



# Staffordshire & Stoke-on-Trent Economic Bulletin

## Issue 26 – September 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 analysis of official Government data, national intelligence and local insights on the state of the local economy.

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 are being impacted the hardest by unemployment and a reliance on work-related benefits 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 are faring during the current economic climate.

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 to make sure that it continues to meet your needs. If you do have any feedback please send your comments to Darren Farmer, Economy & Skills Analyst at [darren.farmer@staffordshire.gov.uk](mailto:darren.farmer@staffordshire.gov.uk).

Stay Safe,

Darryl Eyers

Director for Economy, Infrastructure and Skills, Staffordshire County Council



## Key Messages

### Local Picture

- In Staffordshire we have seen **long-term improvement in the local economy and labour market since the last national lockdown** due to the COVID pandemic. **Unemployment, youth unemployment and dependency on work-related benefits have reduced considerably** and we have **significant job vacancies available** for those unfortunate enough to be still out of work. Local partners also continue to deliver a **wide range of programmes to support businesses, residents and economic growth helping to create better jobs and opportunities in Staffordshire and Stoke-on-Trent.**
- Following long-term declines approaching pre-pandemic levels, the claimant count in Staffordshire saw an **increase of 200 claimants between July and August 2022 to a total of 14,455 claimants**, this was a 1.4% increase and similar to the 0.9% increase seen nationally. The **claimant rate has remained at 2.7% of the working age population in August.**
- The reasons for such increases are complex and will be individual in nature with only DWP confidential case files identifying the precise reasons why residents have required the support of work-related benefits.
- However, it is clear that **global events continue to impact the economy, primarily the war in Ukraine and the related increases in fuel and energy prices.** Therefore, the current economic climate presents a number of challenges to the local, regional and national economies in the short-term, with the Bank of England now predicting that we will enter recession this year and remain in contraction for some time.
- Clearly the impacts of these issues within Staffordshire are impossible to predict and will depend on many factors including any local and national support measures that are put in place.
- Unfortunately, we are likely to see increases in unemployment and therefore it is more important than ever that the right business support is in place to help viable businesses survive during these challenging times, help people to start their own business and ensure that benefit claimants have the right support to access the high number of jobs available in the economy such as the Government's 'Plan for Jobs' schemes including Kickstart, Restart and Skills Bootcamps and help prevent them becoming long-term unemployed.
- **The total number of Universal Credit (UC) claimants is now 20.0% or 2,405 higher than the level seen in March 2020 (pre-COVID)**, which is below the 24.5% increase seen nationally and 22.9% increase seen regionally.
- However, not all will be out of work. 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 August 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 120 to a total of 2,595 young people which is similar to the regional and national picture where youth claimants have also increased this month. The **proportion of young people in Staffordshire aged 18-24 that are claiming work-related Universal Credit currently stands at 4.0% 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 5% rise in job vacancies between July and August, equivalent to just over 900 more job vacancies to a total of over 20,200 which is more than work related benefit claimants. Stoke-on-Trent saw a 17% decline in vacancies equivalent to nearly 1,200 fewer job vacancies to a total of just under 5,600 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 August include roles in sectors experiencing recruitment difficulties such as **manufacturing** (welding trades, metal working and engineers), **education** (teaching assistants), **logistics** (storage occupations and van drivers), and **hospitality** (kitchen and catering assistants and catering and bar managers).
- However, even with these changes in recruitment during the last month, demand for roles in social care including **'care workers and home carers'** remain by far the strongest of all occupations.
- There remains high demand for **'sales related occupations', 'nurses', 'administrative occupations'** and **'customer service occupations'**.
- In logistics there is high demand for roles including **'elementary storage occupations', van drivers and LGV drivers.** While in hospitality **'kitchen and catering assistants'** and **chefs** remain the roles in most demand.
- In manufacturing **'science, engineering and production technicians'** and **'engineering technicians'** are most in demand. There is also high demand for

digital roles in particular **'programmers and software development professionals'**.

- 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 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 social care (both adults and children), nurses, sales and customer service, logistics including storage occupations and van and LGV drivers, hospitality such as kitchen and catering assistants and chefs, engineering, digital/IT roles such as programmers, and teaching assistants.
- This has the **potential to slow down the recovery unless the skills gap is quickly and effectively addressed**, clearly skills providers and the Government's Plan for Jobs including the Kickstart and Restart schemes and new Skills Bootcamps has a vital role in upskilling and reskilling jobseekers into areas of demand.
- It is clear that there 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.
- **Staffordshire County Council's new Job Brokerage Service** is designed to do exactly this by matching local people, employers and training providers to fill jobs and provide people with the jobs and careers they need.
- 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.

- In conclusion, overall the **labour market remains very tight** with high demand for labour and skills through record numbers of job vacancies in key growth sectors and a reduced labour pool with clear skills gaps and difficulties around attracting people to the jobs that are in demand.
- Efforts need to continue on ensuring that the jobs in demand from businesses are attractive with decent **terms and conditions** particularly during a cost-of-living crisis and that local residents have the **skills** required by local businesses to fill in demand roles and support further economic recovery, innovation and growth.

## Local Initiatives

- Given the current **global and national socio-economic challenges impacting our local economy**, primarily the war in Ukraine and the related increases in fuel and energy prices.
- The **biggest issues facing business currently are for national government to address** as only they have the powers and financial capacity to do so, but it is also **clear that the local partnership work to support the economy has never been more vital** and is clearly having a significant positive impact across Staffordshire.
- 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, as well as putting in place the support needed locally during the cost-of-living crisis.
- 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**.

- Staffordshire County Council Cabinet will also shortly consider our **new Start Up and Step-Up Business support package** aimed at helping those wanting to start and grow their own business which has a strong focus on making those businesses resilient.
- 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 out 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](http://www.gigafaststaffordshire.co.uk).
- **Be a Staffordshire Ambassador and join We Are Staffordshire at the Business Expo.** The Ambassador Network brings together businesses, education, the public sector, the third sector, indeed all organisations to really put Staffordshire on the map. We have amazing story we have to tell, and such a lot to be proud of, but we all need to talk the place up, celebrate our successes; together we need to act as ambassadors for Staffordshire and get our story out there. In the We Are Staffordshire, October Ambassador Event, we'll be shining a light on a pick of Staffordshire's most-cutting edge innovation businesses, manufacturers and inventors to celebrate our county's renowned heritage as innovators, makers and creators - and learning how we are continuing to forge forward with tech for the 22nd century. **SIGN UP**
- As **Aldi** overtakes Morrisons to become one of the country's 'big four' supermarkets, it has announced plans to hire 633 staff across the West Midlands and Staffordshire between now and the end of the year. Around 413 jobs are available in the West Midlands and 220 in Shropshire. The recruitment drive is part of the budget supermarkets aim to create 2,000 permanent roles across the UK this year.
- Contractor **G F Tomlinson** has completed construction works on the new **Fradley Park primary school in Lichfield**. The £4.8mscheme sees 210 primary and 26 nursery places become available to the local area, ready for the start of the next

academic year and is the first school to be built in the area in more than 40 years. The new, two storey 1FE primary free school has been delivered through the Staffordshire County Council Framework and was project managed by Entrust. It will be run by the John Taylor Multi Academy Trust.

- A **waste management company** has agreed one of the largest office lettings this year in Lichfield as it continues to expand its business nationally. A 10-year lease on 10,070 sq ft of office space at Unit 4, Newlands Court, **Burntwood Business Park, Staffordshire**, has been agreed by the company (which did not want to be named).
- Work has started on site to deliver a 330,000 sq ft **logistics and warehouse unit** in Staffordshire. Cole Waterhouse, in partnership with Peveril Securities is developing the unit at **Lymedale Business Park** in Newcastle-under-Lyme with funding from Aver Property, a joint venture between NFU Mutual and Ergo Real Estate. Outline planning consent was initially granted in July 2020 to speculatively develop the 15-acre light industrial building and the subsequent reserved matters application has now been approved by Newcastle-Under-Lyme Borough Council. The scheme has an anticipated development value of £34m. Bowmer & Kirkland has been appointed to deliver the scheme and practical completion is likely to be the end of 2022.
- **Business management software specialist Total Enterprise Solutions (TES)** is looking to attract apprentices to help bridge technology's growing skills gap. TES which supports charities and Not for Profits (NFPs) on their digitalisation has positions in project management, consultancy, managed services, and sales at its Rugeley headquarters. It aims to use its Digital and Technology Solutions Apprenticeship that it offers in partnership with Staffordshire University, to drive recruitment.
- A Burton-based debt recovery business is set to create five new jobs after receiving £100,000 in funding. **Maxima Creditor Resolutions**, based in Blakenhall Park Bar Lane, Barton Under Needwood, secured the funding from the Midlands Engine Investment Fund (MEIF) and the Staffordshire & Stoke on Trent Business Loan Fund managed by BCRS Business Loans. The cash will enable the start-up to strengthen and expand its services, create the additional jobs and support three of its existing employees.
- **CBVC Vehicle Management, a Staffordshire-based fleet management company**, is named the leasing provider for ElectriX, a new one stop shop for electric cars powered by LV= General Insurance, one the UK's largest insurers and part of the Allianz Group. ElectriX offers customers the ability to lease, charge and insure electric vehicles (EVs) for a fixed monthly cost all in one place. The programme has been designed to make the transition to an electric vehicle simple and hassle-free.
- **Housing organisation Bedspace**, which provides accommodation and support for vulnerable people, has created 12 jobs after opening its first children's home in Staffordshire. The limited company has already assembled a senior leadership team for its expansion into the children's residential sector. This includes the appointment



of a head of children's residential, children's home manager and children's home deputy manager. It is now looking for support workers to staff the children's home. With a goal of opening five children's home in five years, Bedspace's second home is set to begin operating at the end of 2022, with a third planned to follow shortly after. The new hires are part of Bedspace's wider pledge to take on 100 staff across the UK in the next two years. Bedspace is also set to bolster its property portfolio of 500 homes by 40% in the next three years.

- Staffordshire's **outdoor storage provider HEX Living** has become a supplier to national retailer The Greenhouse People. HEX Living's entire range of outdoor metal storage solutions will be available to buy from the retailer's 36 display sites across the UK. Launched in February 2022, HEX Living manufactures premium-quality metal sheds and garden storage solutions. Designed and built in Britain, HEX Living says its products are 'maintenance free' and come with a lifetime warranty. It is currently the only outdoor metal storage solution manufacturer to offer this guarantee.

