, energy prices, wage pressures, supply chain constraints and workforce shortages remain the biggest business concerns,** with significant numbers of businesses struggling to survive as **turnover declines**.
- **Labour market challenges** continue to persist with **long term declines in unemployment** and **record job vacancies** leading to an incredibly tight labour market with employers' findings it difficult to recruit 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.**
- Local areas are looking for **greater devolution of funding and control over adult technical skills** to ensure that skills supply matches the needs the local economies. Although there still remains significant issues regarding **school performance and attainment** in allowing young people to progress to higher skill levels in FE and HE which are increasingly needed by businesses to improve **productivity** and contribute to **greater economic growth**.
- 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 July 2022, which show the number of new companies and individuals who are unable to pay debts and enter a formal insolvency procedure.

Company Insolvencies

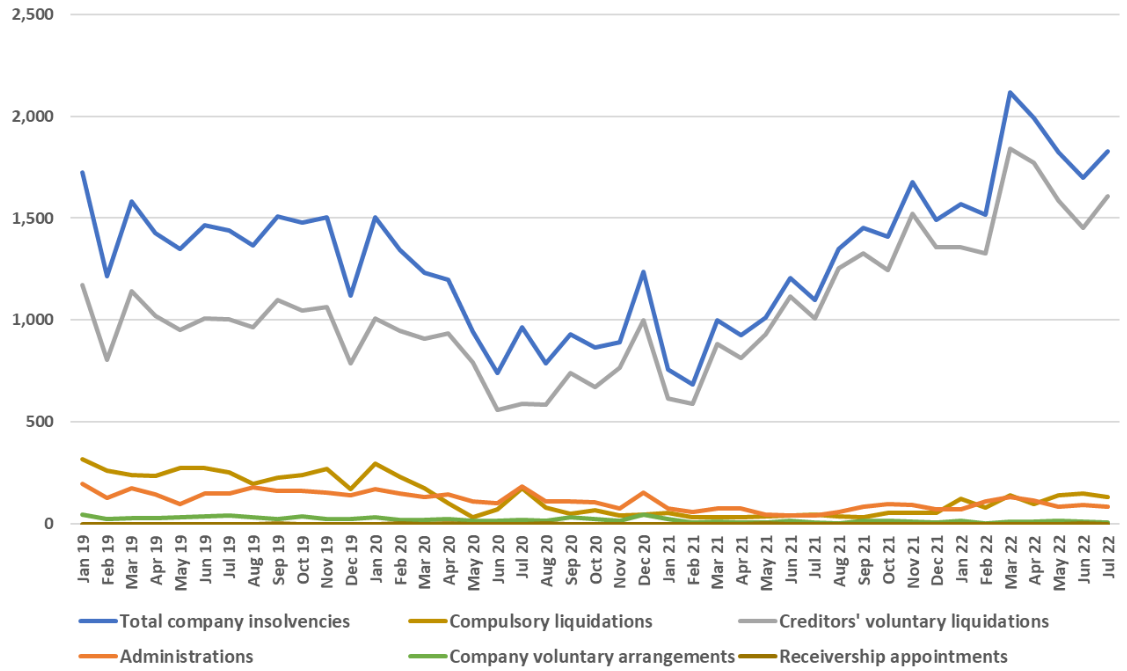
In July 2022 there were a total of 1,827 company insolvencies in England and Wales.

The overall number of **company insolvencies are 67% higher than in the same month last year and 27% 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.

I n July 2022 there were 1,609 Creditors' Voluntary Liquidations (CVLs), 60% higher than in July 2021 and also 60% higher than July 2019. Numbers for other types of company insolvencies, such as compulsory liquidations, remained lower than before the coronavirus (COVID-19) pandemic, although there were 3 times as many compulsory liquidations in July 2022 as in July 2021, and the number of administrations was twice as high as a year ago.

Company insolvencies between August 2021 and July 2022 are now 75% higher compared to a year earlier, representing over 8,531 more businesses.

Company Insolvencies in England and Wales



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

[1] Source: The Insolvency Service https://www.gov.uk/government/statistics/monthly_insolvency_statistics_july_2022

The sectors to have seen the largest number of company insolvencies between July 2021 and June 2022 are construction (3,671), wholesale and retail (2,552) and accommodation and food (2,208). Levels now exceed those seen for the same period the previous year with construction 102% higher, wholesale and retail 85% higher, and accommodation and food 49% 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.

