Staffordshire & Stoke-on-Trent Economic Bulletin

Issue 27 – October 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.

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.**
- However, following long-term declines in the claimant count approaching pre-pandemic levels, the number of work-related benefit claimants in Staffordshire has started to rise again with an increase of **310 claimants between August and September 2022 to a total of 14,560 claimants**, this was a 2.2% increase which was above the 1.1% increase seen nationally. However, the **claimant rate has remained at 2.7% of the working age population in September.**
- 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 which are impacting local businesses.** This further pressure on our businesses alongside higher supply and staff costs and reduced consumer confidence is a particular concern in Staffordshire given that we have a larger proportion of businesses operating in high energy-intensive sectors (manufacturing; construction; logistics; wholesale and retail; and agriculture, food and farming) with high exposure to energy costs compared to the national average.
- 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 **starting 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 Restart and Skills Bootcamps and help prevent them becoming long-term unemployed.

- **The total number of Universal Credit (UC) claimants is now 20.8% or 2,510 higher than the level seen in March 2020 (pre-COVID)**, which is below the 24.4% 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 September 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 45 to a total of 2,605 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 has increased this month from 3.9% to 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 Restart and Skills Bootcamps continue to support these groups and help prevent them becoming long-term unemployed.
- **Staffordshire saw no change in the number of available job vacancies between August and September, with a total of 17,000 which is more than work related benefit claimants. Stoke-on-Trent saw a 2% rise in vacancies equivalent to a total of 5,300 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 September include roles in sectors experiencing recruitment difficulties such as **education** (teaching assistants), **digital** (programmers and software development professionals and web design and development professionals), **manufacturing** (engineers), and **logistics** (storage occupations and managers and directors in storage and warehousing). Alongside **roles to support business survival and growth** such as finance and investment analysts and advisers, management consultants and business analysts, and IT business analysts, architects and systems designers.

- 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', LGV drivers and van 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 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/survival 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 or limit business survival unless the skills gap is quickly and effectively addressed**, clearly skills providers and the Government's Plan for Jobs including the 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/survival 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 low levels of unemployment, a reduced labour pool due to increased economic inactivity for various reasons i.e. early retirement, young people remaining in further or higher education, health issues such as long-COVID and high numbers of job vacancies in key growth sectors. This is leading to clear skills gaps and difficulties around attracting people to the jobs that are in demand.
- Following the pandemic and signs of recovery with a long period of reduced work-related benefit claimants we are now starting to see the early impact of recent global events which are being felt on the local and national economy, with increasing claimants primarily because of the invasion of Ukraine and the related increases in fuel and energy prices leading to some businesses having to reduce staffing.
- There needs to be the right **business support** in place help business survive during these challenging times and **support for people to upskill and start their own business** will be more important than ever.
- 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 where possible support further economic recovery, innovation and growth.

Local Initiatives

- **National and global events continue to impact the local and UK-wide economy**, primarily the war in Ukraine and the related increases in fuel and energy prices which are impacting local businesses.
- Therefore, 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 champion and support the local 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 and

energy 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** has made a commitment to invest a minimum of £100,000 per year in **Start-up and Step-up business support programmes** on an on-going basis, aimed at helping those wanting to start and grow their own business which has a strong focus on making those businesses resilient.
- Businesses in Staffordshire will be able to benefit from a new free recruitment service which will help to match their employment vacancies with appropriate potential candidates. The **Staffordshire Jobs and Careers service**, which will be launched by the county council this month, provides advice and support to both businesses and people looking for employment opportunities. It will match vacancies with candidates looking for jobs in certain sectors and with appropriate skills. The service is working with a range of partner organisations and a team of specialist brokers will advise employers and potential employees with options available to them.
- **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.

- **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**
- A bid for one of the **Government's new Investment Zones** – which could accelerate business development and attract significant investment – has been submitted by councils in Staffordshire. Staffordshire was selected as one of 38 top tier authority areas to go forward for further consideration for Investment Zone status, announced by the Chancellor last month. The application covers two sites along the A50/A500 corridor, a critical strategic east/west route in Staffordshire. Potential investment sites could include Blyth Vale in Staffordshire Moorlands and Branston Locks near Burton. It has been submitted by the county council with full support of all eight district and borough councils through the Staffordshire Leaders Board, made up of all nine leaders.
- A fully-funded MSc is available for **Staffordshire University**. Have you got an idea to start your own business? Do you already own a start-up business that you want to accelerate or launch a spin-off venture? Or maybe you don't have a business idea yet but like the thought of being your own boss one day. Developed by successful entrepreneurs, the Staffordshire University fully funded* **Peter Coates MSc in Entrepreneurship** will give you the opportunity to grow a start-up idea into an investable business. Backed by the Peter Coates Foundation, there are full bursaries available* to eligible applicants and the opportunity to pitch for up to £200,000 investment in your business idea. To ensure that the course is the right fit for you, you can attend an upcoming virtual Q&A session. Here you'll have the opportunity to ask any questions you may have about the course, including the commitment required and the modules you will cover: 6 - 7 pm Tuesday 8 November
- Staffordshire will again take its wide-ranging investment offer to over 6,000 delegates at a leading national event next spring. The **inaugural UK Real Estate Infrastructure and Investment (UKREiiF) Conference** took place in Leeds in May

this year. The event brings together local and regional public sector organisations with Government, investors, funders, developers, housebuilders and more. A delegation from Staffordshire including the county council and its partners will return to next year's event between May 16 and 18 and again taking place in Leeds. The team will continue to promote the 'Staffordshire: A Place to Prosper' campaign which includes over £1bn of future projects, and follow-up on the successful launch of the Staffordshire Prospectus. This document sets out why the county is a top location to live, work, invest in and visit. Potential investors will find out more about recent successes in Staffordshire and major projects happening now or just about to get underway. These include the Stafford Gateway project, regeneration of town centres, Chatterley Valley Enterprise Zone, i54 South Staffordshire, the A50/A500 Growth Corridor and the West Midlands Interchange.

- The **County Council** is also supporting our residents and businesses through the **Here to Help – cost of living support programme**. This website sign-posts to a range of support that is already available to people.
- **Staffordshire County Council** has now agreed terms with the **Harworth Group**, using County Council funding together with our partner **Newcastle Under Lyme Borough Council**, through its Town Deal funding, to enable the development of the **Chatterley Valley business park** site alongside the A500 in the north of the county. This site is expected to generate over £90M of private sector investment and up to 1,700new jobs for local people. Furthermore, the new **Pets at Home HQ** is nearing completion in Stafford which in turn will generate over 800 jobs.
- **Specialist broadband company LilaConnect** is bringing lightning-fast, stable internet connectivity to 17,500 homes and businesses in Cannock and 4,000 in Penkridge. Construction of LilaConnect's gigabit full fibre network starts today with the first areas expected to go live by January 2023. By December 2023, all premises – both residential and commercial – across both towns will have access to one of the fastest, most reliable internet connections anywhere in the UK.
- A **17,000 sq ft of industrial warehouse unit at Marchington Industrial Estate in Uttoxeter** has been let to a freight company. The newly constructed units were originally due to provide three self-contained units but the agent on the scheme said interest was so strong that a deal was agreed with Staffordshire-based third-party logistics provider **Freight Management European** for all three units together.
- The Government's Skills for Life website showcases hundreds of government-funded skills opportunities. It promotes online learning options and free essential skills courses, such as numeracy, English and digital, sector specific qualifications, Skills Bootcamps, Free Courses for Jobs and in-work training, as well as personalised support and guidance from the National Careers Service. Refreshed campaign toolkits for the skills campaigns currently running for employers, adults and young people are available to share via your networks and channels, with your own audiences, staff and customers to help extend the reach of the campaigns to those people who will benefit most.

National Context

- This month we have seen the **Prime Minister, Liz Truss come under increasing political pressure** due to the **market impact of the Government's mid-term fiscal plan** resulting in the **sacking of Kwasi Kwarteng as Chancellor with Jeremy Hunt appointed in his place**.
- In order to **support market stability and fiscal sustainability** the new Chancellor has since **reversed "almost all" tax cuts** in the mini-budget and **energy bills support is to be scaled back**. The main points of the emergency statement include:
  Business measures in the Growth Plan that have been changed
  - **Corporation Tax**: Plans to raise Corporation Tax to 25% from April 2023 will be reinstated. The previously announced small profits rate of Corporation Tax will be maintained. Smaller or less profitable businesses will not pay the full 25% rate, and companies with less than £50,000 of profit will not see any increase at all, continuing to pay Corporation Tax at 19%.
  - **Off-payroll working**: The 2017 and 2021 reforms to off-payroll working rules (also known as IR35) will be maintained.
  - **Alcohol Duty**: The one year freeze to alcohol duty rates will be cancelled. The next steps of the Alcohol Duty Review announced in Growth Plan 2022 will continue as planned.
  - **Other measures**: VAT free shopping: The planned VAT-free shopping scheme for non-UK visitors to Great Britain will be cancelled.

  Business measures in the Growth Plan that have been maintained
  - **Energy support**: The Energy Bill Relief Scheme (EBRS) will provide a discount on wholesale gas and electricity prices to protect businesses and other non-domestic energy users, including charities and public sector organisations, from rising energy bills. The scheme will run for 6 months, and cover energy used from 1 October 2022 to 31 March 2023. Full details of the scheme including eligibility and how it will work can be seen here.
  - **Annual Investment Allowance (AIA)**: The Government will make permanent the temporary £1 million level of the AIA, which was due to expire after 31 March 2023. This means businesses can deduct 100% of the costs of qualifying plant and machinery up to £1 million in the first year.
  - **Company Share Option Plan (CSOP)**: From April 2023, qualifying companies will be able to issue up to £60,000 of CSOP options to employees, double the current £30,000 limit.
  - **Venture capital schemes**: From April 2023, companies will be able to raise up to £250,000 of Seed Enterprise Investment Scheme (SEIS) investment, a two-thirds increase.
  - **National Insurance**: The reversal of the National Insurance increase and the Health and Social Care Levy will remain. As a result of this tax cut, approximately 60% (920,000) of businesses with NICs liabilities will see a reduction their

National Insurance bills. View full details here.

Growth Plan measures focused on individuals and households that have been changed

- **Income tax**: The 1p reduction in the basic rate of income tax has been suspended. This means that the Basic Rate of Income Tax will remain at 20% indefinitely.
- **Dividend Tax**: The planned reversal of the 1.25% increase in dividends tax rates has been cancelled.