## National Context

- This month we have seen the nation in mourning following the sad news that **Her Majesty Queen Elizabeth II has died, while we now have a new King and a new Prime Minister and Cabinet in place.**
- The **World Health Organisation has said that the end of the COVID-19 pandemic is "in sight"**. It said weekly deaths from the virus around the world are at their lowest since March 2020 - when Britain went into lockdown - and in the UK, infections have dropped to their lowest level for nearly 11 months.
- This has seen the **UK's COVID alert level reduced to its lowest since its introduction**, moving from a three to a two. A level two alert means that the disease is in general circulation but direct pressures on healthcare and transmission are both declining or stable. While the **autumn booster campaign** is now underway.

## Cost of Living Crisis, Inflation and the War in Ukraine

- **Liz Truss** has promised to **tackle surging energy costs and to cut taxes** after she won the Conservative leadership contest to become the **next Prime Minister**. Her plan includes a freeze on energy bills, with household bills capped at £2,500 and a business support scheme to ease the pressure on struggling businesses.
- The new Chancellor, Kwasi Kwarteng delivered a **Growth Plan mini-budget** on 23<sup>rd</sup> September which outlined a series of **Government support interventions to help ease the cost-of-living crisis on households and businesses and boost the economy**. The new support includes:

### **Income tax**

- Cut in basic rate of income tax to 19% (19p in the pound) from April 2023
- Government estimates 31 million people getting £170 a year more
- 45% higher rate of income tax abolished
- One single higher rate of income tax of 40% from April next year

### **National Insurance**

- Reverse recent 1.25% rise in National Insurance (NI) from 6 November
- Workers and employers have paid an extra 1.25p in the pound since April
- New Health and Social Care Levy to pay for the NHS will not be introduced

### **Corporation Tax**

- Cancel rise in corporation tax which was due to increase from 19% to 25% in April 2023

### **Benefits**

- Rules around universal credit tightened, by reducing benefits if people don't fulfil job search commitments
- Around 120,000 more people on Universal Credit to be asked to take steps to seek more work, or face having their benefits reduced
- Jobseekers over 50 to be given extra time with work coaches to help them return to job market

## **Work and investment**

- IR35 rules - the rules which govern off-payroll working - to be simplified
- Annual investment allowance, the amount companies can invest tax free, remains at £1m indefinitely
- Regulations change so pensions funds can increase UK investments
- New and start-up companies able to raise up to £250,000 under scheme giving tax relief to investors
- Share options for employees doubled from £30,000 to £60,000

## **Stamp Duty**

- Cut to stamp duty which is paid when people buy a property in England and Northern Ireland
- No stamp duty on first £250,000 (double previous level) and for first time buyers that rises to £425,000
- 200,000 more people will be taken out of paying stamp duty altogether, government claims

## **Energy**

- Freeze on energy bills, which the government claims will reduce inflation by 5 percentage points
- A typical household's energy bill will rise to £2,500 a year from 1 October (from £1,971), with the "energy price guarantee" (price cap) lasting for two years
- **Energy prices for businesses including companies, charities and public sector organisations will be capped under the Energy Bill Relief Scheme** which will cut the rates they pay by up to half this winter, with support starting from the 1 October for a six-month period
- Total cost for the energy package expected to be around £60bn for the six months from October

## **Bankers' bonuses**

- Rules which limit bankers' bonuses scrapped
- Package of regulatory reforms to be set out later in the autumn

## **Shopping**

- Rules which limit bankers' bonuses scrapped
- Package of regulatory reforms to be set out later in the autumn

## **Infrastructure and investment zones**

- Government discussing setting up investment zones with 38 local areas in England, with Staffordshire being considered by the Government as a location for one of its new Investment Zones
- Tax cuts and liberalised planning rules to be offered to release land for housing and commercial use
- Investment zones offered measures such as no business rates and stamp duty waived
- New legislation to cut planning rules, get rid of EU regulations and environmental assessments in an effort to speed up building

- Positively, around **six million people on disability benefits have started to receive £150 to help them manage rising living costs**. The vast majority of people eligible for the payment should receive it by the beginning of October, which will be paid automatically.
- The Government is also drawing up plans for a **public information campaign to encourage people to reduce energy use this winter**, amid fears that the price freeze may deter them from doing so and could increase the risk of blackouts if it means that households and businesses do not reduce consumption. In relation to this the Government is also looking at **discounts for cutting peak-time electricity use**, but energy firms have suggested that the discounts are too low to change consumer behaviour.
- The energy industry is supporting a plan it says could save homes and businesses up to £18 billion a year, by **reducing the prices charged for electricity generated from sources other than gas**. Trade body **Energy UK** said its proposals could cut £18 billion a year from energy bills, including £11 billion for businesses, while delivering a saving for households of between £150 and £250 a year.
- While Britain's biggest energy supplier, **British Gas** has pledged to donate 10 per cent of its profits to help customers tackle soaring bills for the "duration of the energy crisis", with thousands of households receiving grants of between £250 and £750.
- The Government has announced that **bus journeys in England will be capped at £2 from January to March next year** in a bid to ease the rising cost of living.
- This month we also saw **inflation fall to 9.9 per cent from 10.1 per cent in July**, the first time the rate has fallen in nearly a year. Data from the **Office for National Statistics** showed petrol prices dropped by more than 14p a litre in August, although the cost of food is still increasing. Further increases in the annual inflation rate are expected in the coming months as households are hit by rising domestic energy bills but the capping of the average annual bill at £2,500 will mean **the peak is now expected to be lower, at about 11%**.
- Despite the unexpected dip in inflation, the **Bank of England has raised interest rates from 1.75% to 2.25%**, the highest level in 14 years, as it seeks to slow rising inflation. Many households with **mortgages** will see their costs rise. People on a typical tracker mortgage will have to pay about £49 more a month, while those on standard variable rate mortgages will see a £31 increase.
- However, even with the announced Government support **inflation including food and energy bills remains far higher than a year ago** and the Government feels that gas prices could remain elevated for another two years. This is leading to many having their **savings wiped out** and almost 75% of the UK population has **less disposable income** now than they would usually have which is impacting business. While there are more **deprived households which are still not planning to heat their homes this winter**.
- A survey of 2,000 adults by the **debt charity Money Advice Trust** shows that nearly

11 million people, **one in five adults across the UK, have fallen behind with at least one household bill payment**, with women, those from ethnically diverse communities and those relying on benefits being worst affected.

- Higher inflation is also a concern for the **Levelling Up Agenda**, where councils are warning that projects to regenerate town centres, help struggling high streets and provide new leisure facilities are under threat from soaring inflation, with many **"levelling up" schemes having been paused or scaled back due to rising fuel, material and labour costs.**
- Councils are also warning of the **soaring cost of road repairs and street lighting** due to rising inflation and the war in Ukraine. Analysis by the **LGA and ADEPT** found that councils had faced a 22 per cent spike in the cost of road maintenance in the last six months, with a 38 per cent increase in the bill for running and repairing street lights, with some councils having seen their costs double. Before the invasion in February, around 60 per cent of bitumen used in Europe was sourced from Russia.
- Some councils are providing **warm banks**, designated public spaces that people can go to who may be struggling with energy costs over the winter.
- While inflation and interest rates have seen rapid rises and remain high, **wages lag behind price rises.** Growth in employees' average total pay (including bonuses) was 5.5% and growth in regular pay (excluding bonuses) was 5.2% in May to July 2022. In **real terms (adjusted for inflation), over the year, total pay fell by 2.6% and regular pay fell by 2.8%.** Average regular pay growth for the private sector was 6.0% in May to July 2022, and 2.0% for the public sector; outside of the height of the coronavirus pandemic period, this is the largest difference we have seen between the private sector and public sector.

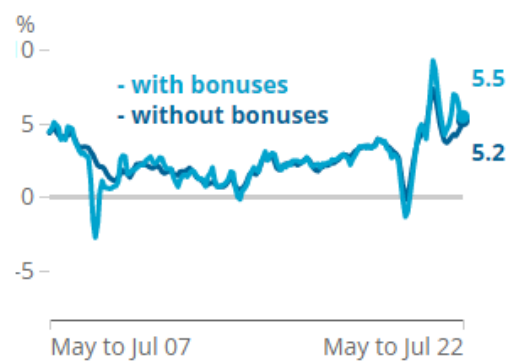
### Nominal Earnings

Average Weekly Earnings annual growth rates - nominal pay

Total and regular pay growth rates are at similar magnitude, which has not been the case for several months.

Source: ONS MWSS

[Read more](#)



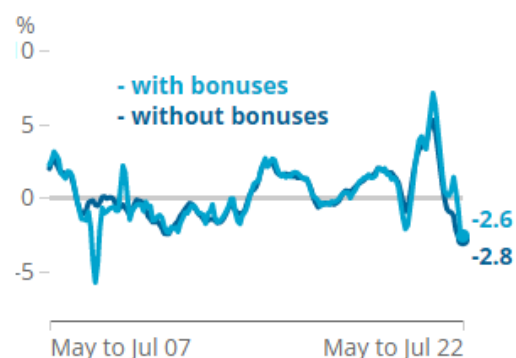
### Real Earnings

Average Weekly Earnings annual growth rates - real pay

Inflation has been increasing in recent months, causing real pay growth rates to decrease.

Source: ONS MWSS

[Read more](#)



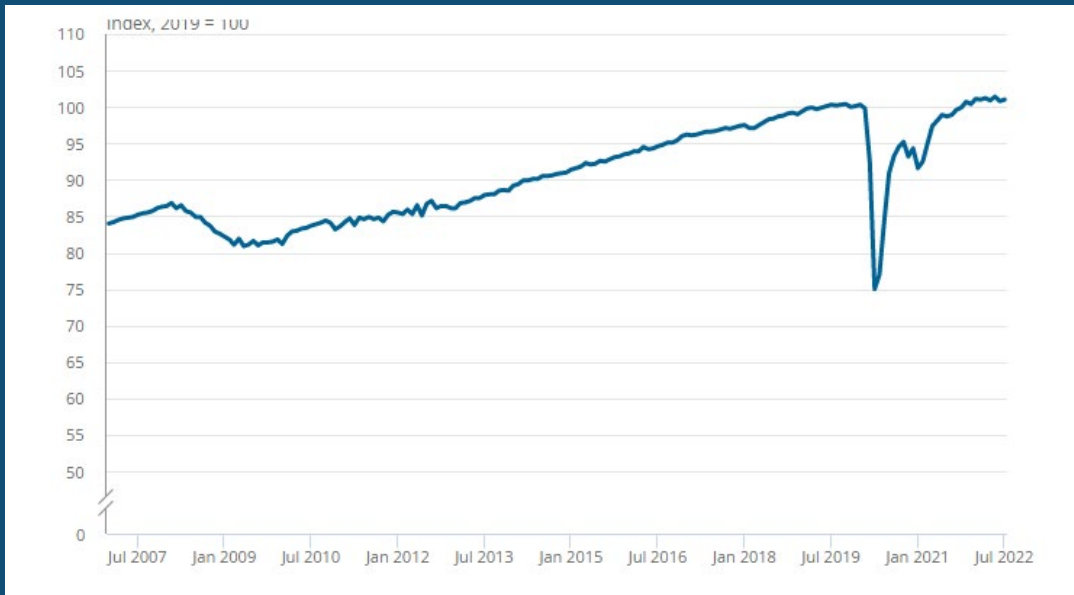
- Positively the **Real Living Wage** is rising by £1 to £10.90 across the UK and by 90p to £11.95 in London with immediate effect. The 10.1 per cent rise, which was brought forward from November, is the biggest in the scheme's 10-year history.
- There continue to be a number of **business-critical strikes** taking place or planned for the coming months:
  - **Twelve rail companies** held a strike again this month as their dispute over pay continues, coordinated by the **Aslef union**. Train drivers from Avanti West Coast, Southeastern, CrossCountry, London Northwestern Railway, West Midlands Railway, Great Western, Greater Anglia, LNER and Hull Trains, Arriva Rail London who operate London Underground joined the strikes on 15 September. Drivers have previously taken industrial action on 30 July and 13 August so far this year.
  - The **RMT** has announced that more than 40,000 **rail workers** from Network Rail and 15 train operators will strike again on 8 October as part of a long-running dispute over pay, jobs and conditions. This follows similar walk outs on 15 and 17 September.
  - **Royal mail postal workers** started four days of industrial action involving 115,000 workers, with a 48 hours strike on September 30 and October 1 also announced by the **Communication Workers Union (CWU)**. Letters will not be delivered on strike days and some parcels will be delayed.