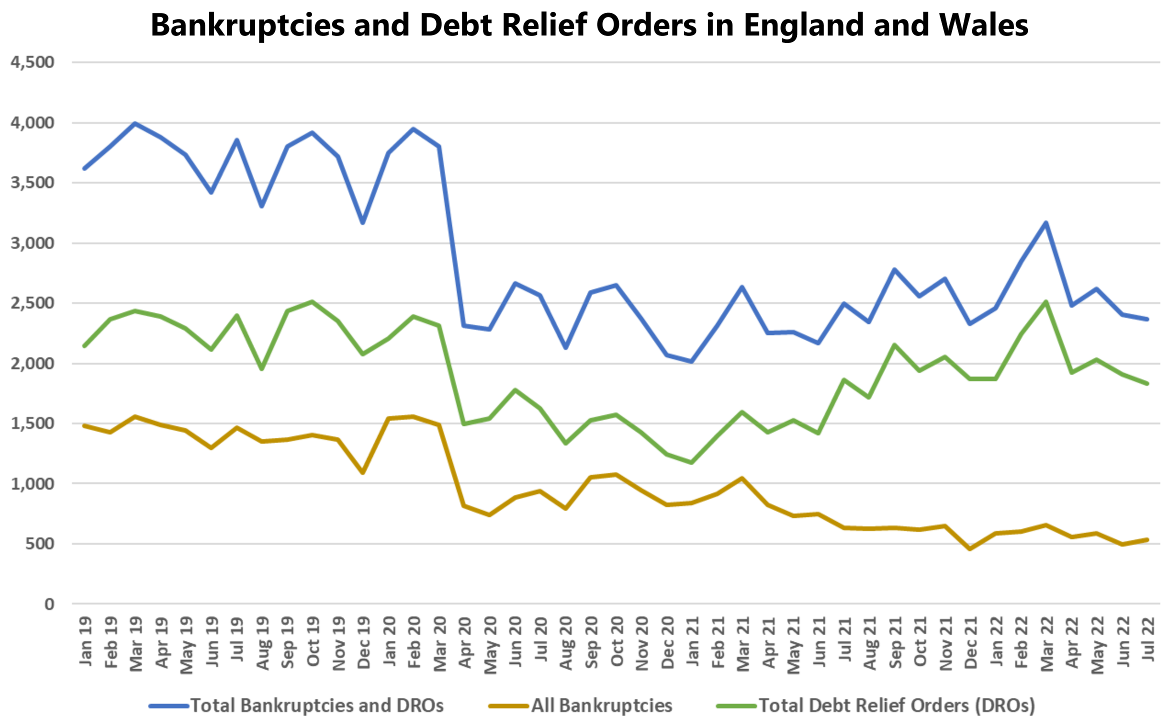
Individual Insolvencies

For individuals, **531 bankruptcies were registered in July 2022** (made up of 461 debtor applications and 70 creditor petitions), which was 16% lower than in July 2021 and 64% lower than July 2019.

There were 1,835 **Debt Relief Orders (DROs)** in July 2022, which was similar to July 2021 but 23% lower than the pre-pandemic comparison month (July 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, 7,608 IVAs registered per month in the three-month period ending July 2022, which is 11% higher than the three-month period ending July 2021, and 4% higher than the three-month period ending July 2019. IVA numbers have ranged from around 6,300 to 7,800 per month over the past year.

Total bankruptcies and DROs between August 2021 and July 2022 are now 11% higher than the same period a year earlier, representing over 3,100 more.



Sources: Insolvency Service

There were 6,112 Breathing Space registrations in July 2022, which is 10% higher than the number registered in July 2021. 5,994 were Standard breathing space registrations, which is 10% higher than in July 2021, and 118 were Mental Health breathing space registrations, which is 34% higher than the number in July 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. This is likely to have been partly driven by government measures put in place to support businesses and individuals during is time. 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.

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: July 2022

Area	Claimant Count Rate (July 2021)	Claimant Count Rate (June 2022)	Claimant Count Rate[1] (July 2022)	Number of Claimants (July 2022)	Monthly Change in Claimants (Numbers)	Monthly Change in Claimants (%)	Change in Claimants since March 2020 (Numbers)	Change in Claimants since March 2020 (%)
England	5.4	3.8	3.8	1,328,175	-7,585	-0.6%	264,670	24.9%
West Midlands	6.4	4.8	4.8	177,925	-320	-0.2%	33,575	23.3%
SSLEP	4.7	3.3	3.3	22,960	110	0.5%	3,590	18.5%
Birmingham	10.4	8.5	8.5	62,030	-170	-0.3%	12,660	25.6%
Wolverhampton	9.5	7.4	7.4	12,070	20	0.2%	1,690	16.3%
Sandwell	8.5	6.6	6.6	13,515	35	0.3%	2,735	25.4%
Walsall	7.7	5.6	5.6	9,705	15	0.2%	1,100	12.8%
Stoke on Trent	**7.3**	**5.4**	**5.3**	**8,530**	20	**0.2%**	1,210	16.5%
Dudley	6.3	4.9	4.9	9,500	0	0.0%	985	11.6%
Coventry	5.9	4.6	4.6	11,760	-60	-0.5%	3,760	47.0%
Telford and Wrekin	5.1	3.7	3.6	4,060	-100	-2.4%	630	18.4%
Solihull	4.8	3.4	3.4	4,365	-15	-0.3%	715	19.6%
Worcestershire	4.2	3.1	3.1	11,000	-90	-0.8%	2,695	32.5%
Warwickshire	3.9	2.8	2.8	9,870	20	0.2%	2,040	26.1%
Staffordshire	**3.9**	**2.7**	**2.7**	**14,430**	**130**	**0.9%**	**2,380**	**19.8%**
Shropshire	3.6	2.4	2.4	4,520	-25	-0.6%	510	12.7%
Herefordshire, County of	3.3	2.3	2.3	2,565	-65	-2.5%	455	21.6%
Tamworth	5.1	3.6	3.6	1,715	35	2.1%	225	15.1%
Cannock Chase	4.5	3.0	3.1	1,950	25	1.3%	295	17.8%
East Staffordshire	4.5	3.0	3.0	2,220	20	0.9%	500	29.1%
Newcastle-under-Lyme	3.8	2.7	2.7	2,215	-10	-0.4%	235	11.9%
South Staffordshire	3.7	2.5	2.6	1,710	10	0.6%	400	30.5%
Lichfield	3.6	2.5	2.5	1,555	25	1.6%	235	17.8%
Stafford	3.3	2.4	2.4	1,970	10	0.5%	315	19.0%
Staffordshire Moorlands	2.9	1.9	1.9	1,095	15	1.4%	175	19.0%

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

- The claimant count in Staffordshire saw an increase of 130 claimants between June and July 2022 to a total of 14,430 claimants, this was a 0.9% increase compared to 0.6% decline seen nationally.