Growth Plan measures focused on individuals and households that have been maintained

- **Energy support**: The new Energy Price Guarantee (EPG) will continue to support households with energy costs, capping the unit price that consumers pay for electricity and gas.
    - However, the scheme will not run for the planned two years, but it will provide support until April 2023. A Treasury-led review will consider how to support households with energy bills after April 2023.
- **National Insurance**: From 6th November 2022, the government is cutting National Insurance by 1.25 percentage points and cancelling the Health & Social Care Levy which was due to take effect from April 2023. View full details in the government's dedicated factsheet.
- **Stamp Duty Land Tax**: From 23 September, the Government has:
    - Increased the threshold above which Stamp Duty Land Tax (SDLT) must be paid on the purchase of residential properties in England and Northern Ireland from £125,000 to £250,000.
    - Increased the threshold at which first time buyers begin to pay residential SDLT from £300,000 to £425,000
    - Increased the maximum value of a property on which first-time buyers' relief can be claimed from £500,000 to £625,000.

More information is available on the Government website, here.

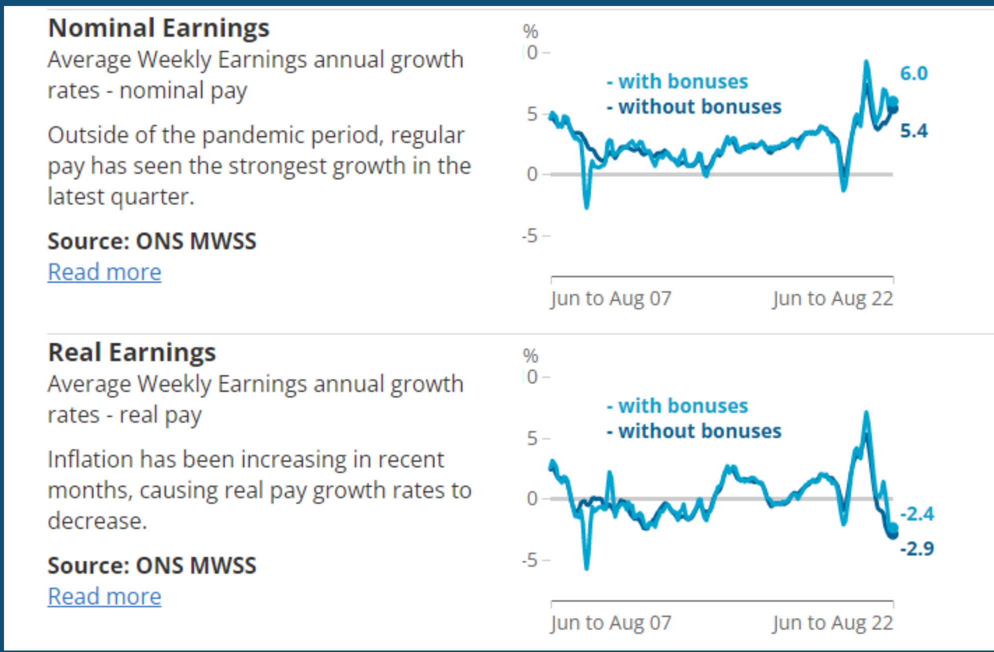
- This political and economic turmoil comes at a time when the **number of COVID-19 infections and hospitalisations are on the rise in England**, potentially signalling the start of the winter wave of the virus.
- While a **record one in 28 people now believe they have long Covid.** About 2.3 million people across the country (3.5 per cent) said they were still experiencing symptoms such as fatigue, brain fog and headaches at least four weeks after the infection cleared up, while figures from the Office for National Statistics showed more than one million people claim to still have symptoms at least a year after testing positive for Covid.
- The independent **Covid inquiry** has begun with the first preliminary hearing considered a significant milestone for the families who lost loved ones to the virus, and will focus on the UK's preparedness for a pandemic, the Government's response, and its impact on patients, NHS and social care staff and the public.

Cost of Living Crisis, Inflation and the War in Ukraine

- There remains **significant concern over the cost-of-living crisis for many residents and businesses** and given the change in direction by Government increased **uncertainty over the level of Government support in the medium to long term.**
- Positively, the Government has confirmed that more than eight million people will receive a **cost-of-living payment** of £324 in November, as part of the £650 grant to help low-income households cope with rising food and energy bills. The payments will be automatic for those on certain benefits, including universal credit and pension credit, and will arrive in accounts between 8 and 23 November.
- However, average **households' savings have more than halved since the start of the year** as the soaring cost of living forces people to tap into their savings. The cost of essential goods such as food, energy and mortgage repayments has risen by £145.50 a month this year for the average household, according to research by accounting firm KPMG, with households expected to be nearly £1,800 worse off on average by the end of the year and many facing an even steeper increase in their regular bills.
- It is hoped that Britain's **energy bills freeze** could prove much less expensive than feared by early next year, as City forecasters predict that **gas prices** will fall this winter following a successful effort across Europe to fill reserves. A halving in gas prices in the coming months would push average household bills below the £2,500 limit set by the Government's Energy Price Guarantee, slashing the cost of the intervention, according to estimates by Deutsche Bank. However, following the Government limiting the Energy Price Guarantee from two years to 6 months, **Cornwall Insight's latest forecast** suggests that typical household energy bills could reach £4,347 a year from April.
- **Inflation** rose to 10.1 per cent in September as living costs continued to increase. The **Office for National Statistics** said Consumer Prices Index inflation had returned to the 40-year high after a slight dip to 9.9 per cent in August, driven by **rising food costs** which increased by 14.5% in the year to September - the biggest rise since 1980 - with bread, cereals, meat and dairy prices all climbing.
- **Rising interest rates** to try to control **inflation** have led to significant **increases in mortgage rates**, with the average two-year fixed mortgage rate loan rising to more than 6.5% a 14-year high and up from 2.5 per cent three months earlier. While many available mortgages were withdrawn by lenders following the Government's mini-budget. Credit Suisse has warned that house prices could fall between 10 and 15 per cent as mortgage lenders suspend new deals and increase repayments.
- The **Governor of the Bank of England has warned interest rates may need to rise by more than previously expected**. Andrew Bailey said "inflationary pressures" meant a "stronger response" could be needed from the Bank than thought in August. The next rate rise decision is on 3 November.
- While inflation, interest rates and mortgage repayments have seen rapid rises and

remain high, **wages lag behind price rises**.

- **Growth in average total pay (including bonuses) was 6.0% and growth in regular pay (excluding bonuses) was 5.4% among employees in June to August 2022**. This is the strongest growth in regular pay seen outside of the coronavirus (COVID-19) pandemic period. Average regular pay growth was 6.2% for the private sector and 2.2% for the public sector. Outside of the height of the pandemic period, this is the largest growth seen for the private sector and the largest difference between the private sector and public sector.
- **In real terms (adjusted for inflation) over the year, total pay fell by 2.4% and regular pay fell by 2.9%.** This is slightly smaller than the record fall in real regular pay we saw April to June 2022 (3.0%), but still remains among the largest falls in growth since comparable records began in 2001.



- There continue to be a number of **business-critical strikes** taking place, planned or being proposed for the coming months:
  - **UK train drivers** held another strike on the 5th October in a dispute over pay and conditions, organised by as **ASLEF and the TSSA unions**. The action impacted services operated by Avanti West Coast, Chiltern, CrossCountry, East Midlands Trains, Greater Anglia, Great Western Railway, Hull Trains, LNER, London Overground, Northern Trains, Southeastern, Transpennine Express and West Midlands Trains.
  - The **RMT union** has announced that more rail strikes over pay and conditions will take place on 3, 5, and 7 November. RMT rail workers at London Underground and London Overground will also strike on 3 November.
  - The **Communications Workers Union (CWU)** is holding strike action for **postal workers** on various days starting on Thursday 13 October, taking in Black Friday week and Cyber Monday. The strike action will be taken by all workers on 13, 20, and 25 October, and 28 November.
  - Hundreds of thousands of **teachers** are poised to strike before Christmas over sub-inflation pay rises, in a move that threatens to shut schools across England. Internal figures compiled by the **National Education Union**, the country's

largest education union, suggest as many as nine in ten teachers are prepared to back industrial action.
    - **Nurses** are set to cast their votes on whether to strike over pay in the first ever UK-wide ballot by the industry's largest union, with **the Royal College of Nursing** asking its members if they want to implement industrial action for the first time. It comes amid warnings that record numbers of nurses are leaving the profession.

Economy

- **Globally the economy is continuing to weaken leading to rising fears of a recession**. This is driven by inflationary pressure on prices, war, and a housing market crash in China.
- Following the market and investors **reaction to the Government's mini-budget the pound fell to a record low against the dollar** and the **Bank of England made a emergency moves to calm the markets** by buying more government bonds to try to stabilise their price and prevent a sell-off that could put some pension funds at risk of collapse.
- The **UK economy monthly gross domestic product (GDP) unexpectedly fell by 0.3% in August 2022**, following growth of 0.1% in July 2022 (revised down from a growth of 0.2%).
- There has been a continued slowing in the underlying quarterly three-month on three-month growth, where GDP also fell by 0.3% in the three months to August compared with the three months to May 2022.
- **Production** fell by 1.8% in August 2022 after a fall of 1.1% in July 2022 (revised down from a fall of 0.3%) and was the main contributor to the fall in GDP; this fall was mainly because of a decrease of 1.6% in **manufacturing**.
- **Services** fell by 0.1% in August 2022, after growth of 0.3% in July 2022 (revised down from a 0.4% growth); human **health and social work** activities, and **arts, entertainment and recreation** activities fell by 1.3% and 5.0% respectively and were the largest contributors to the small fall in services in August, partially offset by growth of 1.2% in professional, scientific and technical activities.
- **Construction** grew by 0.4% in August 2022, after growth of 0.1% in July 2022 (revised up from a fall of 0.8%); the increase in monthly construction output in August came solely from a 1.9% increase in new work, as repair and maintenance saw a decrease of 2.0% on the month.
- Output in **consumer-facing services** fell by 1.8% in August 2022, after growth of 0.7% in July 2022 (revised up from growth of 0.6%).