## Economy

- **Globally the economy is continuing to weaken.** This is driven by inflationary pressure on prices, war, and a housing market crash in China.
- The **UK economy monthly gross domestic product (GDP) grew by 0.2% in July 2022**, following a fall of 0.6% in June 2022. Looking at the broader picture, GDP was flat in the three months to July compared with the previous three months.
- **Services** grew by 0.4% in July 2022 helped by the UK hosting the Women's Euro Championship, after a fall of 0.5% in June 2022, and was the main driver to the rise in GDP; information and communication grew by 1.5% and was the largest contributor to the services growth in July.
- **Production** fell by 0.3% after a fall of 0.9% in June 2022; this was mainly because of a fall of 3.4% in electricity, gas, steam, and air conditioning supply.
- **Construction** also fell in July 2022 by 0.8%, after a fall of 1.4% in June 2022; the decrease in monthly construction output in July 2022 came solely from repair and maintenance, which fell 2.6%.
- Output in **consumer-facing services** grew by 0.6% in July 2022, following flat growth in June 2022; consumer-facing services remained 4.3% below their pre-pandemic levels (February 2022) in July 2022.

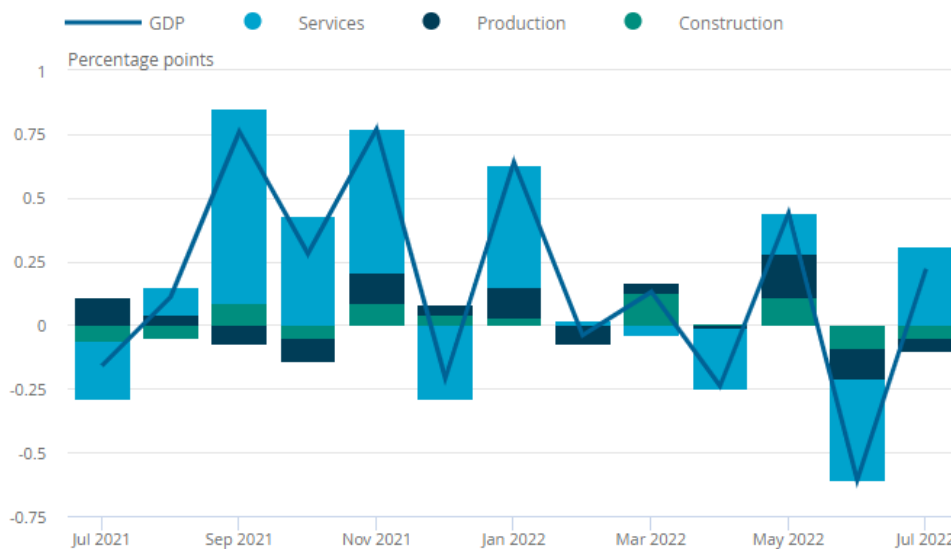


## GDP Monthly index, January 2007 to July 2022, UK



**Figure 2: Services was the main contributor to the positive GDP growth in July 2022**

### Contributions to monthly GDP growth, July 2021 to July 2022, UK



Source: Office for National Statistics – GDP monthly estimate

- The **Bank of England now expects the UK economy to shrink between July and September by 0.1%**. This comes after the economy already shrank slightly between April and June and will push the UK into **recession**, defined as when an economy shrinks for two consecutive quarters. It said a smaller-than-expected bounce back in July from the June bank holiday to celebrate the Queen's Platinum Jubilee and the additional bank holiday in September for the Queen's state funeral had both hit the economy. **The BoE, however, said it now expected inflation to not rise as high as it originally expected**, saying the government's help on energy bills for households and firms would help limit soaring prices. It now **expects inflation to**

**peak at just under 11% in October**, having previously forecast it would reach 13% next month. Nevertheless, inflation is currently nearly five times the Bank of England's 2% target and even if it peaks in October, it is expected to remain above 10% "over the following few months" before starting to fall.

- The latest forecast from the **British Chambers of Commerce** shows that the **UK will enter recession before the end of this year, with growth expected to be weak into 2024**. The BCC said it expects the UK economy to record three consecutive quarters of contraction - the definition of a recession - this year but then to grow in 2023, albeit at a very low 0.2 per cent with a slight increase to 1 per cent in 2024.
- **The pound** has plummeted to its lowest level against the US dollar since 1985. Sterling fell 0.64% to \$1.145 - a level not seen in 37 years. **The Bank of England** said a weaker outlook for the UK economy as well as a stronger dollar were putting pressure on sterling.
- **Retail sales** volumes fell by 1.6% in August 2022. This continues the downward trend seen since the lifting of restrictions on hospitality in summer 2021. Month-on-month retail sales fell across all sectors (food, non-food, non-store and fuel) for the first time since July 2021, with the drop in sales at non-food stores being the greatest contributor to the decrease. The amount spent (the value) of these sales fell in the month to August 2022 by 1.7% but increased by 13.7% compared to the pre-pandemic level in February 2020. The quantity bought (volume) of retail sales grew by 0.5% over the same period.

## 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 65 of the **Business Insights and Conditions Survey (BICS)**, which was live from 5 September to 18 September 2022.

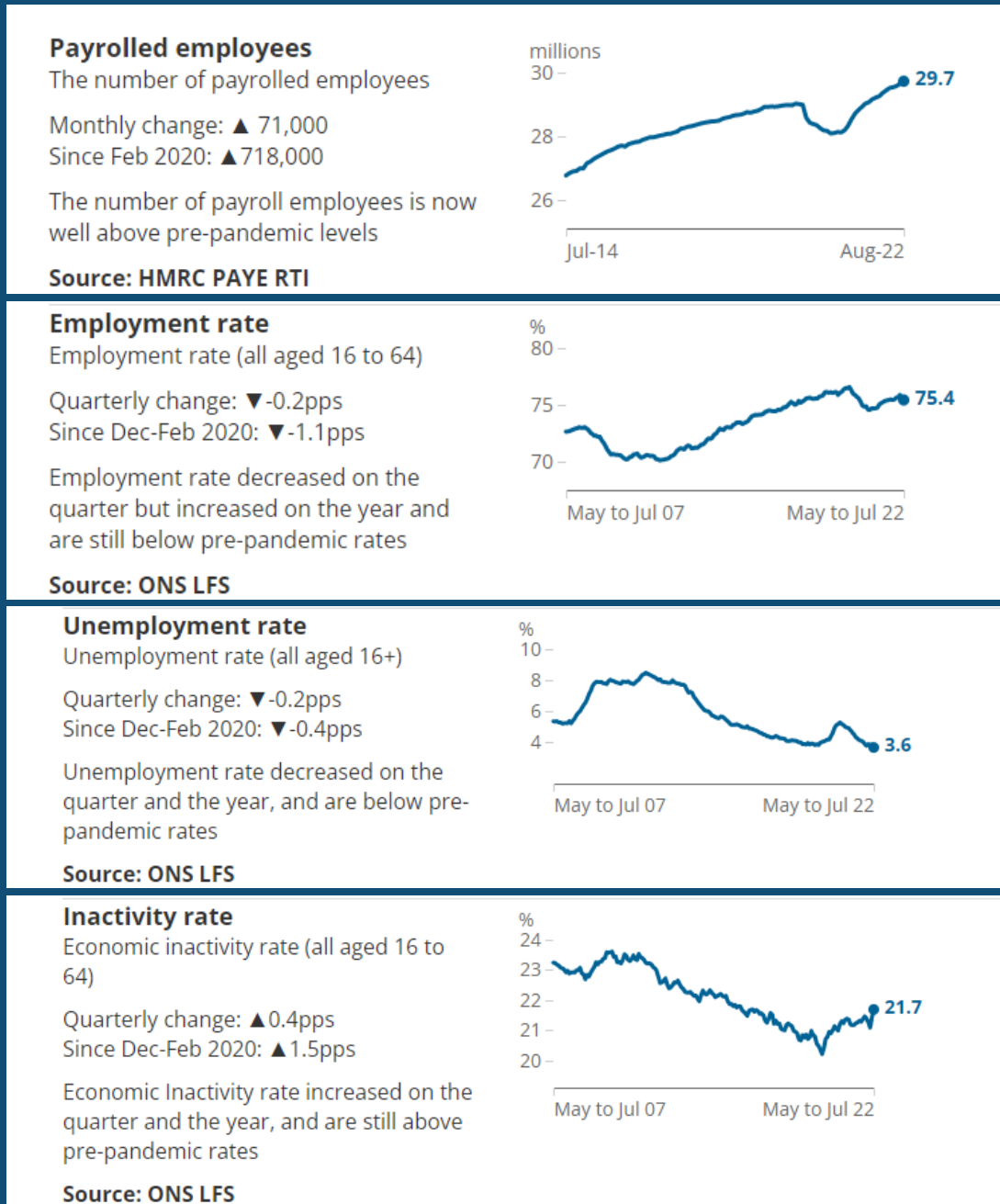
**Figure 1: Headline figures from the Business Insights and Conditions Survey**



- Of trading businesses, 44% reported an **increase in the prices of goods or services bought** in August 2022 compared with July 2022, this was down from the 46% who reported an increase between June and July 2022; in comparison, the percentage of businesses who reported an **increase in the prices of goods or services sold** was 20%, a slight fall from 23% in July 2022.
- Of trading businesses, more than a quarter (29%) **expect the prices of the goods or services they sell to increase** in October 2022, broadly stable with September 2022, with energy prices (46%) the most commonly reported reason for considering doing so.
- In August 2022, 1 in 10 (10%) businesses reported they had been **affected by industrial action**; more than a quarter (28%) of those affected reported they were unable to obtain necessary goods because of this.
- In August 2022, 26% of trading businesses reported their **turnover** was lower compared with July 2022, while 15% reported their turnover was higher (a net 11% of businesses reported lower turnover); the accommodation and food service activities industry reported the largest percentage of businesses whose turnover was lower, at 43% (a net decrease of 26%).
- Nearly one in five (19%) trading businesses **expect their turnover to decrease in October 2022**, compared with 15% of businesses who expect their turnover to increase.
- In August 2022 the overall number of **company insolvencies are 43% higher than in the same month last year and 42% 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.
- Many UK firms taking part in a **four-day working week trial** have said they will keep it in place after the pilot ends. More than 70 firms are taking part in the scheme where employees get 100 per cent pay for 80 per cent of their normal hours worked and at the halfway point in a six-month trial, data shows that productivity has been maintained or improved at the majority of firms.