- The claimant rate remains at 2.7% of the working age population in July.

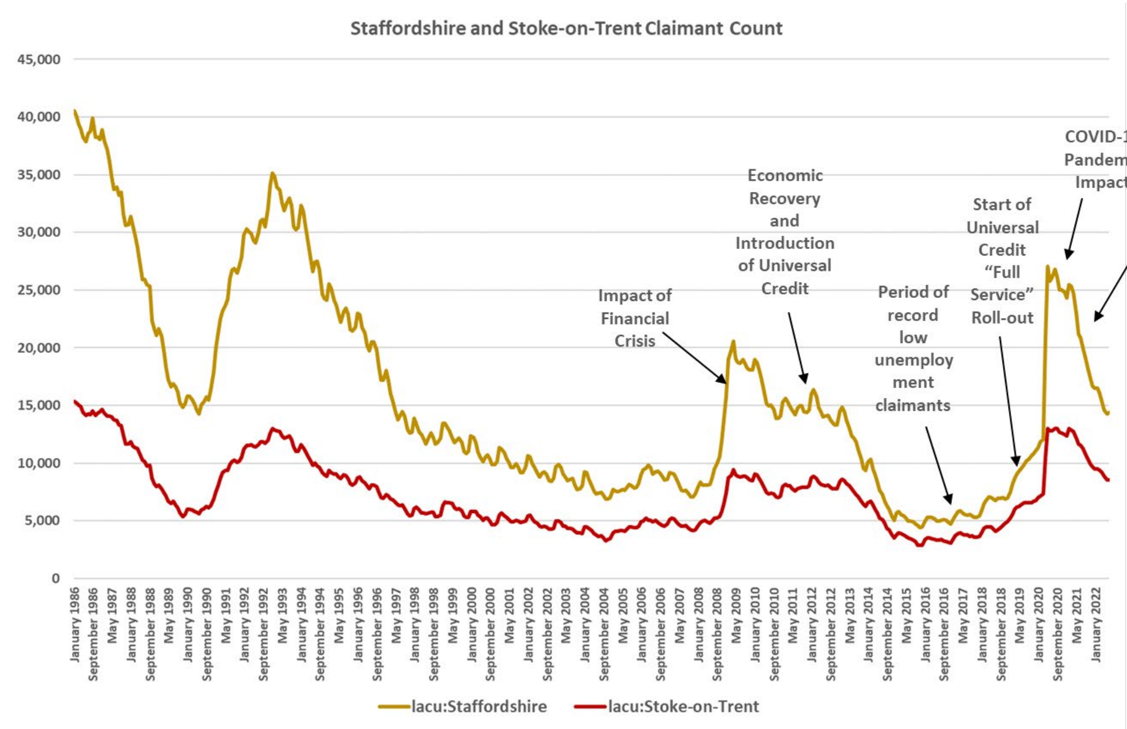
- Stoke-on-Trent saw a decrease of 20 over the same period with a total of 8,530 claimants in July, with the rate decreasing to 5.3%.

- Although more people continue to find work with a net flow from unemployment to employment we are also now seeing more people moving from being economically inactive to unemployed claiming work-related benefits and looking for work, this provides a larger pool of potential labour and skills for businesses to recruit from and

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

boost economic growth locally. 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 19.8% or 2,380 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 July compared to 4.8% regionally and 3.8% nationally. In Stoke-on-Trent the Claimant Count rate remains above both the regional and national averages at 5.3% but is closing the gap.

- This month the majority of Staffordshire Districts have seen a increase in the number of claimants, with the exception of Newcastle-under-Lyme which saw a decline of 10 claimants. Tamworth saw the largest increase with a rise of 35 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.