GDP Monthly index, January 2007 to August 2022, UK

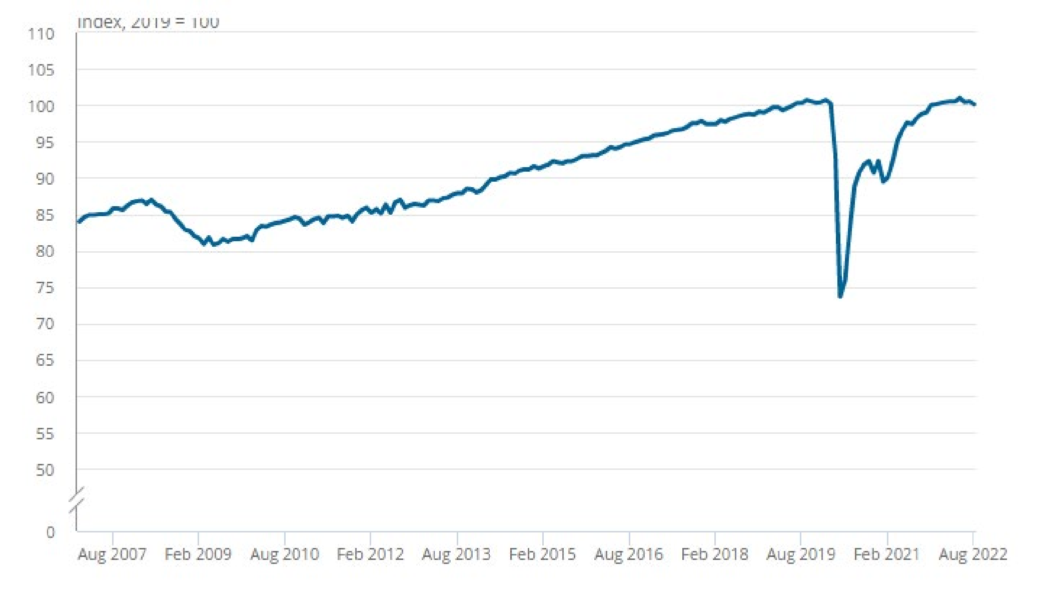
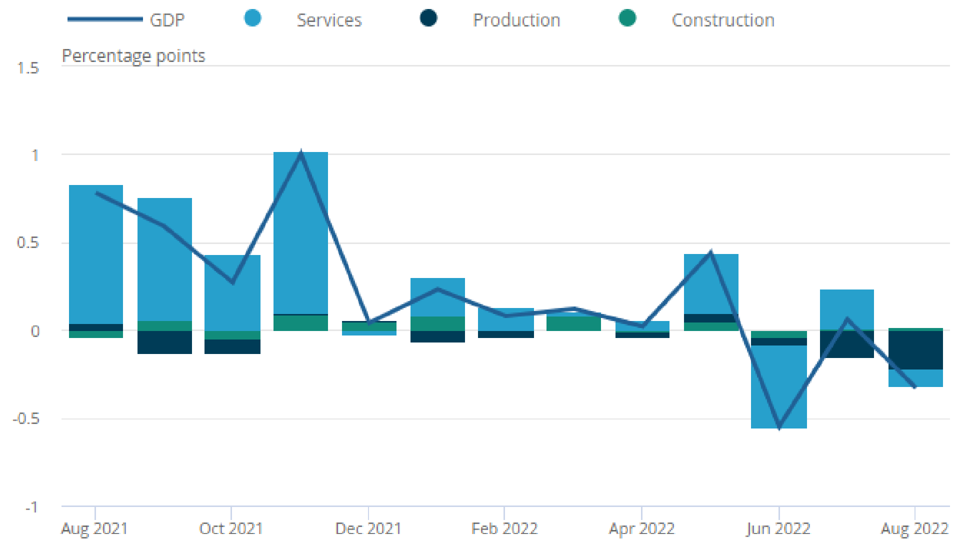


Figure 2: Production was the main contributor to the negative GDP growth in August 2022

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



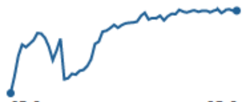
Source: Office for National Statistics – GDP monthly estimate

- To help boost growth the Government are currently in discussion with 38 local authorities in England about taking advantage of **new investment zones**, with 24 sites earmarked. Staffordshire County Council has submitted its expression of interest for an investment zone along the A50-A500 hydrogen valley corridor with two employment sites covered by the bid at Blyth Vale in Staffordshire Moorlands and Branston Locks in East Staffordshire.

Business Challenges

- Lingering **business issues including energy costs, commodity costs, wage pressures and supply-chain constraints** and persistent **labour market challenges,** alongside **uncertainty around the Governments economic plans** are leading to **weakening structural business conditions and confidence.**
- The following charts show the latest results from Wave 66 of the **Business Insights and Conditions Survey (BICS)**, which was live from 20 Sept to 2 Oct 2022. Approximately two-thirds of the responses to the survey were provided prior to the chancellor of the exchequer's fiscal statement on 23 September 2022, whereas the remaining third were provided after the announcement had been made.

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

Indicator	Latest data compared with **previous wave**	Latest data compared with **period covering the start of 2022**	Latest data compared with **equivalent period the previous year**	Timeline
Trading status Currently trading Units	0.0▲	3.3▲	3.7▲	 65.9 15/06/2020 93.9 02/10/2022
Trading status Temporarily closed or paused trading Units	1.1▲	-2.5▼	-1.7▼	 33.4 15/06/2020 4.9 02/10/2022
Intra UK Procurement Yes, the business has been able to get the materials, goods or services it needed	0.5▲	5.0▲	11.5▲	 43.4 01/06/2020 48.5 31/08/2022
Intra UK Procurement Yes, but the business had to change suppliers or find alternative solutions	1.8▲	2.9▲	4.1▲	 19.2 01/06/2020 14.3 31/08/2022
Intra UK Procurement No, the business has not been able to get the materials, goods or services needed Units	0.9▲	2.0▲	-2.5▼	 9.2 01/06/2020 5.9 31/08/2022

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

- In late September 2022, of businesses who reported on the **frequency that they pay their energy bills**, 34% reported they have fixed or hedged electricity contracts, this percentage was 29% for gas; of these, 18% are **expecting their electricity bills to increase** by more than 300% at the end of their contract, and 17% expect the same for their gas bills.
- In late September 2022, 42% of businesses not permanently stopped trading reported they had **not passed on their higher costs to customers**, with businesses in the professional, scientific and technical activities industry reporting the highest proportion, at 66%.
- For October 2022, **input price inflation and energy prices continue to remain the top two concerns reported by businesses**, at 24% and 23%, respectively.
- In late September 2022, of not permanently stopped trading businesses, nearly half (46%) reported they were **not concerned about the impact climate change may have on their business.**
- In August 2022, 18% of businesses with 10 or more employees reported **experiencing global supply chain disruption**, with 34% of those businesses reporting a **shortage of materials** as the main reason for the disruption.
- In September 2022 the overall number of **company insolvencies are 16% higher than in the same month last year and 11% higher than three years previously (pre-pandemic).** The main concern with 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.
- The **British Chamber of Commerce's Quarterly Economic Survey (QES)** for Q3 2022 shows a significant decline of key economic indicators including business sales, cashflow, and profit expectations, with weakening structural business conditions and confidence a cause for concern.
- Business and residents may also face **potential gas shortages this winter** with **Ofgem** warning that the UK is at a "significant risk" of experiencing gas shortages this winter. The industry regulator said due to the ongoing war in Ukraine, the country could enter a "gas supply emergency", leading to supplies being cut to power stations which use gas to generate electricity. Gas-fired power stations currently generate between 40 and 60 per cent of the UK's electricity.

Labour Market

- **Economic inactivity continues to increase** due to long-term health issues such as long-Covid and mental health problems, alongside older workers taking early retirement and young people staying in education and overall is **significantly above pre-pandemic levels.**
- This has **seen overall employment decline and remains well below pre-pandemic levels** and at the same time has **contributed to record low unemployment** with many no longer looking for work or claiming out of work benefits.
- This **reduced overall workforce and smaller pool of labour and skills for businesses to draw on led to record high job vacancies which remain very high and the labour market remains tight** with employers' findings it difficult to recruit the talent that they need to aid economic recovery and support growth.
- The following charts shows the latest **labour market position** and the latest data for June to August 2022:

Inactivity rate

Economic inactivity rate (all aged 16 to 64)

Quarterly change: ▲0.6pps
Since Dec-Feb 2020: ▲1.4pps

The economic inactivity rate increased on the quarter and the year, and is still above pre-pandemic rates.

Source: ONS LFS

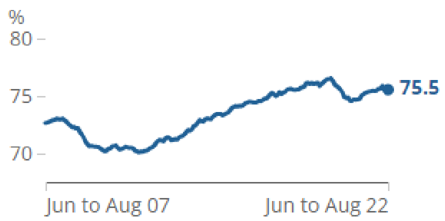
Employment rate

Employment rate (all aged 16 to 64)

Quarterly change: ▼-0.3pps
Since Dec-Feb 2020: ▼-1.0pps

The employment rate decreased on the quarter but increased on the year and is still below pre-pandemic rates.

Source: ONS LFS



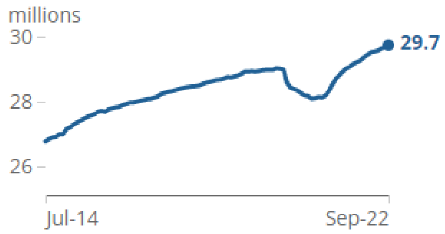
Payrolled employees

The number of payrolled employees

Monthly change: ▲ 69,000
Since Feb 2020: ▲730,000

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

Source: HMRC PAYE RTI



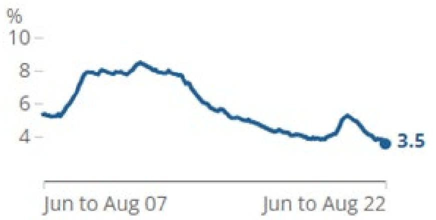
Unemployment rate

Unemployment rate (all aged 16+)

Quarterly change: ▼-0.3pps
Since Dec-Feb 2020: ▼-0.5pps

The unemployment rate decreased on the quarter and the year, and is below pre-pandemic rates.

Source: ONS LFS

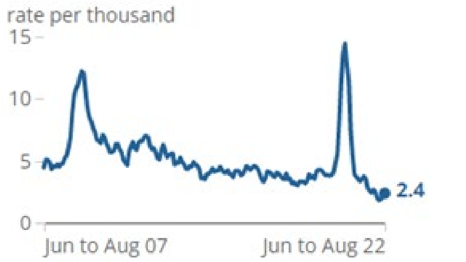


Redundancy rate
Redundancy rate (per 1000 employees)

Quarterly change: ▲0.5 people per thousand
Since Dec-Feb 2020: ▼-1.5 people per thousand

The redundancy rate increased on the quarter but is below pre-pandemic rates.

