Staffordshire & Stoke-on-Trent Economic Bulletin

Issue 28 – November 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 a further small increase of **40 claimants between September and October 2022 to a total of 14,365 claimants**. The **claimant rate has remained unchanged at 2.7% of the working age population in October.**
- However, this month the **youth claimant count in Staffordshire saw an increase of 80 to a total of 2,635 young people**. The number of claimants aged 18-24 has therefore increased but been partly offset by a fall in the number of claimants from other age groups. This is the same as what has happened in the last month across England as a whole. At the moment it is not entirely clear as to why this is the case, and we will be closely monitoring the situation, but it may be due to young people leaving formal education and having no place of work to move into. 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 4.1% compared to 2.7% for the working age population and 4.7% nationally.**
- **The total number of Universal Credit (UC) claimants is now 19.2% or 2,315 higher than the level seen in March 2020 (pre-COVID)**, which is below the 22.5% increase seen nationally and 21.2% 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 October compared to 4.8% regionally and 3.7% nationally.**

- **Staffordshire saw no change in the number of available job vacancies between September and October, with a total of 17,000 which is more than work related benefit claimants. Stoke-on-Trent saw a 7% rise in vacancies to a total of nearly 5,700 which is lower than the number of claimants.** Clearly, there continues to be high demand for labour and skills across most parts of the economy to aid the recovery from the pandemic but the business impact of rising inflation, energy prices and wage levels are likely starting to weigh on recruitment levels.
- The occupations to see the most significant increases during October include roles in sectors experiencing ongoing recruitment difficulties such as **health** (nurses), **hospitality** (kitchen and catering assistants), **education** (teaching assistants and secondary education teaching professionals), **logistics** (elementary storage occupations), and **digital** (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 **'nurses', 'sales related occupations', 'customer service occupations' and 'administrative occupations'.**
- In logistics there is high demand for roles including '**elementary storage occupations', van drivers and LGV drivers.** While in hospitality '**kitchen and catering assistants'** and **chefs** remain the roles in most demand.
- There is high demand for digital roles in particular '**programmers and software development professionals'**.
- In manufacturing **'engineering technicians' and** '**science, engineering and production technicians'** are most in demand.
- In education there also remains demand for **'teaching assistants'**.
- There is also high demand for **'chartered and certified accountants', 'human resources and industrial relations officers', 'managers', and 'book-keepers, payroll managers and wages clerks'** to support business in their recovery/survival and new ways of working.
- 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 have a vital role in upskilling and reskilling jobseekers into areas of demand and preventing them becoming long-term unemployed.

- 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, health issues such as long-COVID and mental health issues, young people remaining in further or higher education, and high numbers of job vacancies in key growth sectors. This is leading to clear skills gaps and labour shortages due to difficulties around attracting people to the jobs that are in demand.
- Unfortunately, we are also starting to see the early impact of recent global events which are being felt on the local and national economy, with the war in Ukraine and the related increases in fuel and energy prices 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 the UK is expected to fall into its longest recession on record, with interest rates raised by the most in 33 years. The Bank has warned the UK would

face a “very challenging” two-year recession, with unemployment potentially almost doubling by 2025.

- Clearly the full 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.
- It is more important than ever that the right **business support is in place to help viable local businesses survive** during these challenging times and **support for local people to upskill and start their own business**.
- 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.
- It is vital that additional support such as the **Additional Restrictions Grant** and **Staffordshire Means Back to Business Programme** is utilised to help **businesses transition to new business models including diversification and digitisation to improve their viability and sustainability**.
- Alongside this the Government’s ‘Plan for Jobs’ schemes 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.