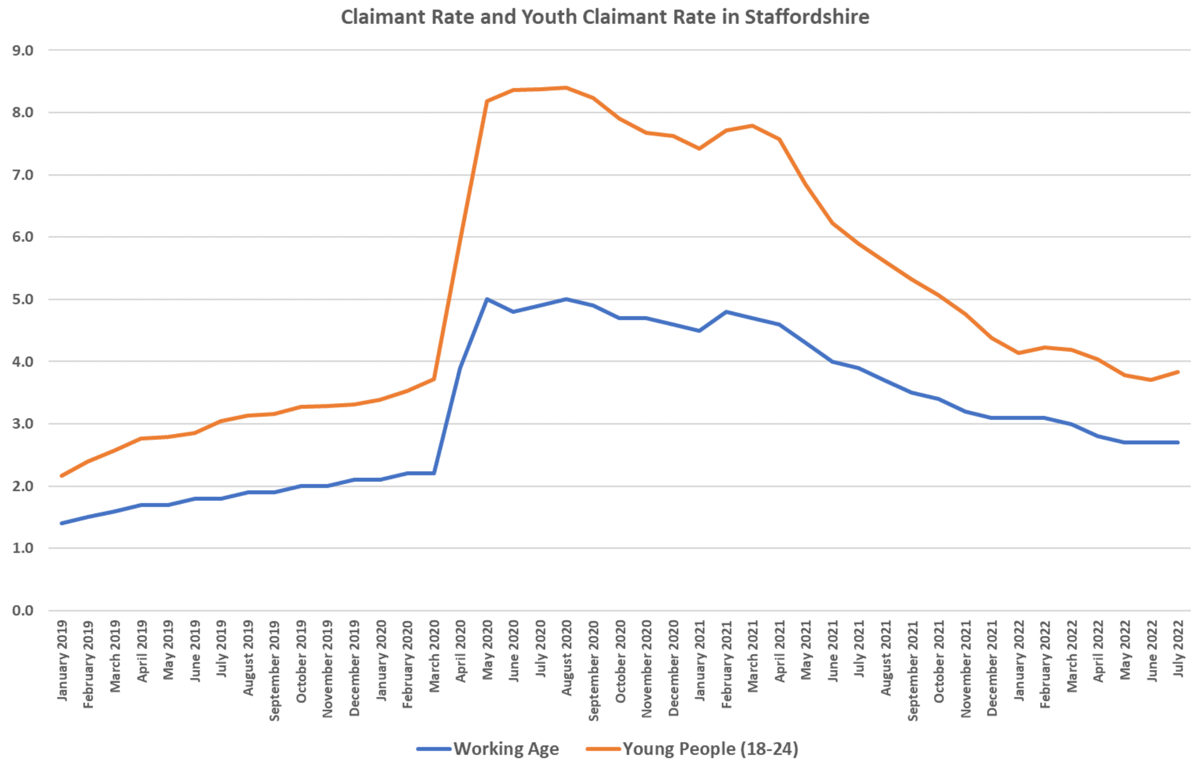
- As with the claimant count overall, this month the youth claimant count in Staffordshire saw an increase of 85 to a total of 2,490 young people which is similar to the regional and national picture where youth claimants have also increased this month. This is likely reflective of young people leaving formal education with no immediate job or further training to progress into.

Youth Claimant Count (Universal Credit) Statistics: July 2022

Area	Youth Claimant Count Rate (July 2021)	Youth Claimant Count Rate (June 2022)	Youth Claimant Count Rate[1] (July 2022)	Number of Youth Claimants (July 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	7.2	4.4	4.5	210,945	4,120	2.0%	13,215	6.7%
West Midlands	8.3	5.6	5.7	30,195	625	2.1%	2,290	8.2%
SSLEP	6.7	4.4	4.5	4,000	135	3.5%	180	4.7%
Wolverhampton	13.9	9.2	9.6	1,990	70	3.6%	80	4.2%
Sandwell	12.7	8.7	8.9	2,355	60	2.6%	240	11.3%
Walsall	12.1	7.8	7.9	1,815	40	2.3%	-100	-5.2%
Birmingham	10.2	7.4	7.5	10,445	100	1.0%	1,340	14.7%
Dudley	10.3	6.9	6.9	1,635	5	0.3%	-115	-6.6%
Stoke on Trent	**9.0**	**6.3**	**6.5**	**1,510**	**50**	**3.4%**	**105**	**7.5%**
Telford and Wrekin	8.3	5.6	5.7	845	25	3.0%	85	11.2%
Solihull	8.4	5.1	5.2	790	10	1.3%	-35	-4.2%
Worcestershire	6.7	4.3	4.4	1,795	45	2.6%	200	12.5%
Staffordshire	**5.9**	**3.7**	**3.8**	**2,490**	**85**	**3.5%**	**75**	**3.1%**
Coventry	4.9	3.6	3.6	1,970	35	1.8%	435	28.3%
Warwickshire	5.3	3.2	3.3	1,535	75	5.1%	200	15.0%
Shropshire	5.7	3.1	3.3	670	30	4.7%	-155	-18.8%
Herefordshire, County of	5.3	3.0	3.0	355	-10	-2.7%	-60	-14.5%
Tamworth	8.9	5.5	5.8	325	15	4.8%	30	10.2%
Cannock Chase	8.0	5.1	5.3	380	15	4.1%	15	4.1%
Stafford	5.2	3.7	4.0	350	25	7.7%	35	11.1%
East Staffordshire	6.9	4.0	3.9	330	-10	-2.9%	10	3.1%
Lichfield	5.6	3.8	3.8	265	0	0.0%	-5	-1.9%
South Staffordshire	5.9	3.6	3.8	295	15	5.4%	45	18.0%
Newcastle-under-Lyme	4.4	2.8	2.9	395	5	1.3%	-30	-7.1%
Staffordshire Moorlands	4.3	2.0	2.3	145	20	16.0%	-30	-17.1%

[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 3.8% compared to 2.7% for the working age population, while in Stoke-on-Trent the rate is now at 6.5% in July following an increase of 50 youth claimants.