## Labour Market

- The **labour market continues to recover**, with unemployment seeing a further decline this month with full-time employees and self-employed workers continuing to increase. However, a **smaller pool of labour due to increasing levels of economic inactivity and near record high job vacancies are causing the labour market to remain tight** 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 May to July 2022:



- The UK **employment rate** for May to July 2022 for people aged 16 to 64 years decreased by 0.2 percentage points on the quarter to 75.4% and is still below pre-pandemic levels by nearly a third of a million (327,000). Full-time employees and self-employed workers increased over the latest three-month period, while part-

time employees decreased.

- **Payrolled employees** for August 2022 shows a monthly increase, up 71,000 on the revised July 2022 figures, to a record 29.7 million.
- The **unemployment rate** for May to July 2022 decreased by 0.2 percentage points on the quarter to 3.6%, the lowest rate since May to July 1974. In the latest three-month period, the number of people unemployed for up to six months decreased to a record low, and those unemployed between 6 and 12 months increased. Meanwhile, the number of people unemployed for over 12 months continued to decrease.
- The **economic inactivity rate** increased by 0.4 percentage points on the quarter to 21.7% in May to July 2022, and above the pre-pandemic levels by nearly two thirds of a million (642,000). This increase in the latest three month period was largely driven by those aged 16 to 24 years and those aged 50 to 64 years. Looking at economic inactivity by reason, the increase during the latest three-month period was driven by those inactive because they are students or long-term sick.
- The number of **job vacancies** in June to August 2022 was 1,266,000, a decrease of 34,000 from the previous quarter and the largest quarterly fall since June to August 2020.
- The total number of **Workforce Jobs** in the UK in June 2022 rose by 290,000 on the quarter to a record 35.8 million, and for the first time exceeds the pre-pandemic level of December 2019.
- The **County Council Network** has warned Government that the **Adult social care** in England is in serious crisis, as it faces funding gaps and growing staffing shortages which has brought many local care providers to the brink of collapse. There is widespread local government concern over the increasing fragile state of social care after a recent acceleration of care costs, fuelled by unexpected wage and energy inflation.
- New research shows that **nearly 1.5 million patients have lost their GP** with the closure of almost 500 practices. Issues around recruitment were one factor in the closure of about two-fifths of the surgeries, while workloads and inadequate premises were also cited as reasons.
- A report by the **University of Portsmouth's Education Research, Innovation and Consultancy Unit** shows that schools in England risk "haemorrhaging" vital **teaching assistants** to better-paid jobs in supermarkets and other places because of "chronic" low pay and the cost-of-living crisis, with recruitment becoming increasingly difficult.



## Education and Skills

- Latest **Government DfE figures** show that **children whose first language isn't English are outperforming their native-speaking peers**, with eleven-year-olds who speak English as a second language have overtaken their classmates in reading, writing and maths results for the first time. Fifty-eight per cent of English native speakers at the end of primary school met the expected overall standard in reading, writing and maths in the last academic year, compared with 60 per cent of pupils whose first language isn't English.

## Green Economy

- **The new Prime Minister, Liz Truss has been urged by the All Party Parliamentary Group (APPG) for the Environment to stick to the UK's target to reach net zero by 2050.** The cross party group of 29 MPs and peers have written to the Prime Minister asking her to recommit to net zero and push forward with measures that would reduce greenhouse gas emissions.
- Research by the **Institute for Public Policy Research (IPPR)** think tank has shown that **installing heat pumps and good insulation across England's homes could knock hundreds of pounds off household bills and create millions of jobs.** Researchers at the IPPR have drawn up a 28-year plan to deliver energy-saving domestic upgrades across the country, in a bid to ease the strain on people's finances and the environment, at an annual cost of £7 billion.
- A similar piece of research by Cambridge Econometrics also shows the significant positive impact of decarbonising household heating in the UK by insulating homes and installing heat pumps, with significant environmental benefits vital to achieving net zero and a potential benefit to the UK economy of £7 billion a year and create 140,000 new jobs by 2030. In addition the research shows the wider socio-economic benefits including:
  - Reducing vulnerability to fuel poverty
  - Improved health and wellbeing
  - Greater educational attainment and employment opportunities
  - Financial benefits to occupiers and property-owners
  - Improved local air quality

## Housing

- A recent report in the **Financial Times** shows that **rent increases across the UK are forcing tenants to leave their homes and facing homelessness.** Rents are rising at their fastest pace since the financial crisis due to a combination of increased demand, slower turnover of rental homes and landlords passing costs on to tenants.
- The Government are to review imposing a **social housing rent cap** due to fears over the cost of living. They have announced a consultation on plans which could see increases as low as 3 per cent for people living in housing owned by councils and

housing associations. In a joint response, **the Chairman of the LGA Cllr James Jamieson and the National Housing Federation Chief Executive Kate Henderson** said that they “will do all they can to keep increases low where possible...[but] are very concerned” that a cap “will significantly impact on housing providers’ ability to provide critical services for residents and invest in new and existing homes”.

- The **chair of the Commons Public Accounts Committee** has said that Government attempts to fix the **housing crisis** are “not good enough” and affordable housing is “depressingly unattainable” for ordinary people, this comes in response to a report from the **National Audit Office** on the Government’s efforts to build more affordable homes. The NAO said the **Government’s Affordable Homes Programme** had a forecast shortfall of 32,000 in the number of homes to be delivered, which could be further affected by building cost inflation and shortages of materials and labour.

## Conclusion

- In conclusion, the **picture in Staffordshire remains positive with long-term improvement in the local economy and labour market** since the last national lockdown, due to the local partnership work in helping match those residents seeking work with the jobs our businesses are so successful in creating and where necessary equipping them with the new skills those jobs require. There also continue to be reports of **significant inward investment and business growth successes**, with the work of local partners key to a number of those success stories.
- Positively, we are now likely to be **close to the end of pandemic** and the **UK’s COVID alert level reduced to its lowest since its introduction** with the circulation of the disease and impact on the NHS both declining or stable. While the autumn booster campaign is now underway and will hopefully ease any further pressure on the health service.
- The **cost-of-living crisis and rising inflation** continues to be the most pressing matter for many, however the **Government has now announced a huge support package** which will **help ease living costs, reduce further inflation rises and boost economic growth**. Although there are some **low-income families** which may require further assistance over the winter months.
- **Globally the economy is continuing to weaken. This is driven by inflationary pressure on prices, war, and a housing market crash in China.** The **UK economy grew in July**, driven by strong performance in the service sector. However, the **Bank of England believes that we may be entering the start of the recession**, although it is **hoped that the Government growth plan support package will help to strengthen economic growth over the coming months and reduce the period of recession and long-term impact of the economic downturn.**
- 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 seeing their turnover decline as a result particularly those on the high-street** which were hardest hit by the pandemic. Although in contrast there are some **businesses in growth sector which are seeing an increase in turnover, such as in online retail and logistics to support booming e-commerce.**

- The **labour market continues to recover**, with unemployment continuing to decline and now at the lowest level since the 1970s. However, overall there is a **smaller pool of labour due to increasing levels of economic inactivity and near record high job vacancies which are causing the labour market to remain tight** with employers' findings it difficult to recruit the talent that they need to aid economic recovery and support growth.
- Given the **ongoing global and national socio-economic challenges** which persist it remains **vital that local partners work together to support local businesses and residents.** We continue to deliver the **Staffordshire Means Back to Business Programme** which has helped hundreds of Staffordshire **businesses transition to new business models including diversification, digitisation and greenification to improve their viability and sustainability.** And supported the creation of **over 400 new Apprenticeships.**
- 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 and Individual Insolvencies

This section covers the latest Insolvency Service monthly insolvency statistics<sup>1</sup> for August 2022, which show the number of new companies and individuals who are unable to pay debts and enter a formal insolvency procedure.

### Company Insolvencies

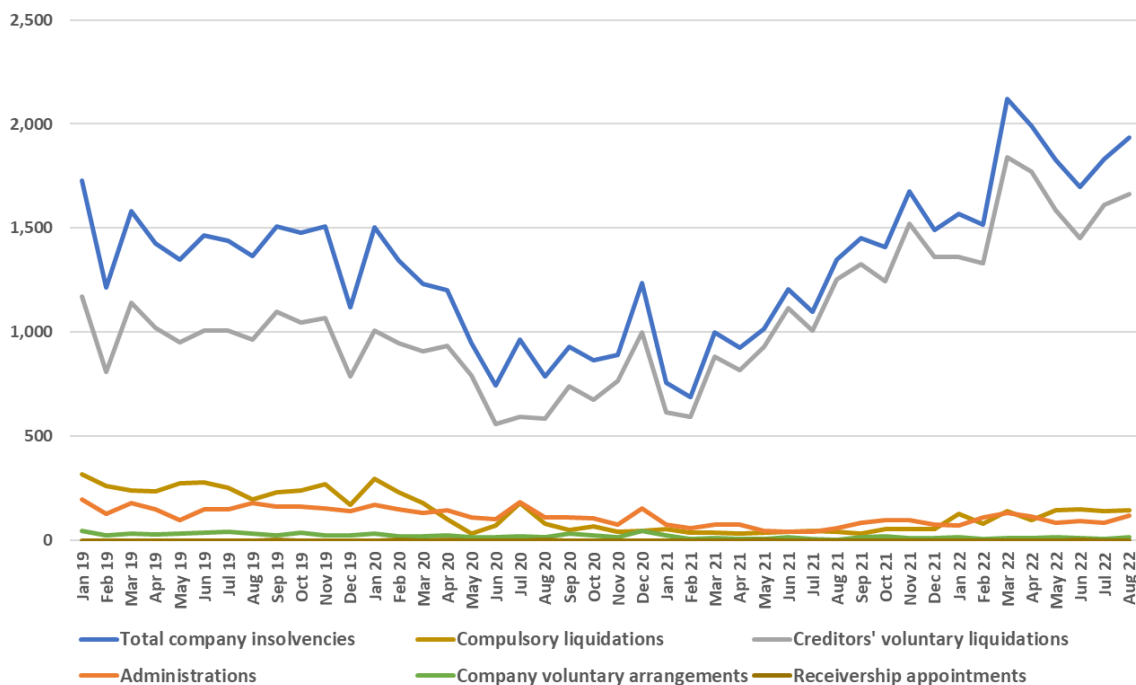
**In August 2022 there were a total of 1,933 company insolvencies in England and Wales.**

The overall number of **company insolvencies are 43% higher than in the same month last year and 42% 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 August 2022 there were 1,662 Creditors' Voluntary Liquidations (CVLs), 33% higher than in August 2021 and 73% higher than August 2019. Numbers for other types of company insolvencies, such as compulsory liquidations, remained lower than before the coronavirus (COVID-19) pandemic, although there were almost four times as many compulsory liquidations in August 2022 as in August 2021, and the number of administrations was more than twice as high as a year ago.