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.
- The **Get Started and Grow scheme** has been extended which provides fully-funded support for 0 to 5 year old businesses. Businesses have already saved thousands by getting accountancy, business planning, website and branding professionally sorted completely free of charge. Now everyone, from those just thinking about setting up a side-business to those who have got past the tricky first few years can get the support that they need. It's all in response to what you've said is most important for your business growth. To apply for fully-funded SME support.
- 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 brokerage service**, 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. Find out more about Staffordshire Jobs and Careers.
- **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 **Staffordshire Business and Enterprise Network (SBEN)** has introduced more support for businesses in Staffordshire. The Low Carbon Business Evolution Programme can help you to reduce your carbon footprint and increase energy efficiency. It has now been widened to include an additional Energy Efficiency Review for a business that has previously had one, and grants towards the capital costs for solar projects. Membership of SBEN is still free until the end of next March. Membership includes access to the Carbon Tracker tool. **Why join SBEN?** Fully-funded Carbon Literacy Training to non-SBEN members and members in Newcastle-under-Lyme is also available.
- **Staffordshire targets gigabit connectivity for residents and businesses -** A drive to connect Staffordshire residents and businesses to gigabit technology over the next eight years will be coordinated by the county council. Working with broadband and mobile providers, developers and national government, the county council will be aiming to ensure the vast majority of properties can access gigabit speeds by 2030. As part of the government's Levelling Up agenda, Project Gigabit aims to reach those premises in the county that are not considered commercially viable. The new Gigafast Staffordshire team (renamed from the Superfast Staffordshire team) will take a leadership role in the county to deliver the programme locally. The county council will also be working with government on its Shared Rural Network programme to boost 4G mobile connectivity. This could see coverage in Staffordshire increase from its current 78 per cent to 92 per cent. As well as improving everyday life, the move to gigabit technology could boost the local by hundreds of millions of pounds, and also supports the county council's climate change commitments – with smart technology reducing energy consumption and cutting carbon emissions. The county council launched the Community Fibre

Partnership support fund for communities which could not be reached by the main programme which helped nine communities to benefit, with a further 24 communities benefitting from the Gigabit Broadband Top-up Voucher scheme. The new Gigafast Staffordshire website has launched to help everyone understand the benefits of gigabit connectivity at www.gigafaststaffordshire.co.uk.

- **Staffordshire County Council** 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.
- 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. 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. Find out more.
- **Stafford's Shire Hall Business Centre**, based in a £2m refurbishment of Shire Hall Library, offers office space, reception facilities, meeting areas, networking opportunities and business advice and support, and flexible working options including hot-desking and the option to rent a mailbox. The event space is available for hire for events, conferences and everything in-between. Businesses can request a personal tour of the building and facilities at any time. Any businesses wanting to find out more about unit costs and availability, or that wants to book a viewing at any time, should contact Samantha Neal, centre administrator, at samantha.neal@staffordshire.gov.uk
- Staffordshire County Council started a partnership to tell the story of Staffordshire to increase investment and get our great country recognised by investors and those that matter. **We Are Staffordshire** has just been recognised as a finalist in the Global City/Nation/Place Awards in the Place Brand of the Year category after some very real early successes in this long-term strategy. Although the partnership missed out on the top prize, it's great recognition for us a small county who was up against competition from whole countries for the award. Staffordshire County Council's Leader Alan White joined thinkingplace on their latest podcast to talk about the Staffordshire place branding journey so far, including being recognised by central Government, bringing the exciting ingredients and opportunities to the fore, working in a more unified way with the other councils and partners and being purposeful in shouting about Staffordshire outside our boundaries. Listen to the podcast – 'Staffordshire: from drive through to destination'.

- The @StokeStaffsLEP Skills Advisory Panel's latest #**Skills for Growth Business survey** has provided invaluable insight into the skills challenges and opportunities that local businesses face. Almost 800 local businesses took part - find out what they had to say about recruitment, workforce skills gaps and future skills needs. Access the survey results and learn more about what businesses had to say: LINK.
- **Employment boost for people receiving mental health support: £122 million is being invested to roll out a vital NHS England service**, providing those who receive mental health support with employment advice to help them stay in work or return to the job market quicker, with the right support in place. The service brings therapists and employment advisers together to help people with common mental health problems such as stress, anxiety and depression find work tailored to them. With strong evidence that being in work improves mental health, supporting more people into work will not only fuel a thriving labour market, but also increase individual prosperity. Read the press release
- **New employer information and advice service – Support with Employee Health and Disability**: A digital information and advice service for businesses is live on GOV.UK, providing tailored guidance on health and disability, to prevent avoidable job loss and help people thrive at work. Employers and disability organisations have been involved in the design and testing of the service which will continue to be developed throughout 2022/23. Current features include:
    - Helping employers to feel more confident having conversations about health and disability.
    - Encouraging early intervention and sustained support.
    - Signposting to trusted expert support and resources.
    - Helping employers understand their legal responsibilities.