- The majority of Staffordshire Districts have seen an increases in youth claimants this month, with only East Staffordshire seeing a decrease of 10 during July. Stafford saw the largest increase of 25 youth claimants, followed by Staffordshire Moorlands which saw a rise of 20 youth claimants.

- Tamworth and Cannock Chase continue to record the highest rates in Staffordshire, both above the national average.

- Given that it is harder for these groups to find a new job it is increasingly vital that the welcomed announcements made in 'A Plan for Jobs 2020' such as the Kickstart and Restart Schemes and the new Skills Bootcamps are quickly and effectively put in place to support these groups and help prevent them becoming long-term unemployed.

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

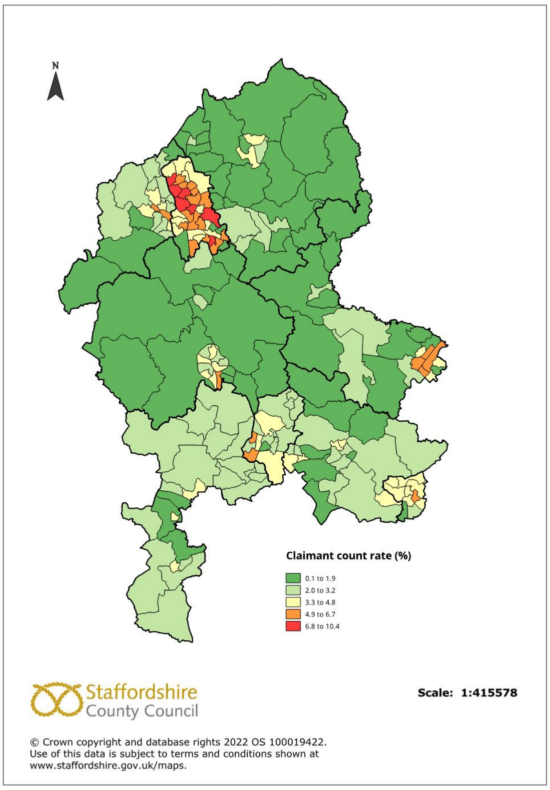
The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

Claimant Count Rate July 2022

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 56 were above the England average of 3.8% for the number of claimants as a proportion of the working age population.

Of the top 13 wards with the highest claimant count rate all were in Stoke-on-Trent with Joiner's Square (10.4% or 480 claimants), Moorcroft (9.0% or 335) and Etruria and Hanley (8.2% or 440) having the highest rates.

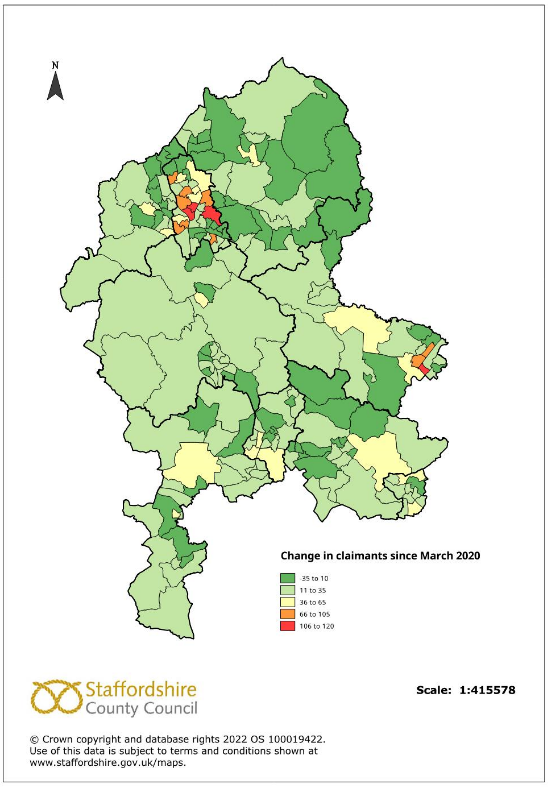
In Staffordshire the 3 wards with the highest claimant count rates were all in East Staffordshire, Burton (6.0% or 180), Anglesey (5.6% or 305), and Shobnall (5.5% or 295).



Change in Claimant Count since March 2020

Out of the top 14 wards with the highest change in the number of claimants since March 2020 there were 11 in Stoke-on-Trent and included Bentilee and Ubberley (120 increase to 520), Hanley Park and Shelton (115 rise to 300 in total), and Joiner's Square (105 increase to 480 claimants).

The remaining 3 wards in the top 13 were all in East Staffordshire the highest increases seen in Anglesey (115 rise to 305), Shobnall (85 rise to 295) and Eton Park (75 increase to 255).