**Company insolvencies between September 2021 and August 2022 are now 72% higher compared to a year earlier, representing over 8,563 more businesses.**

### Company Insolvencies in England and Wales



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

<sup>1</sup> Source: The Insolvency Service <https://www.gov.uk/government/statistics/monthly-insolvency-statistics-august-2022/commentary-monthly-insolvency-statistics-august-2022> 2

**The sectors to have seen the largest number of company insolvencies between August 2021 and July 2022 are construction (3,840), wholesale and retail (2,704) and accommodation and food (2,335).** Levels now exceed those seen for the same period the previous year with construction 108% higher, wholesale and retail 96% higher, and accommodation and food 57% higher than levels seen a year earlier. This is clearly related to commodity costs in construction and the impact of the pandemic/cost of living on the high street.

### Individual Insolvencies

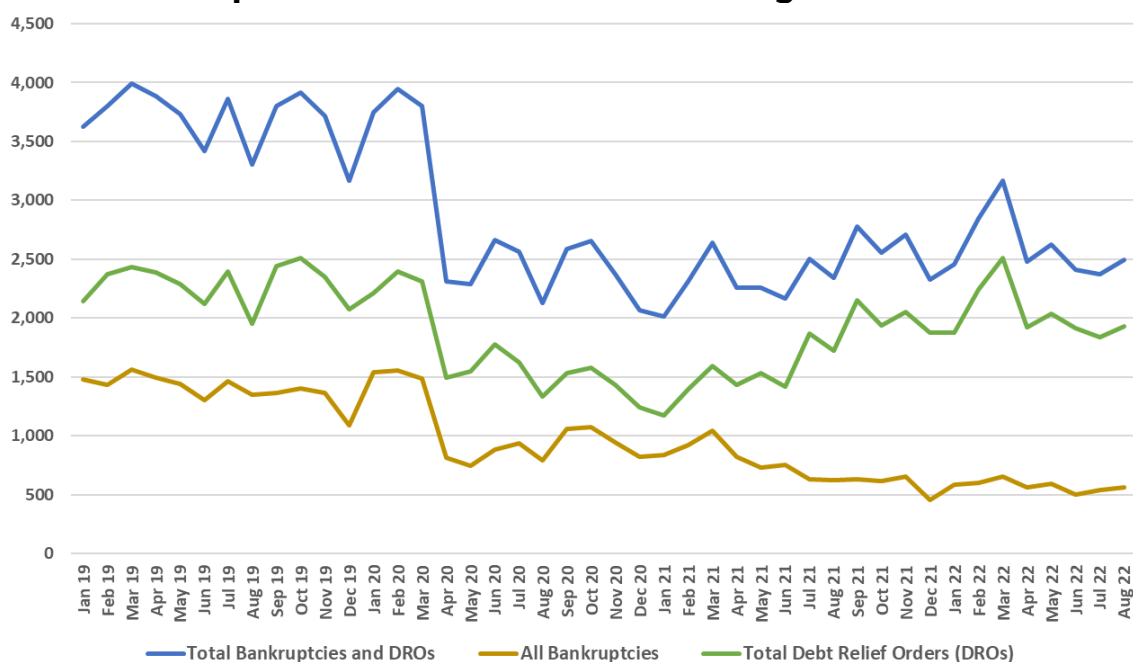
For individuals, **565 bankruptcies were registered in August 2022** (made up of 491 debtor applications and 74 creditor petitions), which was 10% lower than in August 2021 and 58% lower than August 2019.

There were 1,932 **Debt Relief Orders (DROs)** in August 2022, which was 12% higher than in August 2021 and now just 1% lower than the pre-pandemic comparison month (August 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, 7,340 IVAs registered per month in the three-month period ending August 2022, which is 5% higher than the three-month period ending August 2021, and 8% higher than the three-month period ending August 2019. IVA numbers have ranged from around 6,300 to 7,800 per month over the past year.

**Total bankruptcies and DROs between September 2021 and August 2022 are now 11% higher than the same period a year earlier, representing just over 3,050 more.**

### Bankruptcies and Debt Relief Orders in England and Wales



Sources: Insolvency Service

There were 6,058 Breathing Space registrations in August 2022, which is 25% higher than the number registered in August 2021. 5,971 were Standard breathing space registrations, which is 25% higher than in August 2021, and 87 were Mental Health breathing space registrations, which is 30% higher than the number in August 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 this 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<sup>2</sup>

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: August 2022

Area	Claimant Count Rate (August 2021)	Claimant Count Rate (July 2022)	Claimant Count Rate <sup>1</sup> (August 2022)	Number of Claimants (August 2022)	Monthly Change in Claimants (Numbers)	Monthly Change in Claimants (%)	Change in Claimants since March 2020 (Numbers)	Change in Claimants since March 2020 (%)
England	5.2	3.7	3.8	1,324,060	12,455	0.9%	260,555	24.5%
West Midlands	6.2	4.8	4.8	177,450	1,535	0.9%	33,100	22.9%
SSLEP	4.5	3.3	3.3	22,990	285	1.3%	3,620	18.7%
Birmingham	10.2	8.3	8.4	61,700	430	0.7%	12,330	25.0%
Wolverhampton	9.2	7.3	7.4	12,060	130	1.1%	1,680	16.2%
Sandwell	8.2	6.5	6.5	13,410	145	1.1%		
Walsall	7.4	5.5	5.6	9,775	250	2.6%	1,170	13.6%
Stoke-on-Trent	7.1	5.3	5.4	8,535	85	1.0%	1,215	16.6%
Dudley	6.2	4.8	4.8	9,400	25	0.3%	885	10.4%
Coventry	5.7	4.5	4.6	11,840	265	2.3%	3,840	48.0%
Telford and Wrekin	4.9	3.6	3.6	4,050	-10	-0.2%	620	18.1%
Solihull	4.7	3.4	3.3	4,240	-110	-2.5%	590	16.2%
Worcestershire	4.1	3.1	3.1	10,945	-10	-0.1%	2,640	31.8%
Warwickshire	3.7	2.8	2.8	9,890	95	1.0%	2,060	26.3%
Staffordshire	3.7	2.7	2.7	14,455	200	1.4%	2,405	20.0%
Shropshire	3.4	2.4	2.4	4,565	40	0.9%	555	13.8%
Herefordshire, County of	3.2	2.3	2.3	2,580	-5	-0.2%	470	22.3%
Tamworth	4.9	3.6	3.5	1,670	-10	-0.6%	180	12.1%
Cannock Chase	4.3	3.0	3.2	2,010	80	4.1%	355	21.5%
East Staffordshire	4.3	3.0	3.0	2,210	25	1.1%	490	28.5%
Newcastle-under-Lyme	3.7	2.7	2.7	2,200	10	0.5%	220	11.1%
Lichfield	3.4	2.5	2.6	1,590	50	3.2%	270	20.5%
South Staffordshire	3.6	2.5	2.6	1,720	35	2.1%	410	31.3%
Stafford	3.2	2.4	2.4	2,005	30	1.5%	350	21.1%
Staffordshire Moorlands	2.8	1.9	1.8	1,060	-15	-1.4%	140	15.2%

<sup>1</sup> The claimant rate is the proportion of the working age population claiming benefits

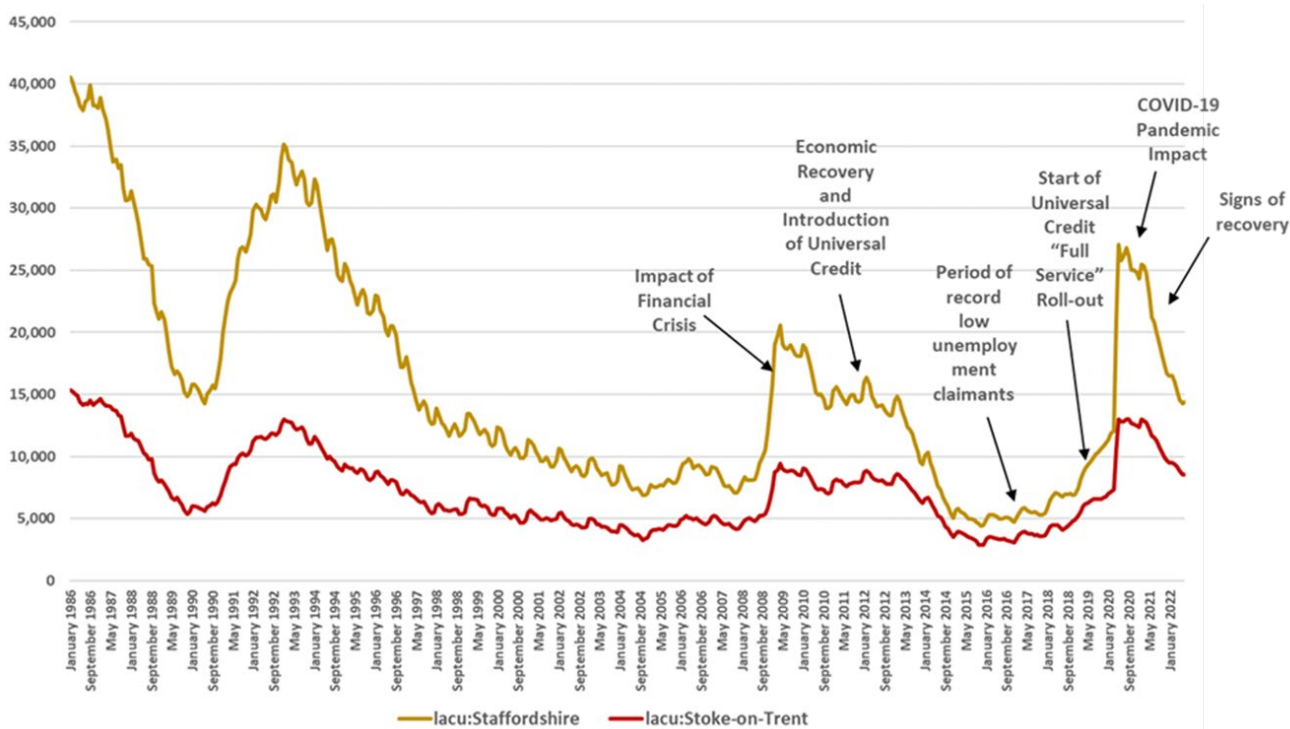
- The claimant count in Staffordshire saw a further increase of 200 claimants between July and August 2022 to a total of 14,455 claimants, this was a 1.4% increase and similar to the 0.9% increase seen nationally. The claimant rate has remained at 2.7% of the working age population in August.
- Stoke-on-Trent saw an increase of 85 over the same period with a total of 8,535 claimants in August, with the rate increasing to 5.4%.
- The reasons for such increases are complex and will be individual in nature with only DWP confidential case files identifying the precise reasons why residents have required the support of work-related benefits.
- However, it is clear that global events continue to impact the economy, primarily the war in Ukraine and the related increases in fuel and energy prices. Therefore, the current economic climate presents a number of challenges to the local, regional and