  Please use the feedback link as your thoughts on how the content and design are shaped really will make a difference. Read the press release

National Context

- This month the UK had its 3rd Government within a year, following the resignation of Liz Truss and **Rishi Sunak appointed as the new Prime Minister**.
- The Prime Minister has appointed his **new cabinet** as part of a government reshuffle, Michael Gove has returned to the Department for Levelling Up, Housing and Communities, replacing Simon Clarke. Others, including Chancellor Jeremy Hunt and Foreign Secretary James Cleverly, were reappointed in their roles.
- Chancellor Jeremy Hunt has unveiled the contents of his **Autumn Statement** in the House of Commons, including tax rises and spending cuts worth billions of pounds aimed at **mending the nation's finances** and help address the **cost of living and debt and growth crisis**. The main measures include:
- **Taxation and wages**
    - Legally-enforceable minimum wage for people aged over 23 to increase from £9.50 to £10.42 an hour from next April
    - State pension payments and means-tested and disability benefits to increase by 10.1%, in line with inflation
    - Apart from in Scotland, top 45% additional rate of income tax will be paid on earnings over £125,140, instead of £150,000
    - Income tax personal allowance and higher rate thresholds frozen for further two years, until April 2028
    - Main National Insurance and inheritance tax thresholds also frozen for further two years, until April 2028
    - Tax-free allowances for dividend and capital gains tax also due to be cut next year and in 2024
    - Local councils in England will be able to increase council tax up to 5% a year without a local vote, instead of 3% currently
- **Energy**
    - Household energy price cap extended for one year beyond April but made less generous, with typical bills capped at £3,000 a year instead of £2,500
    - Households on means-tested benefits will get £900 support payments next year
    - £300 payments to pensioner households, and £150 for individuals on disability benefit
    - Windfall tax on profits of oil and gas firms increased from 25% to 35% and extended until March 2028
    - New 45% tax on companies that generate electricity, to apply from January
- **Economy and public finances**
    - The Office for Budget Responsibility judges UK to be in recession, meaning the economy has slowed for two quarters in a row
    - It predicts growth for this year overall of 4.2%, but size of the economy will shrink by 1.4% in 2023
    - Growth of 1.3%, 2.6%, and 2.7% predicted for 2024, 2025 and 2026

    - UK's inflation rate predicted to be 9.1% this year and 7.4% next year
    - Unemployment expected to rise from 3.6% to 4.9% in 2024
    - Government will give itself five years to hit debt and spending targets, instead of three years currently
- **Government spending**
    - Scheduled public spending will be maintained until 2025, but then grow more slowly than previously expected
    - In England, NHS budget will increase by £3.3bn a year for the next two years, and spending on schools by £2.3bn
    - It will mean larger payments to devolved governments in Scotland, Wales and Northern Ireland
    - Defence spending to be maintained at 2% of national income - a NATO target
    - Overseas aid spending kept at 0.5% for the next five years, below the official 0.7% target
- **Business and infrastructure**
    - Support worth £13.6bn over next five years to help firms with business rates, including a mixture of freezes and reliefs
    - Import taxes removed on more than 100 goods, including some food products, for two years to reduce costs
    - Plans for a possible online sales tax scrapped - the government argues online retailers' warehouses will be hit harder than shops through business rate changes
    - Chief Scientific Adviser Sir Patrick Vallance to lead review into how post-Brexit regulation can support emerging technologies
- **Other measures**
    - Lifetime cap on social care costs in England due in October 2023 delayed by two years
    - Social housing rent increases in England capped at 7% from next April - instead of 11% due to inflation
    - Electric cars, vans and motorcycles to pay road taxes from April 2025
    - Suffolk will get an elected mayor (or directly-elected leader of the county council) - with mayors for Cornwall, Norfolk and an area in north-east England to follow
- More information is available on the Government website, here.
- On review of the Government's plan the **OBR (Office for Budget Responsibility)** feels that the UK will face its **biggest fall in living standards on record**, with the OBR forecasting that once rising prices were taken into account household incomes would reduce by 7% in the next few years.
- The **Institute for Fiscal Studies (IFS)** think tank has said that the **UK's tax burden** was unlikely to return to its pre-pandemic average "for several decades". IFS analysis of the Autumn Statement also found that ordinary **households will be 30 per cent worse off by 2028** than they would have been had incomes continued to grow as

they did before the 2008 financial crisis.