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

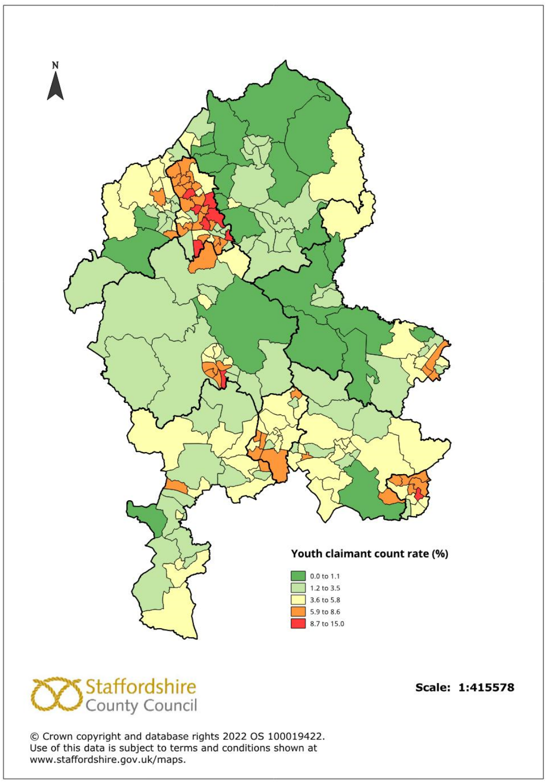
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

Youth Claimant Count Rate July 2022

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 82 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 12 wards with the highest youth claimant count rate 9 were in Stoke-on-Trent with Joiner's Square (15.0% or 115 claimants), Bentilee and Ubberley (12.2% or 110) and Meir North (9.9% or 55) having the highest rates.

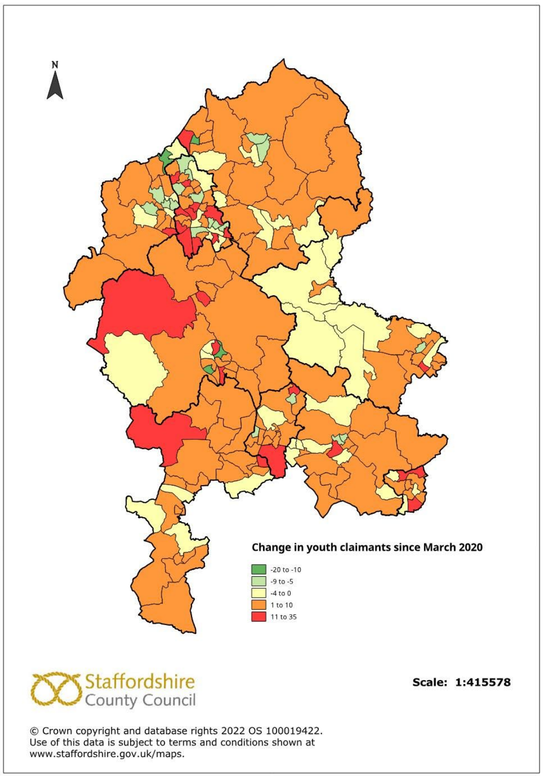
In Staffordshire, the highest rate was Penkside in Stafford with 11.4% or 35, followed by Glascote in Tamworth with 8.6% or 50 and Cannock South in Cannock Chase with 8.5% or 55 youth claimants.



Change in Youth Claimant Count since March 2020

Out of the top 12 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 (35 rise to 65), Bentilee and Ubberley (20 increase to 110) and Blurton West and Newstead (20 rise to 55) with the highest increases since March 2020.

In Staffordshire, the highest increase was seen in Penkside with a 15 rise to 35, followed by Norton Canes with an increase of 15 to 40 youth claimants.



Job Vacancies[3]

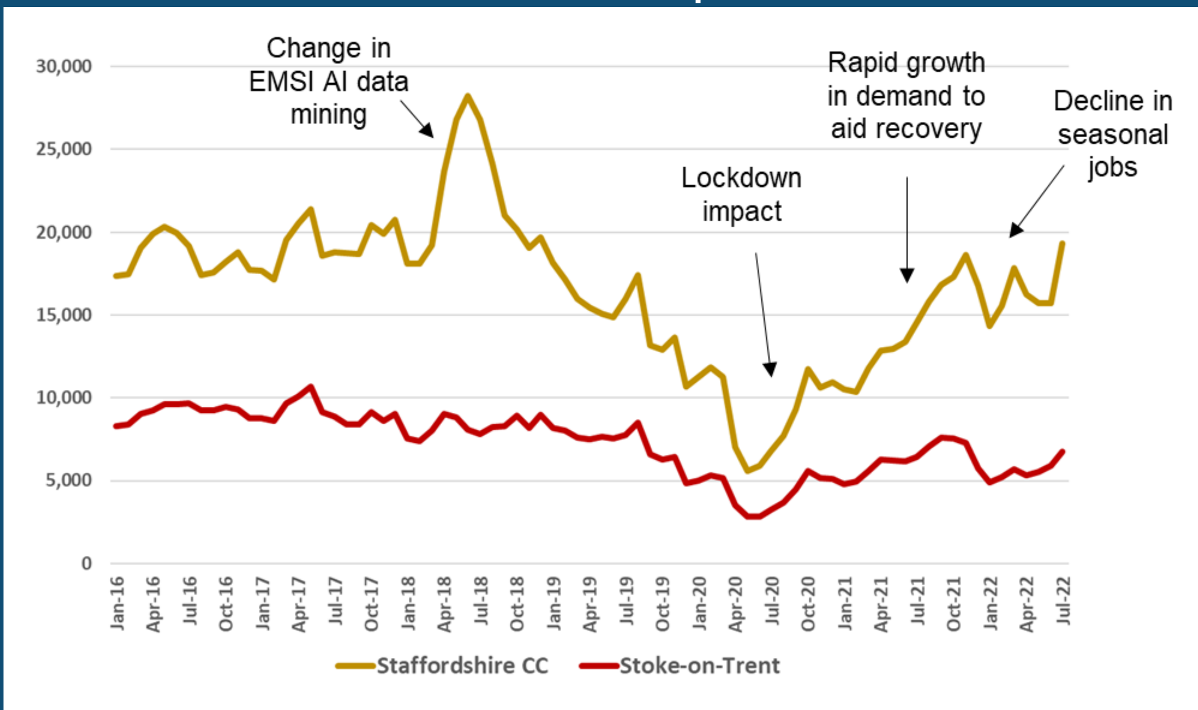
- **Staffordshire saw a 23% rise in job vacancies between June and July, equivalent to just under 3,600 more job vacancies to a total of over 19,300 which is more than work related benefit claimants.**