<sup>2</sup> Source: <https://www.nomisweb.co.uk/>

national economies in the short-term, with the Bank of England now predicting that we will enter recession this year and remain in contraction for some time.

- Clearly the impacts of these issues within Staffordshire are impossible to predict and will depend on many factors including any local and national support measures that are put in place.
- Unfortunately, we are likely to see increases in unemployment and therefore it is more important than ever that the right business support is in place to help viable businesses survive during these challenging times, help people to start their own business and ensure that benefit claimants have the right support to access the high number of jobs available in the economy such as the Government's 'Plan for Jobs' schemes including Kickstart, Restart and Skills Bootcamps and help prevent them becoming long-term unemployed.
- Overall, there has been clear improvement over the last year with claimants declining, however the total number of Universal Credit (UC) claimants remains 20.0% or 2,405 higher than the level seen in March 2020 (pre-COVID), although this is below the 24.5% increase seen nationally and 22.9% increase seen regionally.

### Staffordshire and Stoke-on-Trent Claimant Count



- 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 August 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 5.4%.
- This month the majority of Staffordshire Districts have seen an increase in the number of claimants, with the exception of Tamworth and Staffordshire Moorlands which saw small decreases. Cannock Chase saw the largest increase with a rise of 80 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 120 to a total of 2,595 young people which is similar to the regional and national picture where youth claimants have also increased this month. This is likely to be at least partly reflective of young people leaving formal education with no immediate job or further training to progress into.

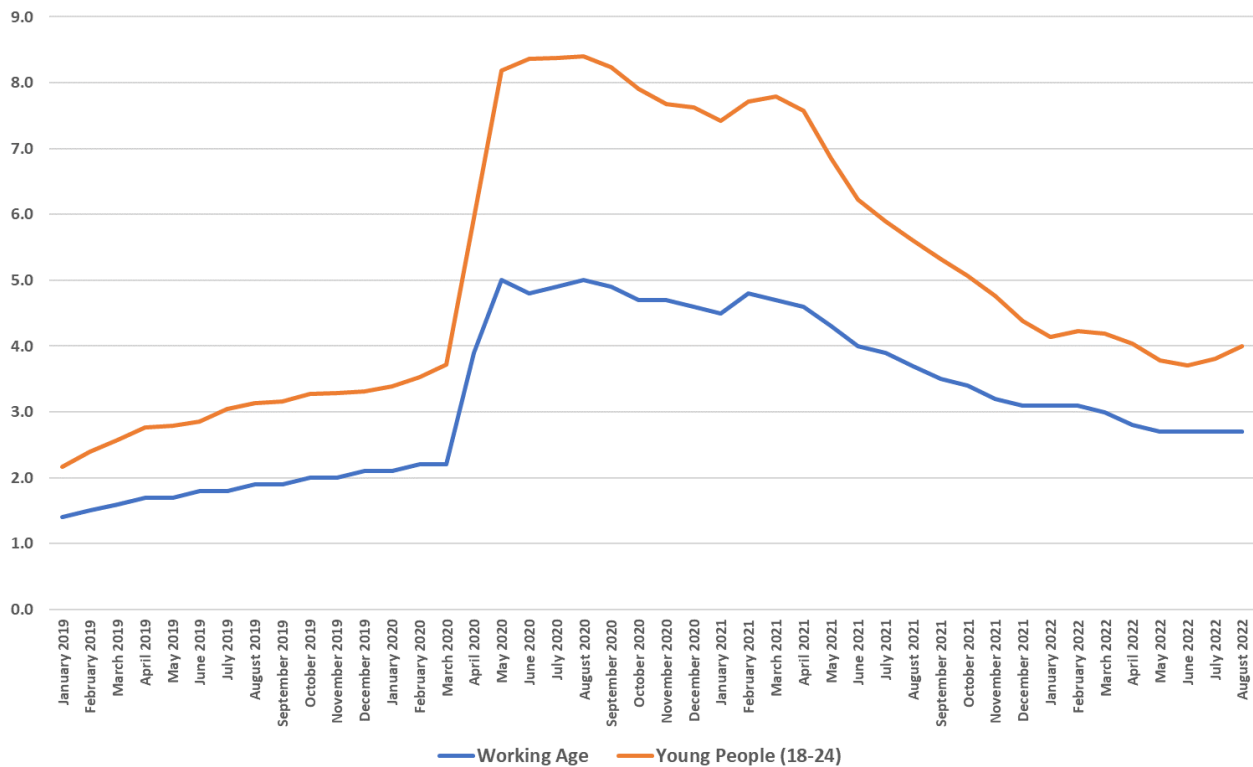
### Youth Claimant Count (Universal Credit) Statistics: August 2022

Area	Youth Claimant Count Rate (August 2021)	Youth Claimant Count Rate (July 2022)	Youth Claimant Count Rate <sup>1</sup> (August 2022)	Number of Youth Claimants (August 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	6.8	4.4	4.6	216,180	7,335	3.5%	18,450	9.3%
West Midlands	8.0	5.7	5.9	30,885	910	3.0%	2,980	10.7%
SSLEP	6.4	4.5	4.7	4,145	175	4.4%	325	8.5%
Wolverhampton	13.3	9.5	9.8	2,030	55	2.8%	120	6.3%
Sandwell	12.1	8.8	9.0	2,380	60	2.6%	265	12.5%
Walsall	11.5	7.8	8.2	1,880	90	5.0%	-35	-1.8%
Birmingham	9.9	7.4	7.6	10,570	230	2.2%	1,465	16.1%
Dudley	9.8	6.8	6.9	1,650	30	1.9%	-100	-5.7%
<b>Stoke on Trent</b>	<b>8.7</b>	<b>6.4</b>	<b>6.7</b>	<b>1,545</b>	<b>50</b>	<b>3.3%</b>	<b>140</b>	<b>10.0%</b>
Telford and Wrekin	7.9	5.7	5.8	855	10	1.2%	95	12.5%
Solihull	8.1	5.2	5.0	760	-30	-3.8%	-65	-7.9%
Worcestershire	6.3	4.4	4.6	1,900	85	4.7%	305	19.1%
<b>Staffordshire</b>	<b>5.6</b>	<b>3.8</b>	<b>4.0</b>	<b>2,595</b>	<b>120</b>	<b>4.8%</b>	<b>180</b>	<b>7.5%</b>
Coventry	4.7	3.6	3.7	2,035	90	4.6%	500	32.6%
Warwickshire	5.1	3.3	3.5	1,590	65	4.3%	255	19.1%
Shropshire	5.4	3.4	3.5	705	20	2.9%	-120	-14.5%
Herefordshire, County of	5.0	3.0	3.2	385	20	5.5%	-30	-7.2%
Tamworth	8.6	5.8	6.0	335	10	3.1%	40	13.6%
Cannock Chase	7.4	5.2	5.7	410	35	9.3%	45	12.3%
South Staffordshire	5.6	3.7	4.2	325	35	12.1%	75	30.0%
Lichfield	5.1	3.8	4.1	290	25	9.4%	20	7.4%
Stafford	4.9	4.0	4.0	350	0	0.0%	35	11.1%
East Staffordshire	6.4	3.9	3.8	325	-5	-1.5%	5	1.6%
Newcastle-under-Lyme	4.2	2.9	2.9	405	10	2.5%	-20	-4.7%
Staffordshire Moorlands	4.3	2.3	2.5	155	15	10.7%	-20	-11.4%

<sup>1</sup> The claimant rate is the proportion of the working age population claiming benefits

- The proportion of young people in Staffordshire aged 18-24 that are claiming work-related Universal Credit currently stands at 4.0% compared to 2.7% for the working age population, while in Stoke-on-Trent the rate is now at 6.7% in August following an increase of 50 youth claimants.

### Claimant Rate and Youth Claimant Rate in Staffordshire



- The majority of Staffordshire Districts have seen an increase in youth claimants this month, with only East Staffordshire seeing a decrease of 5 during August. Cannock Chase and South Staffordshire saw the largest increases of 35 youth claimants, followed by Lichfield which saw a rise of 25 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

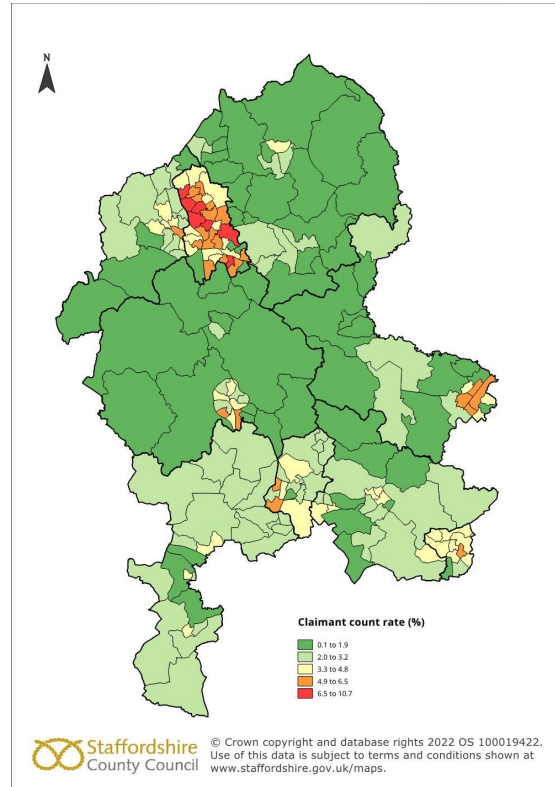
The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

### Claimant Count Rate August 2022

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 54 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 (10.7% or 490 claimants), Moorcroft (9.3% or 345) and Etruria and Hanley (8.2% or 440) having the highest rates.