Source: ONS LFS

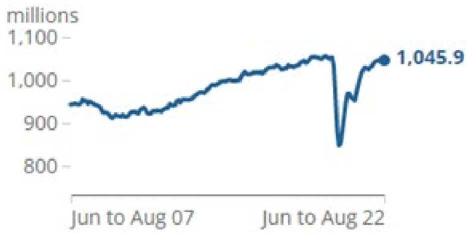


Hours worked
Total actual weekly hours worked

Quarterly change: ▼-0.4 million
Since Dec-Feb 2020: ▼-6.3 million

Total actual weekly hours worked decreased on the quarter, and are still below pre-pandemic levels.

Source: ONS LFS

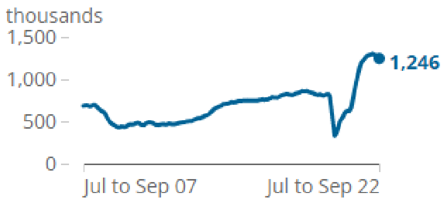


Job vacancies
Number of job vacancies

Quarterly change: ▼-46,000
Since Jan-Mar 2020: ▲450,000

Vacancies decreased on the quarter but are above pre-pandemic levels.

Source: ONS Vacancy Survey



- The **economic inactivity rate** increased by 0.6 percentage points to 21.7% in June to August 2022, compared with the previous quarter (March to May 2022), which had a notably lower economic inactivity rate than other periods. This increase in the latest quarter was largely driven by those aged 50 to 64 years and those aged 16 to 24 years. Looking at economic inactivity by reason, the quarterly increase was driven by people inactive because they are long-term sick or because they are students. **Numbers of those economically inactive because they are long-term sick increased to a record high. Those economically inactive remain 630,000 higher than pre-pandemic levels.**
- The **UK employment rate** for June to August 2022 was 75.5%, 0.3 percentage points lower than the previous quarter (March to May 2022), which had a notably higher employment rate than other periods. The number of employees decreased on the quarter, while self-employed workers increased. **The employment rate is 1.0 percentage point lower than before the pandemic, equivalent to 319,000 fewer workers.**
- The most timely estimate of **payrolled employees** for September 2022 shows another monthly increase, up 69,000 on the revised August 2022 figures, to a record 29.7 million.
- The **unemployment rate** for June to August 2022 decreased by 0.3 percentage points on the quarter to 3.5%, the lowest rate since December to February 1974. The number of people unemployed for between 6 and 12 months increased on the

quarter, while there were decreases for the short-term (up to 6 months) and long-term (over 12 months) unemployed. In June to August 2022, **the number of unemployed people per vacancy fell to a record low of 0.9.**

- In July to September 2022, the estimated **number of vacancies** fell by 46,000 on the quarter to 1,246,000, this is the largest fall on the quarter since June to August 2020. **Despite three consecutive quarterly falls, the number of vacancies remain at historically high levels.**
- **Royal Mail** has announced plans to cut 10,000 jobs by next August, blaming ongoing strike action and rising losses at the business with full-year losses expected to hit £350m. The postal company said it will begin notifying workers of its plan, which includes up to 6,000 redundancies alongside cutting roles through natural attrition, for example by not replacing workers who leave.
- Full-time **nursery for children under the age of two costs** parents two-thirds (65 per cent) of their weekly take-home pay in England, according to new analysis by **Business in the Community (BITC).** Office for National Statistics figures reveal the number of women not working to look after family has also risen by five per cent in the past year.
- Research by **Royal London** found that 5.2 million workers have turned to **second or multiple jobs** while another 10 million plan to. This is reportedly due to the rising cost of living, which is increasing at its fastest rate in 40 years and is driven largely by the rising cost of food and energy.
- A survey by **Microsoft** has found that 87 per cent of employees in the UK felt they were productive when they worked remotely, whilst 80 per cent of managers reported that they felt employees did less work whilst at home.
- An **MP has tabled a Parliamentary bill to reduce the maximum working week to four days.** Peter Dowd, Labour MP for Bootle in Merseyside, is campaigning for maximum hours to be cut back from 48 to 32 and said it would give "every British worker the chance of moving to a four-day week".
- **NHS staff** are being forced to skip meals to feed their children or even quit their jobs for roles in the private sector as a result of the rising cost-of-living, a new NHS survey suggests. Two-thirds of surveyed trusts "report a significant or severe impact from staff leaving", with services struggling to respond to rising operational pressures. Official data indicates there are currently 132,000 vacancies across NHS trusts in England.
- The number of **care workers in England has fallen for the first time**, leaving more people without the support they need, new figures reveal. Unfilled care jobs rose by 52 per cent in a year, the fastest rate on record, according to industry body Skills for Care.

Green Economy

- **MPs from the All-Party Parliamentary Environment Group have set out a 10-point wish list for climate and nature to the Prime Minister.** These include tripling the capacity of floating offshore windfarms, restoring 30 per cent of the UK's saltmarshes and seagrass meadows, and expanding the energy company obligation to make more homes efficient.
- As part of the **Government's Heat and Building Strategy** low-income homes in England will have their energy efficiency improved as part of a £1.5 billion government plan that will also address poor insulation. The funding is being made available to councils and social housing providers with the aim of upgrading 130,000 homes.
- **Heat pumps** could become cheaper and easier to install in future as the government has awarded more than £15 million in funding for innovation projects. Ministers have set a **target of 600,000 pumps to be installed a year by 2028** as they bid to accelerate the rollout so households move away from using costly fossil fuels.
- **Electric cars now outnumber public charging points by at least 15 to one**, according to research by **Novuna Vehicle Solutions**. The research also revealed that London had the highest number of public charge points, with five electric vehicles per charging point, compared to the south west and north west, where the ratio of electric vehicles to charging points was 32 to one and 28 to one respectively.
- Insurance company **Aviva** have announced that they will commit £110 billion to invest into **new on street chargers for electric vehicles**. The investment will **aim to help to install 190,000 on-street electric vehicle chargers by 2030**.
- The **cost of charging an electric car** using public charge points on a pay-as-you-go basis has risen by 42 per cent in just four months, according to the **RAC**. The motoring group said the average price for using the chargers has increased by 18.75p per kilowatt hour (kWh) since May, reaching 63.29p per kWh, with the rise due to the soaring wholesale costs of gas and electricity.
- The Government have committed to bringing **planning consent for onshore windfarms** into line with that for other infrastructure. Previously there has been a tough planning consent regime in place for onshore windfarms, introduced in 2015.

Conclusion

- **In Staffordshire we have a confident diverse and robust economy**. However, **national and global events continue to impact the local and UK-wide economy**, primarily the war in Ukraine and the related increases in fuel and energy prices which are impacting local businesses.
- This further pressure on our businesses alongside **higher supply and staff costs** is a particular concern in Staffordshire given that we have a larger proportion of **businesses operating in high energy-intensive sectors** (manufacturing; construction; logistics; wholesale and retail; and agriculture, food and farming) with

high exposure to energy costs compared to the national average. Therefore, we welcome the government's continued commitment to supporting businesses with energy cost pressures this winter and we urge the new Chancellor to make this a priority in his review of how this support will continue in the medium term.

- Overall, the labour market **in Staffordshire remains positive with long-term improvement in out of work benefit claimant numbers** and we are **starting to see signs of reduced job vacancies** with local partnership work increasingly successful in matching those looking for work with the roles that are in demand to support business recovery and growth.
- 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.
- The **cost-of-living crisis and rising inflation** continues to be the most pressing matter for many and the Government's policy and support will be fundamentally important in helping to **ease living costs, reduce further inflation rises and boost economic growth.**
- **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 unexpectedly fell in August**, with a fall in production related to commodity costs, supply chain issues and reduced consumer confidence the main contributor to the fall in GDP.
- There are lingering **business issues** including **inflated commodity costs, energy prices, wage pressures, supply-chain constraints and workforce shortages remain the biggest business concerns,** alongside **uncertainty around the Governments economic plans** are leading to **weakening structural business conditions and confidence.**
- **Economic inactivity continues to increase and is significantly above pre-pandemic levels**, this has seen **overall employment decline and remains well below pre-pandemic levels** and at the same time has **contributed to record low unemployment**. This **reduced overall workforce and smaller pool of labour and skills for businesses to draw on led to record high job vacancies which remain very high and the labour market remains tight**.
- 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 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[1] for September 2022, which show the number of new companies and individuals who are unable to pay debts and enter a formal insolvency procedure.

Company Insolvencies

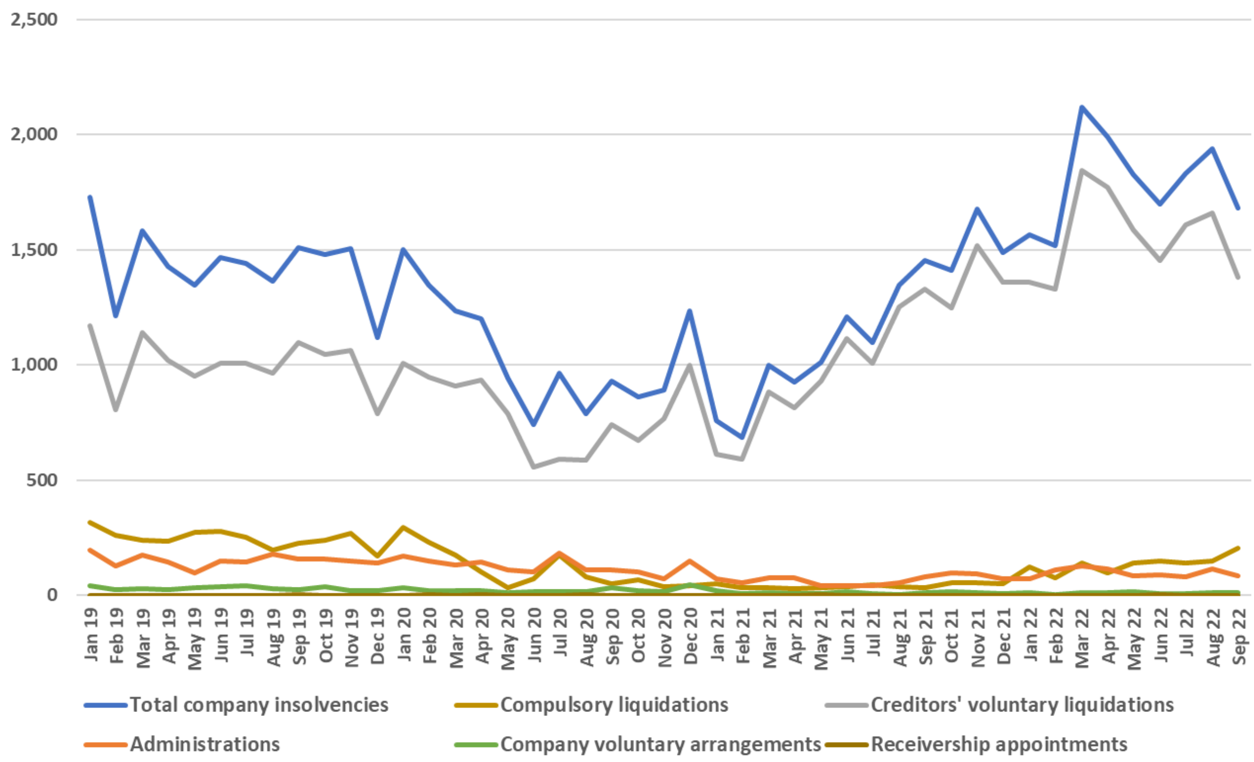
In September 2022 there were a total of 1,679 company insolvencies in England and Wales.