- **Stoke on Trent saw a 15% rise in vacancies equivalent to nearly 900 more job vacancies to a total of over 6,700 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

- All occupational groups saw an increase in vacancies during July with the largest rises seen in 'elementary occupations' (30% rise), 'administrative and secretarial occupations' (28% rise), and 'skilled trade occupations' (27% rise).

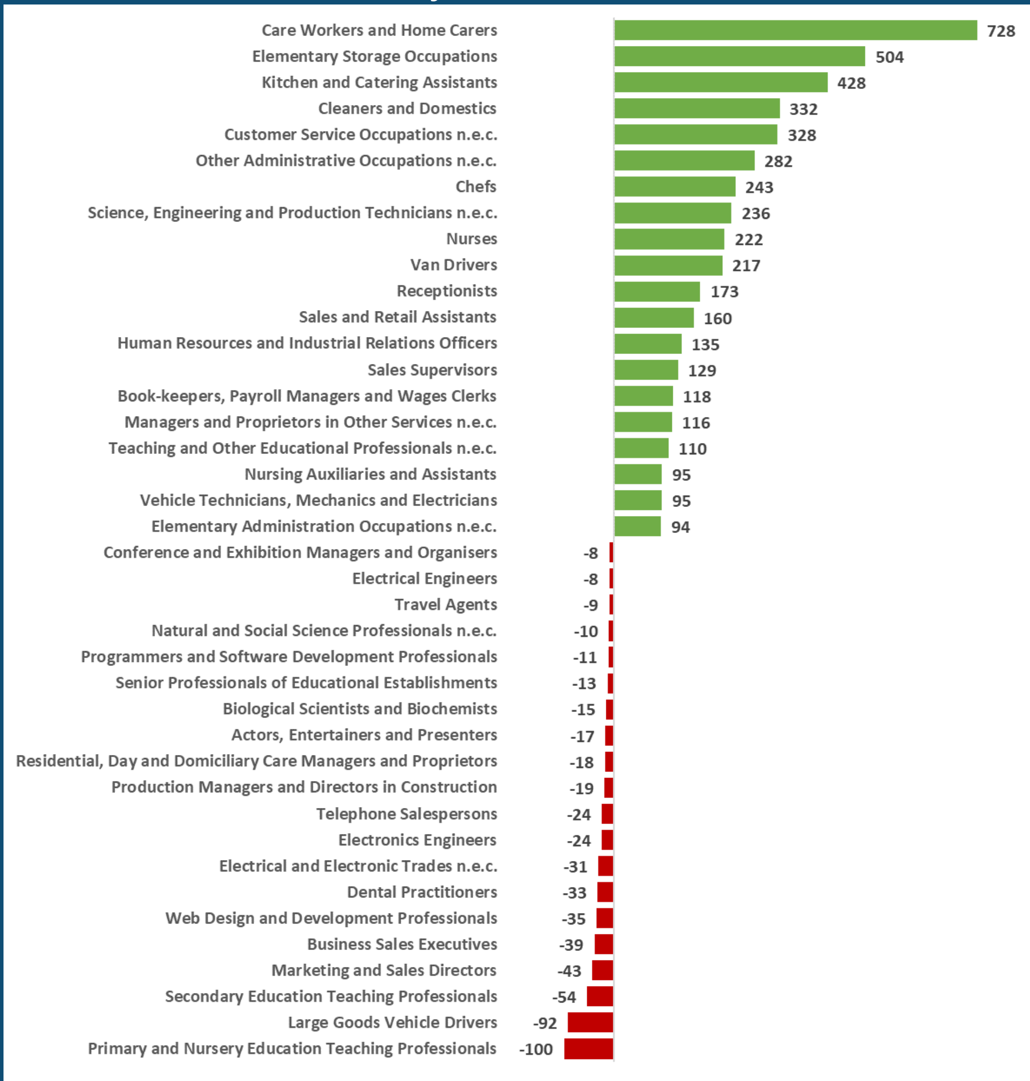
- The occupations to see the most significant increases during July include roles in sectors experiencing recruitment difficulties such as logistics, social care, retail, and hospitality and occupations to support business recovery and growth including digital roles and business and financial management 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' 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 ongoing long term 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 July 2022 in SSLEP



Top Occupations in Demand

- The **occupations** to see the most significant increases during July include roles in sectors experiencing recruitment difficulties such as **logistics, social care 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 **'sales related occupations'**, **'administrative occupations'** and **'customer service occupations'.**