- There are also concerns that the Government's decision to fund more social care through increases in council tax will deepen inequality and undermine the cause of levelling up, according to **Andrew Dilnot**, whose blueprint for reform was delayed by two years by the Chancellor in the Autumn Statement. **SIGOMA (Special Interest Group of Municipal Authorities)**, said a 5 per cent council tax rise would raise £85 per household in Richmond upon Thames, £81 in Surrey, £75 in Dorset but only £39 per household in Manchester and the same in Hull.
- This further political change comes at a time when **Covid-19 infections** have started to fall across all four UK countries for the first time in nearly three months, while the number of **people hospitalised** also continues to fall. It provides fresh evidence the latest wave of the virus has peaked, while health experts have praised the autumn booster campaign for helping to prevent high levels of serious illness.
- While figures from the **Office of National Statistics** show that the number of **deaths** where Covid-19 is mentioned on the death certificate appear to be levelling off. However, weekly excess deaths remain higher than normal at least in part to the rise in flu cases to levels not seen since prior to the pandemic.

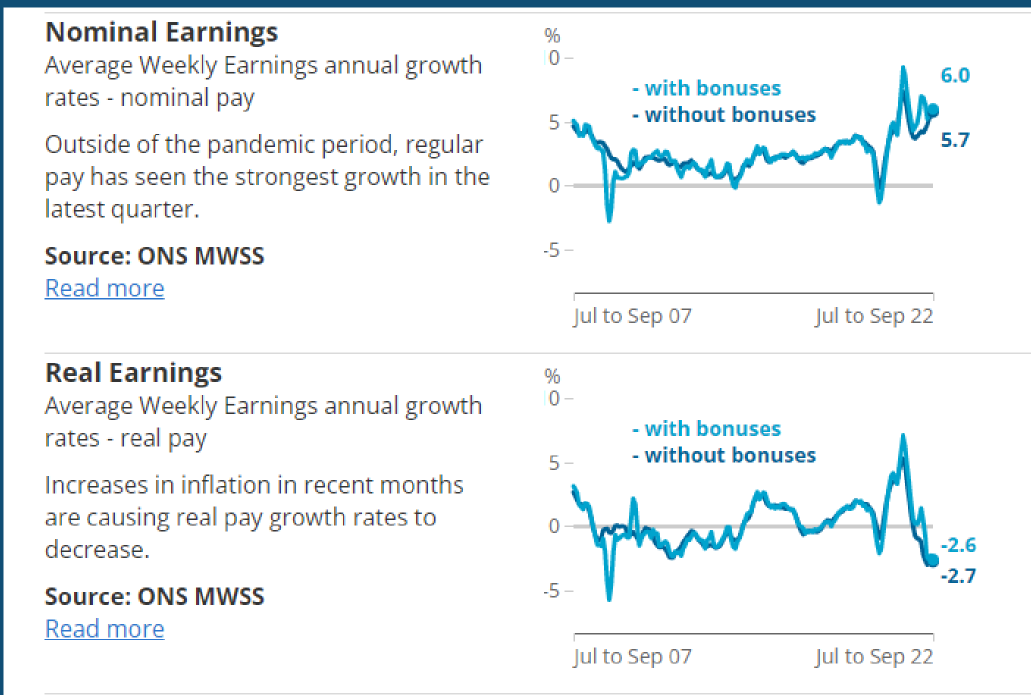
Cost of Living Crisis, Inflation and the War in Ukraine

- Over the last month **eight million people on low incomes who receive certain benefits including Universal Credit and pension credit have been getting the second instalment of a targeted cost of living payment**. **The Department for Work and Pensions** will make the £324 payment directly into bank accounts by the 23rd November.
- Households are starting to receive a **larger rebate on their energy bill as part of the Warm Home Discount scheme**. The rebate was frozen at £140 for almost a decade but this winter it has increased to £150 and will be discounted automatically from bills.
- **Over half of councils in England and Wales are setting up or supporting groups to open thousands of so-called "warm rooms"** so people can shelter from the cold if they cannot afford to put the heating on this winter, according to a survey by **Save the Children**.
- This further Government and local support is clearly needed with new figures from the Office for National Statistics showing that **almost half of UK adults are finding it difficult to afford their energy bills, rent or mortgage payments**. The data shows a rising percentage of the population is struggling amid the cost-of-living crisis. In September 45% of adults who paid energy bills were finding it very, or somewhat, difficult to afford them - up from 40% in June, while 30% of those paying rent or mortgages reported it being difficult to afford, up from 26% in the same time frame.
- **A quarter of UK adults also have less than £100 set aside in savings** according to research by The Money and Pensions Service, meaning many have to borrow

money to cover any extra costs. Debt advisors are expecting an increase in enquiries over the winter as people struggle to fund higher bills.