The overall number of **company insolvencies are 16% higher than in the same month last year and 11% 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 September 2022 there were 1,379 Creditors' Voluntary Liquidations (CVLs), 4% higher than in September 2021 and 25% higher than September 2019. Numbers for other types of company insolvencies, such as compulsory liquidations, remained lower than before the coronavirus (COVID-19) pandemic, although there were over 6 times as many compulsory liquidations in September 2022 compared to September 2021.

Company insolvencies between October 2021 and September 2022 are now 66% higher compared to a year earlier, representing over 8,274 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_september_2022/commentary_monthly_insolvency_statistics_september_2022

The sectors to have seen the largest number of company insolvencies between September 2021 and August 2022 are construction (3,934), wholesale and retail (2,845) and accommodation and food (2,408). Levels now exceed those seen for the same period the previous year with construction 98% higher, wholesale and retail 101% higher, and accommodation and food 54% higher than levels seen a year earlier. This is clearly related to commodity costs and consumer confidence/demand in construction and the impact of the pandemic/cost of living on the high street.

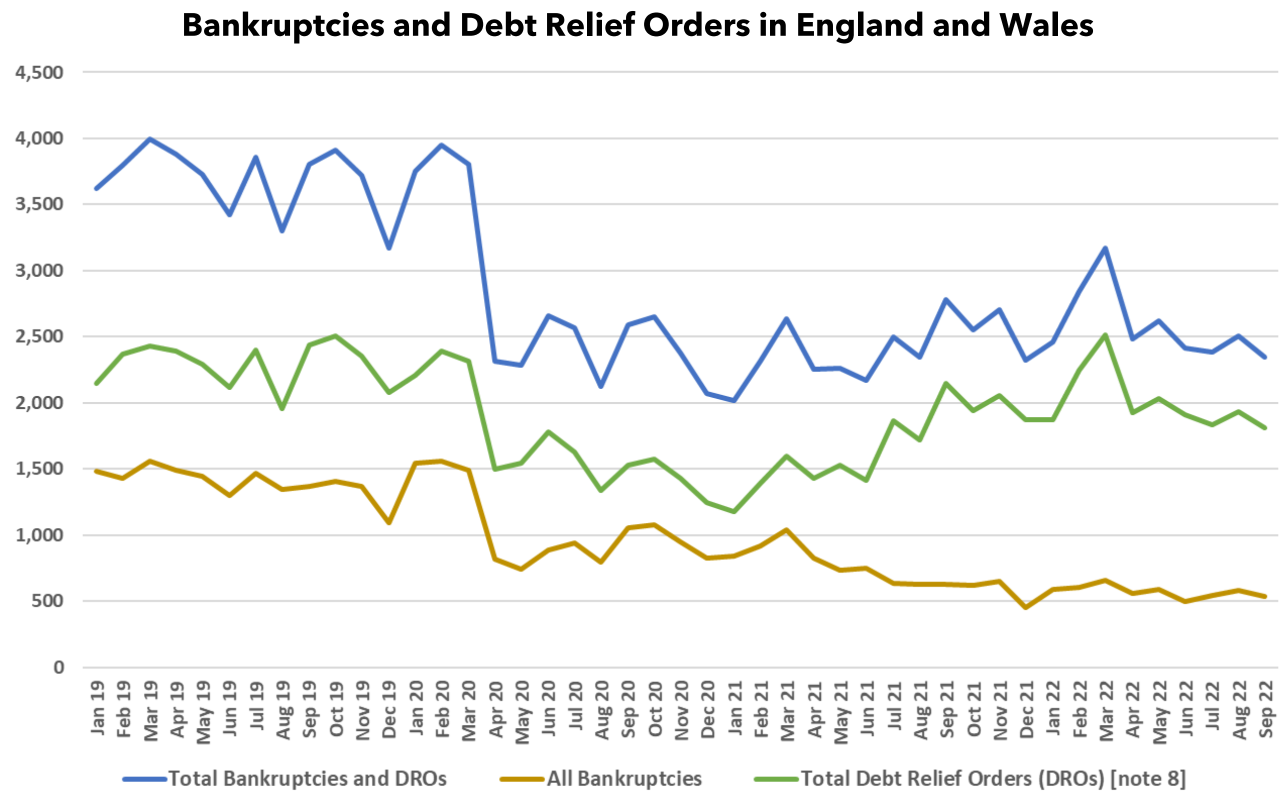
Individual Insolvencies

For individuals, **535 bankruptcies were registered in September 2022** (made up of 432 debtor applications and 103 creditor petitions), which was 15% lower than in September 2021 and 61% lower than September 2019.

There were 1,812 **Debt Relief Orders (DROs)** in September 2022, which was 16% lower than September 2021 and 26% lower than the pre-pandemic comparison month (September 2019).

There were, on average, 7,188 Individual Voluntary Arrangements (IVAs) registered per month in the three-month period ending September 2022, which is 5% higher than the three-month period ending September 2021, but 4% lower than the three-month period ending September 2019. IVA numbers have ranged from around 6,300 to 7,800 per month over the past year.

Total bankruptcies and DROs between October 2021 and September 2022 are now 9% higher than the same period a year earlier, representing 2,448 more.



Sources: Insolvency Service

There were 6,177 Breathing Space registrations in September 2022, which is 21% higher than the number registered in September 2021. 6,085 were Standard breathing space registrations, which is 21% higher than in September 2021, and 92 were Mental Health breathing space registrations, which is 10% higher than the number in September 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 around 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: September 2022

Area	Claimant Count Rate (Sept 2021)	Claimant Count Rate (Aug 2022)	Claimant Count Rate[1] (Sept 2022)	Number of Claimants (Sept 2022)	Monthly Change in Claimants (Numbers)	Monthly Change in Claimants (%)	Change in Claimants since March 2020 (Numbers)	Change in Claimants since March 2020 (%)
England	5.0	3.7	3.8	1,322,650	14,810	1.1%	259,145	24.4%
West Midlands	5.9	4.8	4.8	177,405	2,070	1.2%	33,055	22.9%
SSLEP	4.3	3.3	3.3	23,035	390	1.7%	3,665	18.9%
Birmingham	10.0	8.3	8.4	61,665	665	1.1%	12,295	24.9%
Wolverhampton	8.9	7.3	7.4	12,115	235	2.0%	1,735	16.7%
Sandwell	7.9	6.4	6.6	13,440	245	1.9%		
Walsall	7.1	5.5	5.5	9,610	-10	-0.1%	1,005	11.7%
Stoke on Trent	**6.7**	**5.3**	**5.3**	**8,475**	**75**	**0.9%**	**1,155**	**15.8%**
Dudley	5.9	4.8	4.8	9,315	15	0.2%	800	9.4%
Coventry	5.4	4.6	4.7	11,910	260	2.2%	3,910	48.9%
Telford and Wrekin	4.7	3.6	3.6	4,065	5	0.1%	635	18.5%
Solihull	4.5	3.3	3.3	4,240	35	0.8%	590	16.2%
Worcestershire	3.9	3.1	3.1	10,965	60	0.6%	2,660	32.0%
Warwickshire	3.6	2.7	2.8	9,885	110	1.1%	2,055	26.2%
Staffordshire	**3.5**	**2.7**	**2.7**	**14,560**	**310**	**2.2%**	**2,510**	**20.8%**
Shropshire	3.3	2.4	2.4	4,600	60	1.3%	590	14.7%
Herefordshire, County of	3.0	2.3	2.3	2,555	0	0.0%	445	21.1%
Tamworth	4.7	3.5	3.5	1,670	10	0.6%	180	12.1%
Cannock Chase	4.1	3.1	3.2	2,015	40	2.0%	360	21.8%
East Staffordshire	4.1	2.9	3.0	2,235	75	3.5%	515	29.9%
Newcastle-under-Lyme	3.4	2.6	2.8	2,250	85	3.9%	270	13.6%
South Staffordshire	3.4	2.5	2.6	1,770	75	4.4%	460	35.1%
Lichfield	3.3	2.5	2.4	1,515	-45	-2.9%	195	14.8%
Stafford	3.1	2.4	2.4	2,035	45	2.3%	380	23.0%
Staffordshire Moorlands	2.6	1.8	1.9	1,070	25	2.4%	150	16.3%

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

- The claimant count in Staffordshire saw a further increase of 310 claimants between August and September 2022 to a total of 14,560 claimants, this was a 2.2% increase which was above the 1.1% increase seen nationally. However, the claimant rate has remained at 2.7% of the working age population in September.

- Stoke-on-Trent saw an increase of 75 over the same period with a total of 8,475 claimants in September, with the rate remaining at 5.3%.