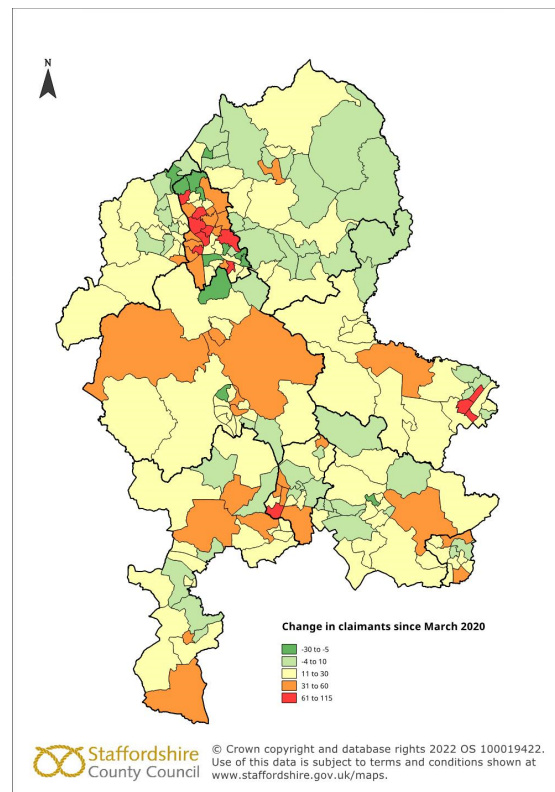
In Staffordshire the 3 wards with the highest claimant count rates were all in East Staffordshire, Burton (6.0% or 180), Anglesey (5.5% or 300), and Shobnall (5.4% or 295).



### Change in Claimant Count since March 2020

Out of the top 11 wards with the highest change in the number of claimants since March 2020 there were 8 in Stoke-on-Trent and include Joiner's Square (115 increase to 490 claimants), Hanley Park and Shelton (115 rise to 300 in total), and Bentilee and Ubberley (110 increase to 510).

The remaining 3 wards in the top 13 were all in East Staffordshire the highest increases seen in Anglesey (110 rise to 300), Shobnall (85 rise to 295) and Eton Park (80 increase to 260).





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

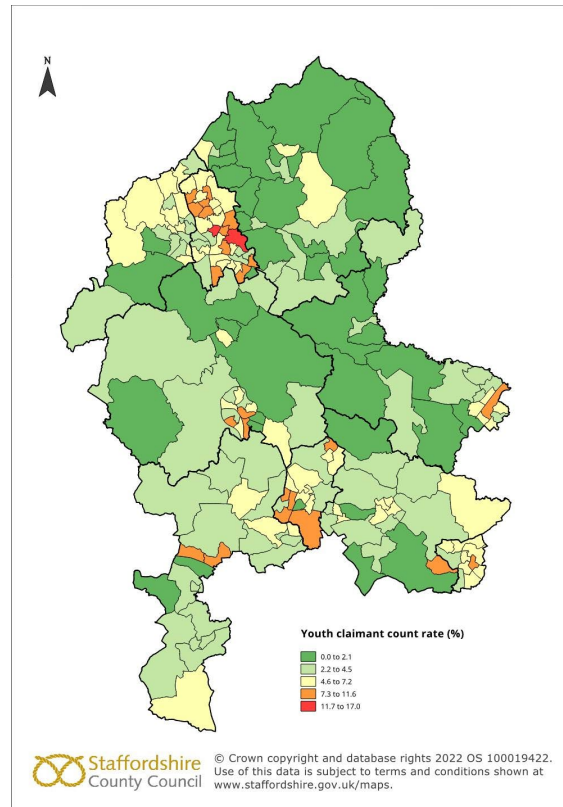
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

### Youth Claimant Count Rate August 2022

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 87 were above the England average of 4.6% for the number of claimants aged 18-24 as a proportion of the 18-24 population.

Of the top 11 wards with the highest youth claimant count rate 8 were in Stoke-on-Trent with Joiner's Square (17.0% or 130 claimants), Bentilee and Ubbertley (11.6% or 105) and Blurton West and Newstead (10.3% or 60) having the highest rates.

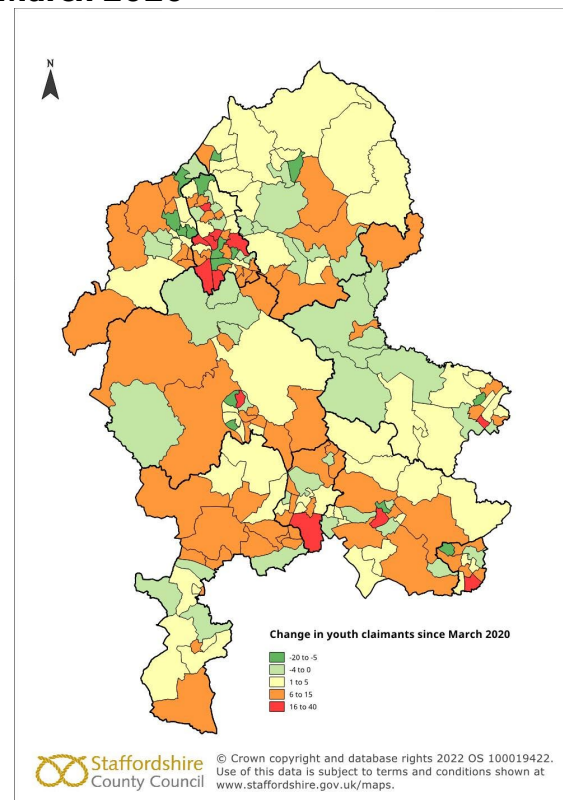
In Staffordshire, the highest rate was Penside in Stafford with 9.8% or 30, followed by Glascote in Tamworth with 9.5% or 55 and Blurton in East Staffordshire with 9.1% or 35 youth claimants.



### Change in Youth Claimant Count since March 2020

Out of the top 10 wards with the highest change in the number of youth claimants since March 2020 5 were in Stoke-on-Trent including Hanley Park and Shelton (40 rise to 70), Joiner's Square (30 increase to 130), and Blurton West and Newstead (25 rise to 60) with the highest increases since March 2020.

In Staffordshire, the highest increase was seen in Norton Canes in Cannock Chase with a 15 rise to 40, followed by Anglesey in East Staffordshire with an increase of 15 to 45 youth claimants.

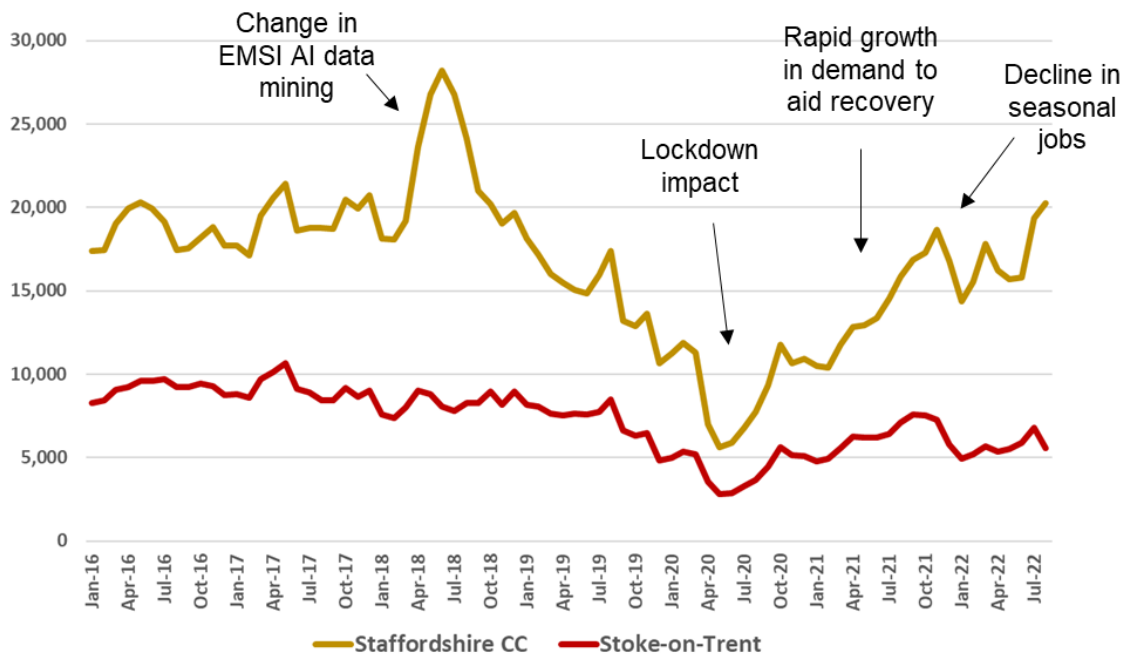




## Job Vacancies<sup>3</sup>

- **Staffordshire saw a 5% rise in job vacancies between July and August, equivalent to just over 900 more job vacancies to a total of over 20,200 which is more than work related benefit claimants.**
- **Stoke-on-Trent saw a 17% decline in vacancies equivalent to nearly 1,200 fewer job vacancies to a total of just under 5,600 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 social care (both adults and children), nurses, sales and customer service, logistics including storage occupations and van and LGV drivers, hospitality such as kitchen and catering assistants and chefs, engineering, digital/IT roles such as programmers, and teaching assistants.
- 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.\*\***

<sup>3</sup> Source: Lightcast (formerly EMSI/Burning Glass)

## Monthly Trends in recruitment

- 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.
- The main occupational groups to see an increase in vacancies during August were 'Process, Plant and Machine Operatives' (12% rise), 'Elementary Occupations' (7% rise), and 'Skilled Trades Occupations' (6% rise).
- The occupational groups which saw the largest decrease were 'Professional Occupations' (9% decline) and 'Caring, Leisure and Other Service Occupations' (5% decline).
- The occupations to see the most significant increases during August include roles in sectors experiencing recruitment difficulties such as manufacturing (welding trades, metal working and engineers), education (teaching assistants), logistics (storage occupations and van drivers), and hospitality (kitchen and catering assistants and catering and bar managers).