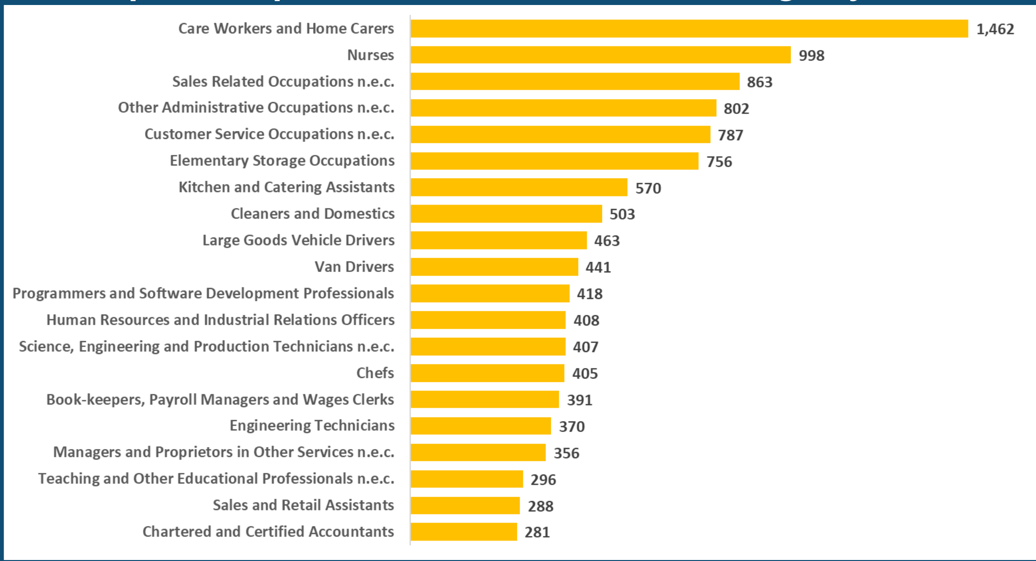
- In logistics there is high demand for roles including '**elementary storage occupations', LGV drivers and van drivers.** While in hospitality **kitchen and catering assistants** and **chefs** remain the roles in most demand.

- There is also high demand for digital roles in particular **programmers and software development professionals**. In manufacturing **science, engineering and production technicians and engineering 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 July 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	Jul 2021 Unique Postings	May 2022 Unique Postings	Jun 2022 Unique Postings	Jul 2022 Unique Postings	Jun 2022-Jul 2022 (Month on Month Change)	Jun 2022-Jul 2022 Monthly % Change	Feb 2020-Jul 2022 (Month on Month Change)	Feb 2020-Jul 2022 Monthly % Change	Jul 2021-Jul 2022 (Year on Year Change)	Jul 2021-Jul 2022 Annual % Change
Staffordshire CC	11,874	14,555	15,711	15,725	19,321	3,596	23%	7,447	63%	4,766	33%
Stoke-on-Trent	5,355	6,435	5,530	5,891	6,775	884	15%	1,420	27%	340	5%
SSLEP	17,229	20,990	21,241	21,616	26,096	4,480	21%	8,867	51%	5,106	24%
West Midlands	117,037	135,298	161,290	161,707	194,747	33,040	20%	77,710	66%	59,449	44%
England	1,126,753	1,538,762	1,876,532	1,843,781	2,163,312	319,531	17%	1,036,559	92%	624,550	41%
Staffordshire Moorlands	267	409	629	647	670	23	4%	403	151%	261	64%
East Staffordshire	2,665	3,372	4,802	4,717	5,658	941	20%	2,993	112%	2,286	68%
Lichfield	1,337	1,844	1,962	2,025	2,596	571	28%	1,259	94%	752	41%
Tamworth	2,139	2,318	2,562	2,655	3,387	732	28%	1,248	58%	1,069	46%
South Staffordshire	148	148	126	150	218	68	45%	70	47%	70	47%
Cannock Chase	1,613	1,963	1,901	1,787	2,356	569	32%	743	46%	393	20%
Stafford	2,848	3,624	3,058	2,931	3,509	578	20%	661	23%	-115	-3%
Newcastle-under-Lyme	857	877	671	813	927	114	14%	70	8%	50	6%
Elementary Occupations	1,001	2,033	2,121	2,225	2,900	675	30%	1,899	190%	867	43%
Caring, Leisure and Other Service Occupations	1,415	1,757	2,367	2,324	2,688	364	16%	1,273	90%	931	53%
Administrative and Secretarial Occupations	1,550	2,116	2,005	2,017	2,580	563	28%	1,030	66%	464	22%
Skilled Trades Occupations	1,252	1,667	1,527	1,516	1,930	414	27%	678	54%	263	16%
Sales and Customer Service Occupations	1,675	1,858	1,938	2,060	2,484	424	21%	809	48%	626	34%
Associate Professional and Technical Occupations	2,861	3,447	3,427	3,540	4,208	668	19%	1,347	47%	761	22%
Managers, Directors and Senior Officials	1,370	1,470	1,502	1,542	1,811	269	17%	441	32%	341	23%
Process, Plant and Machine Operatives	1,229	1,547	1,211	1,255	1,577	322	26%	348	28%	30	2%
Professional Occupations	4,761	4,932	5,087	5,078	5,843	765	15%	1,082	23%	911	18%

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.