- 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 which are impacting local businesses. This further pressure on our businesses alongside higher supply and staff costs and reduced consumer confidence is a particular concern in

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

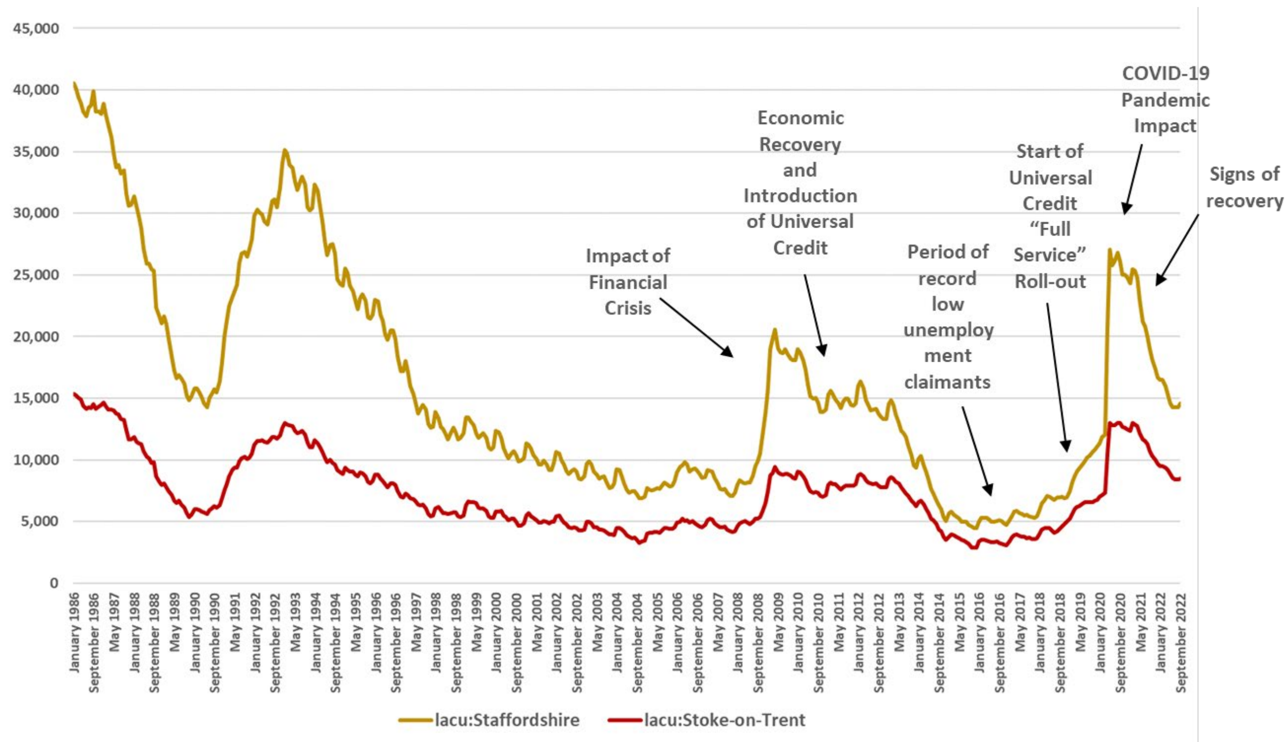
Staffordshire given that we have a larger proportion of businesses operating in high energy-intensive sectors (manufacturing; construction; logistics; wholesale and retail; and agriculture, food and farming) with high exposure to energy costs compared to the national average.

- 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 starting 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 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 20.8% or 2,510 higher than the level seen in March 2020 (pre-COVID), although this is below the 24.4% 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 September 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%.

- This month the majority of Staffordshire Districts have seen an increase in the number of claimants, with the exception of Lichfield which saw a decrease of 45 claimants. Newcastle-under-Lyme saw the largest increase with a rise of 85 claimants.

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

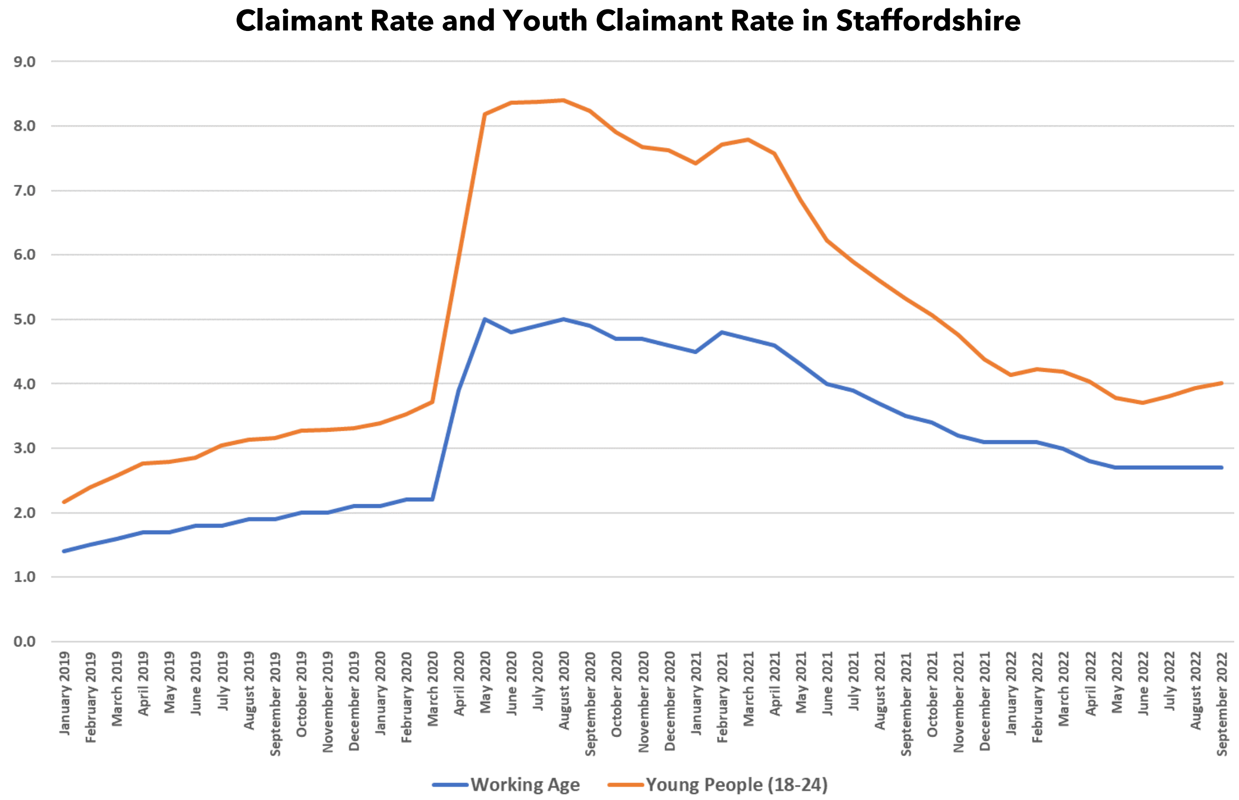
- As with the claimant count overall, this month the youth claimant count in Staffordshire saw an increase of 45 to a total of 2,605 young people which is similar to the regional and national picture where youth claimants have also increased this month. This is likely to be at least partly reflective of young people leaving formal education with no immediate job or further training to progress into.

Youth Claimant Count (Universal Credit) Statistics: September 2022

Area	Youth Claimant Count Rate (Sept 2021)	Youth Claimant Count Rate (Aug 2022)	Youth Claimant Count Rate[1] (Sept 2022)	Number of Youth Claimants (Sept 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	6.3	4.5	4.6	218,095	4,240	2.0%	20,365	10.3%
West Midlands	7.6	5.8	5.9	31,160	595	1.9%	3,255	11.7%
SSLEP	6.1	4.6	4.7	4,175	85	2.1%	355	9.3%
Wolverhampton	12.5	9.6	9.9	2,045	45	2.3%	135	7.1%
Sandwell	11.4	9.0	9.2	2,420	60	2.5%	305	14.4%
Walsall	10.8	8.1	8.0	1,825	-30	-1.6%	-90	-4.7%
Birmingham	9.4	7.5	7.7	10,700	210	2.0%	1,595	17.5%
Dudley	9.5	6.9	7.1	1,680	50	3.1%	-70	-4.0%
Stoke on Trent	**8.3**	**6.6**	**6.8**	**1,570**	**35**	**2.3%**	**165**	**11.7%**
Telford and Wrekin	7.5	5.8	6.0	885	25	2.9%	125	16.4%
Solihull	7.5	5.0	5.3	805	45	5.9%	-20	-2.4%
Worcestershire	5.9	4.6	4.6	1,885	-15	-0.8%	290	18.2%
Staffordshire	**5.3**	**3.9**	**4.0**	**2,605**	**45**	**1.8%**	**190**	**7.9%**
Coventry	4.3	3.6	3.8	2,055	75	3.8%	520	33.9%
Shropshire	5.2	3.4	3.6	735	35	5.0%	-90	-10.9%
Warwickshire	4.8	3.4	3.5	1,590	35	2.3%	255	19.1%
Herefordshire, County of	4.4	3.2	3.1	370	-10	-2.6%	-45	-10.8%
Tamworth	8.2	5.9	5.8	325	-5	-1.5%	30	10.2%
Cannock Chase	6.9	5.5	5.5	400	0	0.0%	35	9.6%
South Staffordshire	5.6	4.1	4.3	340	20	6.3%	90	36.0%
East Staffordshire	5.9	3.8	4.1	350	30	9.4%	30	9.4%
Stafford	4.8	3.9	4.1	360	15	4.3%	45	14.3%
Lichfield	4.9	4.1	3.8	265	-20	-7.0%	-5	-1.9%
Newcastle-under-Lyme	4.0	2.9	2.9	405	5	1.3%	-20	-4.7%
Staffordshire Moorlands	3.9	2.5	2.6	160	5	3.2%	-15	-8.6%

[1] 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 has increased this month from 3.9% to 4.0% compared to 2.7% for the working age population, while in Stoke-on-Trent the rate has increased from 6.6% to 6.8% in September following an increase of 35 youth claimants.



- The majority of Staffordshire Districts have seen an increases in youth claimants this month, with only Lichfield and Tamworth seeing decreases during September. East Staffordshire and South Staffordshire saw the largest increases of 30 and 20 youth claimants respectively.

- 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 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

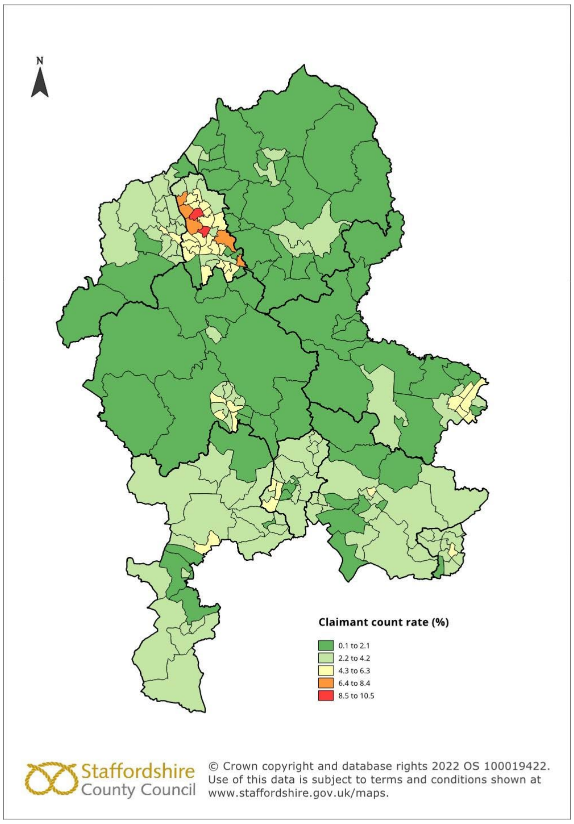
The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

Claimant Count Rate September 2022

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 55 were above the England average of 3.8% for the number of claimants as a proportion of the working age population.