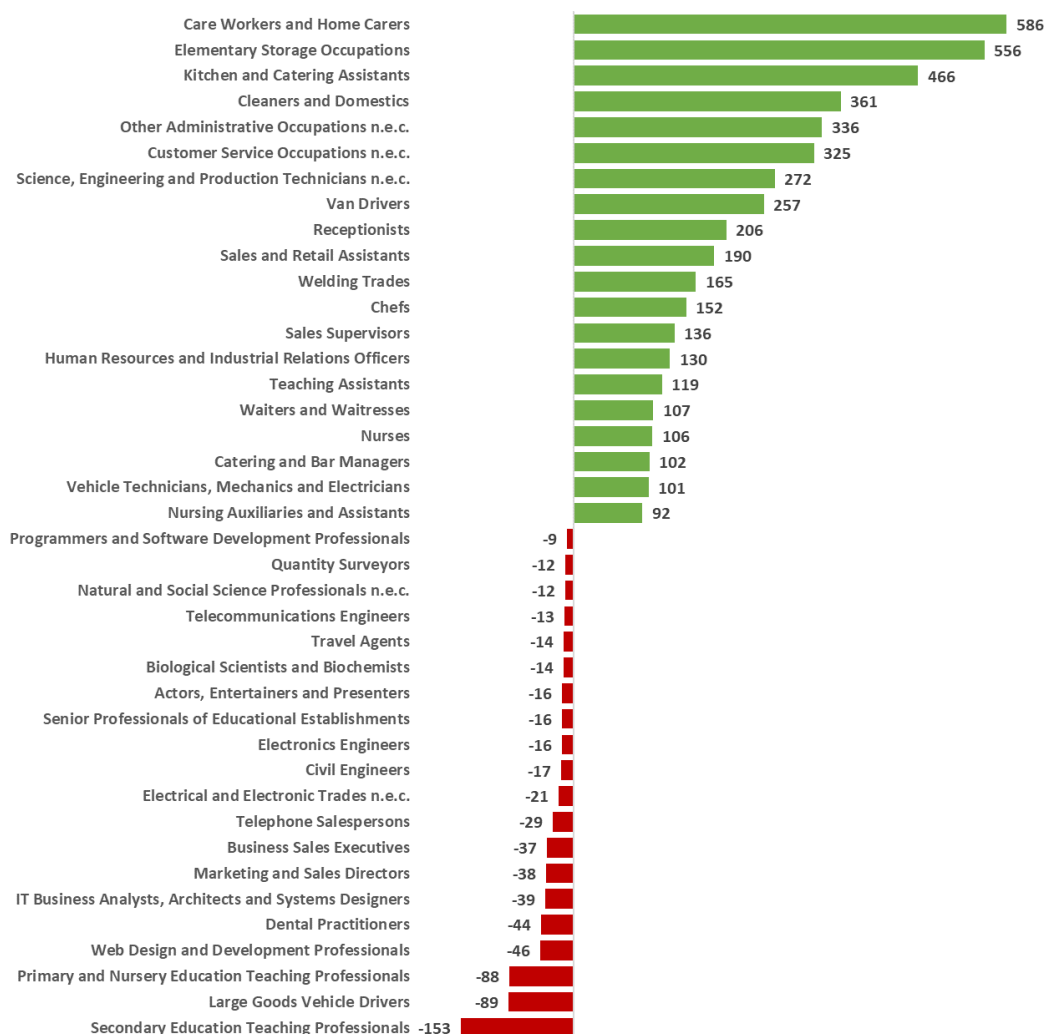
## Annual Trends in job vacancies

- The occupations to see the largest year-on-year increases have been in hospitality (kitchen and catering assistants, waiting staff and catering and bar managers), social care (care workers and home carers), sales and customer services, manufacturing (welding trades and engineers), education (teaching assistants).

## 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', 'chefs' and 'waiting staff'.
  - **Manufacturing** including 'science, engineering and production technicians' and 'welding trades'.
  - **Retail** including 'sales and retail assistants'.
  - **Education** including 'teaching assistants'.
- This is reflective of the ongoing long-term recruitment difficulties in health and social care, logistics, hospitality, manufacturing, retail, and education.

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

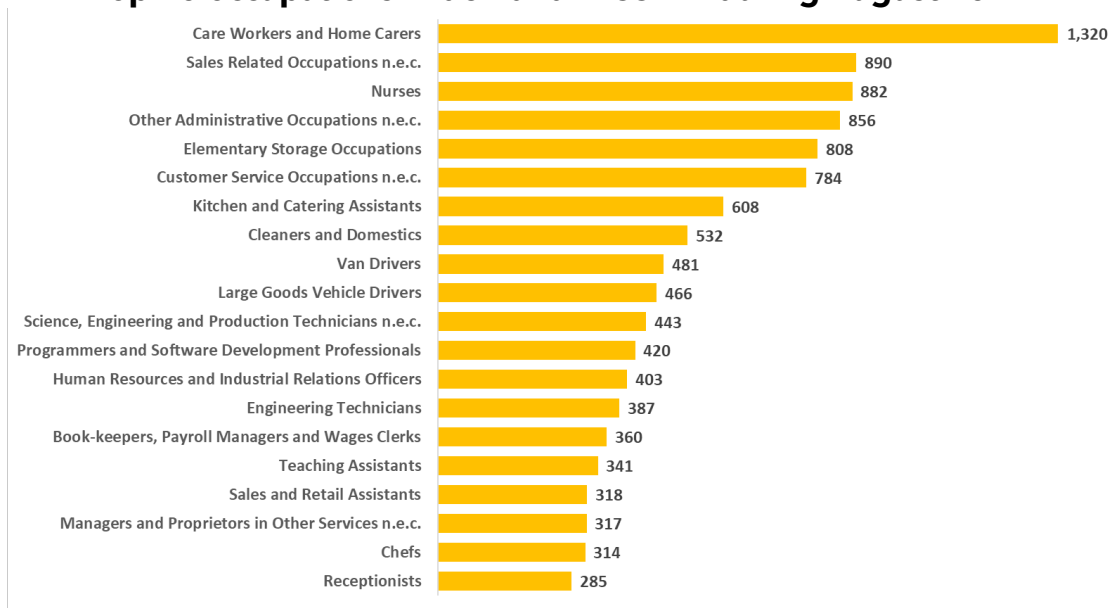


### Top Occupations in Demand

- Demand for roles in social care including **'care workers and home carers'** remain by far the strongest of all occupations.
- There remains high demand for **'sales related occupations', 'nurses', 'administrative occupations'** and **'customer service occupations'**.
- In logistics there is high demand for roles including **'elementary storage occupations', van drivers and LGV drivers'**. While in hospitality **'kitchen and catering assistants'** and **chefs** remain the roles in most demand.
- In manufacturing **'science, engineering and production technicians'** and **'engineering technicians'** are most in demand. There is also high demand for digital roles in particular **'programmers and software development professionals'**.

- 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 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 August 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	Aug 2021 Unique Postings	Jun 2022 Unique Postings	Jul 2022 Unique Postings	Aug 2022 Unique Postings	Jul 2022-Aug 2022 (Month on Month Change)	Jul 2022-Aug 2022 Monthly % Change	Aug 2021-Aug 2022 (Year on Year Change)	Aug 2021-Aug 2022 Annual % Change	Feb 2020-Aug 2022 (Month on Month Change)	Feb 2020-Aug 2022 Monthly % Change
Staffordshire CC	11,874	15,834	15,798	19,344	20,266	922	5%	4,432	28%	8,392	71%
Stoke-on-Trent	5,355	7,090	5,899	6,775	5,592	-1,183	-17%	-1,498	-21%	237	4%
SSLEP	17,229	22,924	21,697	26,119	25,858	-261	-1%	2,934	13%	8,629	50%
West Midlands	117,037	147,930	162,233	194,841	199,070	4,229	2%	51,140	35%	82,033	70%
England	1,126,753	1,661,824	1,847,464	2,162,902	2,105,957	-56,945	-3%	444,133	27%	979,204	87%
South Staffordshire	148	172	150	218	276	58	27%	104	60%	128	86%
East Staffordshire	2,665	3,721	4,748	5,663	5,606	-57	-1%	1,885	51%	2,941	110%
Tamworth	2,139	2,510	2,668	3,392	3,570	178	5%	1,060	42%	1,431	67%
Cannock Chase	1,613	2,072	1,793	2,357	2,908	551	23%	836	40%	1,295	80%
Lichfield	1,337	2,046	2,033	2,600	2,815	215	8%	769	38%	1,478	111%
Staffordshire Moorlands	267	438	647	670	437	-233	-35%	-1	0%	170	64%
Newcastle-under-Lyme	857	972	813	927	963	36	4%	-9	-1%	106	12%
Stafford	2,848	3,903	2,946	3,517	3,691	174	5%	-212	-5%	843	30%
Caring, Leisure and Other Service Occupations	1,415	1,925	2,328	2,689	2,563	-126	-5%	638	33%	1,148	81%
Elementary Occupations	1,001	2,352	2,245	2,902	3,112	210	7%	760	32%	2,111	211%
Sales and Customer Service Occupations	1,675	2,147	2,074	2,488	2,525	37	1%	378	18%	850	51%
Administrative and Secretarial Occupations	1,550	2,287	2,028	2,583	2,568	-15	-1%	281	12%	1,018	66%
Skilled Trades Occupations	1,252	1,862	1,518	1,931	2,051	120	6%	189	10%	799	64%
Managers, Directors and Senior Officials	1,370	1,603	1,547	1,815	1,760	-55	-3%	157	10%	390	28%
Process, Plant and Machine Operatives	1,229	1,629	1,257	1,578	1,772	194	12%	143	9%	543	44%
Associate Professional and Technical Occupations	2,861	3,822	3,555	4,212	4,088	-124	-3%	266	7%	1,227	43%
Professional Occupations	4,761	5,114	5,084	5,846	5,327	-519	-9%	213	4%	566	12%

## **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 their 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	<b>New Job Starters/PT employees/Self-employed with no income claiming Universal Credit not supported by JRS</b>	<b>In Employment</b> - 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	<b>Self-employed ceased trading or have very low income claiming Universal Credit</b> (and are either not eligible for, or not yet been paid, income under the SEISS)	<b>Economically inactive</b> - people out of work but are not looking for work - majority people previously self-employed
18%	190,000	<b>Working part-time low income workers claiming Universal Credit</b>	<b>In Employment</b>
10%	100,000	<b>Potential Redundancies</b>	
<b>100%</b>	<b>1,032,500</b>	<b>Claimant Count Increase Mar-20 to Apr-20</b>	

- 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.