Of the top 10 wards with the highest claimant count rate all were in Stoke-on-Trent with Joiner's Square (10.5% or 480 claimants), Moorcroft (9.1% or 340) and Burslem Central (8.2% or 375) having the highest rates.

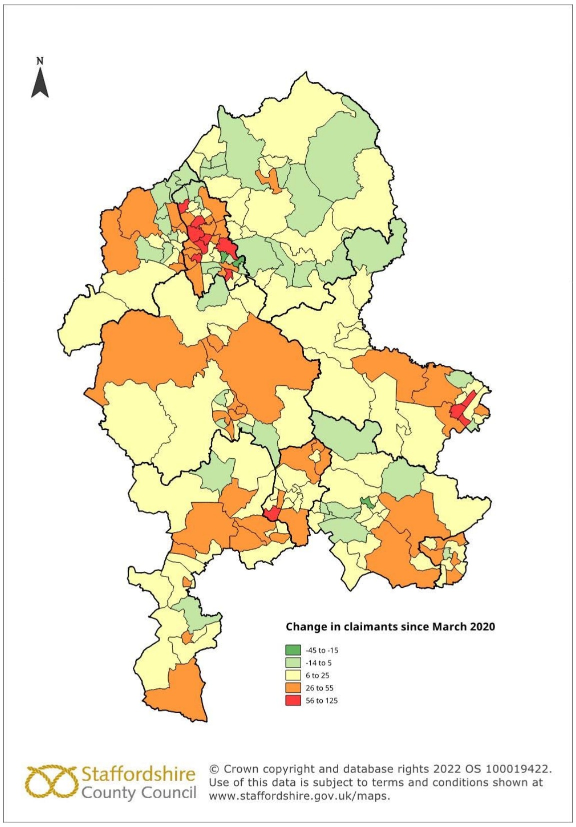
In Staffordshire of the 4 wards with the highest claimant count rates 3 were in East Staffordshire, including Burton (6.1% or 180), Anglesey (5.6% or 300), and Shobnall (5.4% or 295). The remaining ward was Glascote in Tamworth with 5.8% or 265 claimants.



Change in Claimant Count since March 2020

Out of the top 10 wards with the highest change in the number of claimants since March 2020 there were 7 in Stoke-on-Trent including Hanley Park and Shelton (125 increase to 310 in total), Joiner's Square (105 rise to 480 claimants), and Bentilee and Ubberley (85 increase to 485).

The remaining 3 wards in the top 10 were all in East Staffordshire the highest increases seen in Anglesey (110 rise to 300), Shobnall (85 rise to 295) and Eton Park (70 increase to 250).

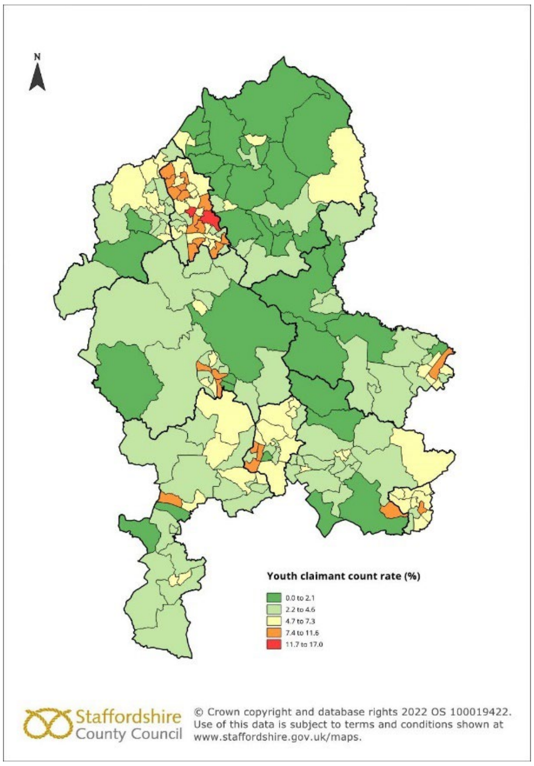


Youth Claimant Counts and Rates in Staffordshire & Stoke-on-Trent Wards

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 September 2022

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 84 were above the England average of 4.6% for the number of claimants aged 18-24 as a proportion of the 18-24 population.

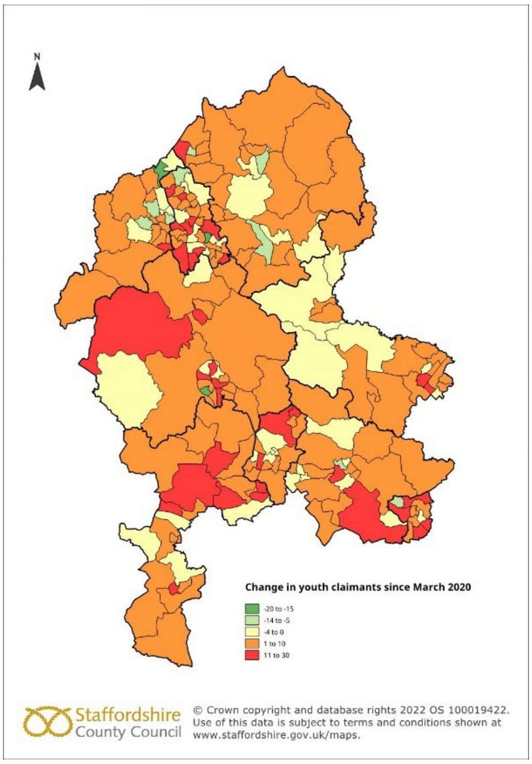


Of the top 10 wards with the highest youth claimant count rate 6 were in Stoke-on-Trent with Joiner's Square (17.0% or 130 claimants), Bentilee and Ubberley (11.6% or 105) and Burlsem Central (9.8% or 60) having the highest rates.

In Staffordshire, the 3 wards with the highest rates were all in Stafford including Forebridge with 10.3% or 30, Doxey & Castletown with 10.0% or 30, and Penkside with 9.8% or 30 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 6 were in Stoke-on-Trent including Joiner's Square (30 increase to 130), Hanley Park and Shelton (30 rise to 60), and Blurton West and Newstead (20 increase to 55) with the highest increases since March 2020.



In Staffordshire, the highest increase was seen in Forebridge in Stafford with a 15 rise to 30, Spital in Tamworth with a 15 increase to 35, and Anglesey in East Staffordshire with a 15 rise to 45 youth claimants.

Job Vacancies[3]

- **Staffordshire saw no change in the number of available job vacancies between August and September, with a total of 17,000 which is more than work related benefit claimants.**

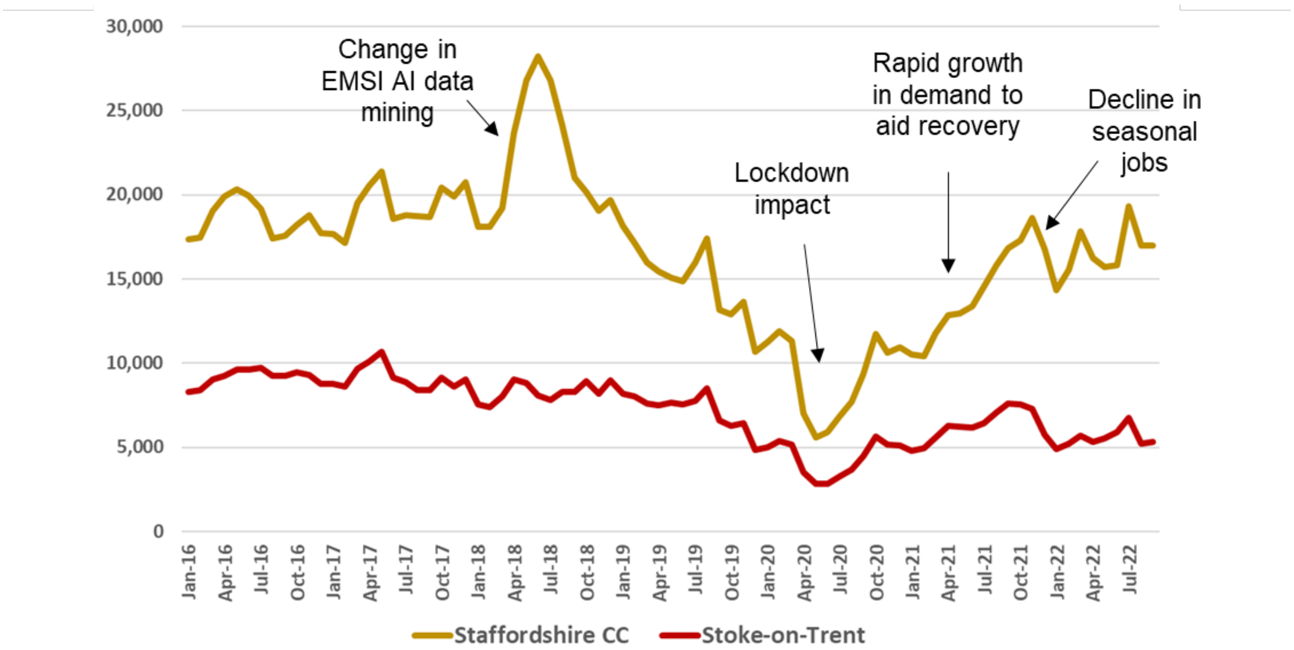
- **Stoke-on-Trent saw a 2% rise in vacancies equivalent to a total of 5,300 which is lower than the number of claimants.**

- 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 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 Lightcast (formerly EMSI/Burning Glass) live job vacancy data has been upgraded and improved through enhanced AI deduplication and sharper skill scraping of job postings.

[3] Source: Lightcast (formerly EMSI/Burning Glass)

Monthly Trends in recruitment

- The main occupational groups to see an increase in vacancies during September were 'Managers, Directors and Senior Officials' (5% rise), 'Professional Occupations' (4% rise) and 'Associate Professional and Technical Occupations' (3% rise).

- The occupational groups which saw the largest decrease were 'Elementary Occupations' and 'Administrative and Secretarial Occupations' (both seeing 5% decline).

- The occupations to see the most significant increases during September include roles in sectors experiencing recruitment difficulties such as education (teaching assistants), digital (programmers and software development professionals and web design and development professionals), manufacturing (engineers), and logistics (storage occupations and managers and directors in storage and warehousing). Alongside roles to support business survival and growth such as finance and investment analysts and advisers, management consultants and business analysts, and IT business analysts, architects and systems designers.

Annual Trends in job vacancies

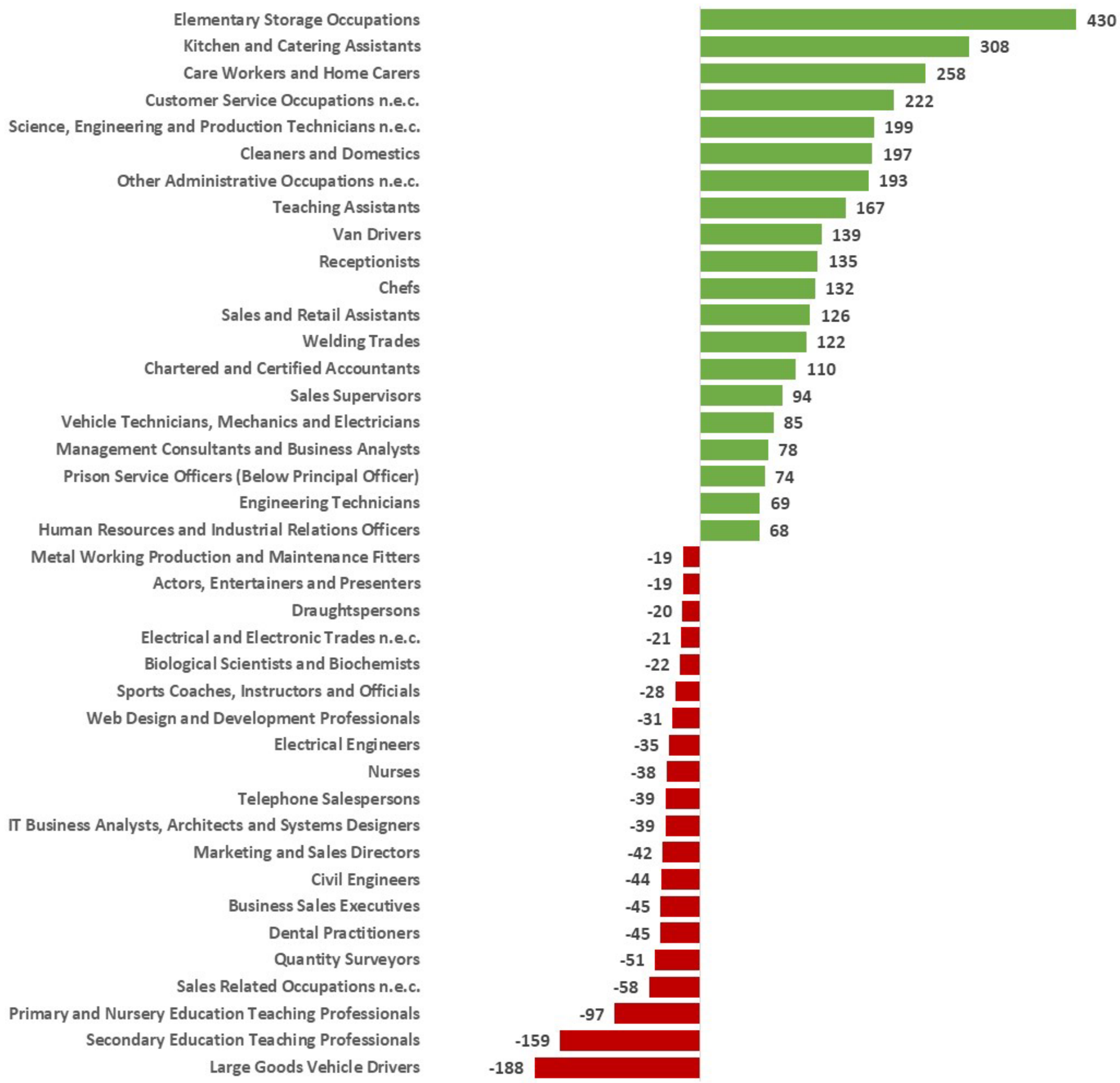
- The occupations to see the largest year-on-year increases have been in hospitality (kitchen and catering assistants), manufacturing (welding trades and mechanical engineers), education (teaching assistants and primary and nursery education teaching professionals), and digital roles (programmers and software development professional) and business management roles (business and financial project management professionals).

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:
    - **Logistics** including 'elementary storage occupations' and 'van drivers'.
    - **Hospitality** including 'kitchen and catering assistants' and 'chefs'.
    - **Health and Social Care** including 'care workers and home carers'.
    - **Manufacturing** including 'science, engineering and production technicians' and 'welding trades'.
    - **Education** including 'teaching assistants'.
    - **Retail** including 'sales and retail assistants'.

- This is reflective of the ongoing long-term recruitment difficulties in social care, logistics, hospitality, manufacturing, retail, and education.

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

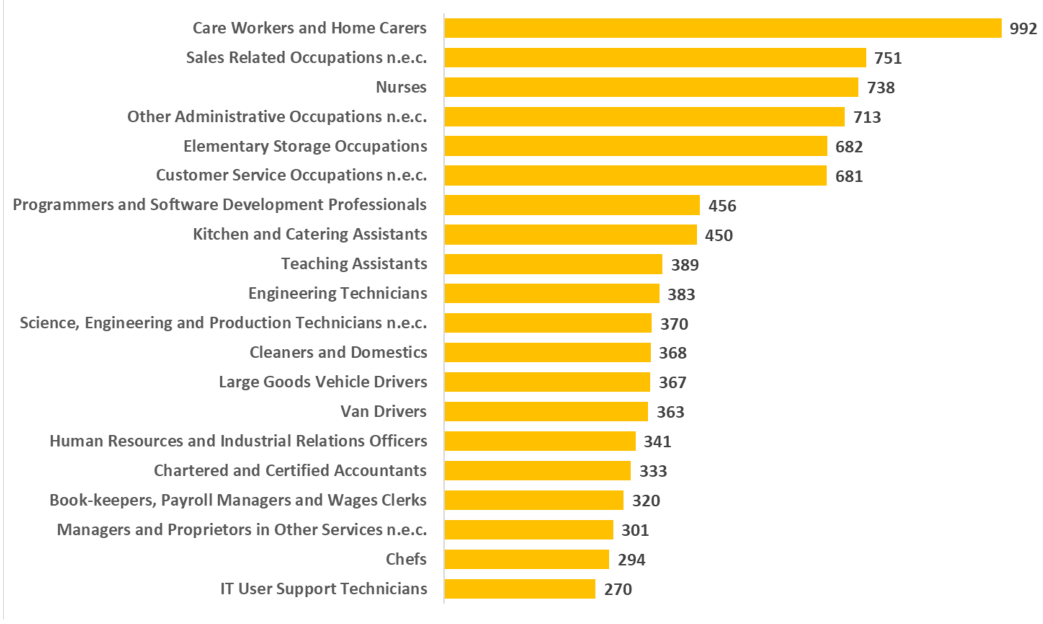


Top Occupations in Demand

- 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', LGV drivers and van 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 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/survival 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 September 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/survival 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.

Job Vacancies Summary Table

Area / SSLEP Occupational Group	Feb 2020 Unique Postings	Sep 2021 Unique Postings	Jul 2022 Unique Postings	Aug 2022 Unique Postings	Sep 2022 Unique Postings	Aug 2022-Sep 2022 (Month on Month Change)	Aug 2022-Sep 2022 Monthly % Change	Sep 2021-Sep 2022 (Year on Year Change)	Sep 2021-Sep 2022 Annual % Change	Feb 2020 Sep 2022 (Month on Month Change)	Feb 2020 Sep 2022 Monthly % Change
Staffordshire CC	11,874	16,851	19,344	17,008	16,982	-26	0%	131	1%	5,108	43%
Stoke-on-Trent	5,355	7,588	6,775	5,220	5,299	79	2%	-2,289	-30%	-56	-1%
SSLEP	17,229	24,439	26,119	22,228	22,281	53	0%	-2,158	-9%	5,052	29%
West Midlands	117,037	163,616	194,841	160,969	158,158	-2,811	-2%	-5,458	-3%	41,121	35%
England	1,126,753	1,753,686	2,162,902	1,810,647	1,740,261	-70,386	-4%	-13,425	-1%	613,508	54%
East Staffordshire	2,665	4,076	5,663	4,978	5,040	62	1%	964	24%	2,375	89%
Tamworth	2,139	2,601	3,392	2,977	2,811	-166	-6%	210	8%	672	31%
Lichfield	1,337	2,197	2,600	2,302	2,352	50	2%	155	7%	1,015	76%
Cannock Chase	1,613	2,103	2,357	2,230	2,221	-9	0%	118	6%	608	38%
South Staffordshire	148	188	218	190	184	-6	-3%	-4	-2%	36	24%
Staffordshire Moorlands	267	438	670	405	385	-20	-5%	-53	-12%	118	44%
Newcastle-under-Lyme	857	1,004	927	864	879	15	2%	-125	-12%	22	3%
Stafford	2,848	4,244	3,517	3,062	3,110	48	2%	-1,134	-27%	262	9%
Professional Occupations	4,761	5,203	5,846	4,772	4,967	195	4%	-236	-5%	206	4%
Associate Professional and Technical Occupations	2,861	3,934	4,212	3,564	3,679	115	3%	-255	-6%	818	29%
Managers, Directors and Senior Officials	1,370	1,740	1,815	1,539	1,616	77	5%	-124	-7%	246	18%
Sales and Customer Service Occupations	1,675	2,302	2,488	2,200	2,134	-66	-3%	-168	-7%	459	27%
Caring, Leisure and Other Service Occupations	1,415	2,246	2,689	2,136	2,075	-61	-3%	-171	-8%	660	47%
Skilled Trades Occupations	1,252	1,975	1,931	1,740	1,769	29	2%	-206	-10%	517	41%
Elementary Occupations	1,001	2,666	2,902	2,494	2,373	-121	-5%	-293	-11%	1,372	137%
Administrative and Secretarial Occupations	1,550	2,490	2,583	2,245	2,136	-109	-5%	-354	-14%	586	38%
Process, Plant and Machine Operatives	1,229	1,703	1,578	1,453	1,397	-56	-4%	-306	-18%	168	14%

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.