- This rising concern comes at a time when **around half of people eligible for vouchers to help with energy bills have not yet redeemed them**, according to the **Post Office** and payment company **PayPoint**. From 1 October, many customers with prepayment meters should have begun to receive the first £400 instalment of the **Government's Energy Bill Support Scheme**, which are valid for 90 days, but many are yet to redeem the credits. PayPoint said that it expected to process 800,000 vouchers in October, worth a total of £52.8 million but only £27 million had been redeemed.
- The Government has also extended the deadline for claiming a **£150 cost of living rebate on council tax**, as nearly 200,000 households had missed out on the payment. The **Department for Levelling Up, Housing and Communities** announced it had extended the deadline for claiming the rebate to November 30.
- As well as households feeling cost pressures the **Government is also seeing its borrowing rise due to inflation with total public sector net borrowing at £20bn in September** - £3bn more than economists had expected. This was due to a record debt interest payment total of £7.7bn - much of which could be attributed to rising inflation as a quarter of payments on the £2.4trn debt mountain are linked to the RPI measure. **Government spending increased by £5.8bn to £79.3bn** as a result of the jump in interest.
- New analysis from the **County Councils' Network** reveals that **county authorities in England face a £3.5 billion increase in inflationary and demand costs this year and next.** In a letter to the Chancellor Jeremy Hunt, CCN said further cuts to budgets on top of these pressures would be "devastating for local services".
- The **Trussell Trust** has also reported that **food banks are being driven to "breaking point"** with almost 1.3 million emergency parcels given to people in just over six months. The Trussell Trust said almost half a million of the food parcels given out went to children after new research showed record-breaking levels of need, with 320,000 being forced to turn to food banks for the first time in the last six months.
- **Campaigners and headteachers are warning of a 'perfect storm' of factors leading to rising levels of food poverty over the winter**. The **Child Poverty Action Group** estimates that there are 800,000 children in families below the poverty line, on universal credit or other benefits but missing out on **free school meals**. Councils are warning that it is harder for them to support children in poverty than previously, with the **LGA** revealing that rising prices and wages have added £2.4bn in costs to local authority budgets this year.
- Beyond rises in energy and food cost many are also seeing their rents go up with latest figures from the **Office for National Statistics** showing that **rents have risen at the fastest rate since records began**. Private rental prices increased by 3.8 per cent in the 12 months to October 2022, representing the largest annual percentage change since records began in January 2016.

- There is better news for those trying to renew or get new mortgages with the **average five-year fixed mortgage rate falling below 6% for the first time in seven weeks** during the week commencing 21st November according to the financial information service **Moneyfacts**.
- However, overall **inflation rose from 10.1% in September to 11.1% in October**, its highest level since 1981.
- To try to control inflation the **Bank of England raised interest rates from 2.25% to 3%.** That is the eighth consecutive hike since December 2021, pushing the rate to its highest level for 14 years. It also marks the biggest single increase since 1989.
- While **wages are rising at their fastest rate in more than 20 years, they are not keeping pace with rising inflation**.
- **Growth in average total pay (including bonuses) was 6.0% and growth in regular pay (excluding bonuses) was 5.7% among employees in July to September 2022**. This is the strongest growth in regular pay seen outside of the coronavirus pandemic period.
- Average regular pay growth for the private sector was 6.6% in July to September 2022, and 2.2% for the public sector. Outside of the height of the coronavirus 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 2.6% and regular pay fell by 2.7%.** This is slightly smaller than the record fall in real regular pay we saw in April to June 2022 (3.0%), but remains among the largest falls in growth since comparable records began in 2001.



- This below inflation growth in wages is seeing a number of **business-critical strikes** taking place, planned or being proposed for the coming months:
  - **Rail strikes** - Members of the **RMT union** have voted to continue strike action over the next six months in a dispute over pay and conditions. Members of the

RMT union working at **Network Rail and 14 train-operating companies** were re-balloted before their initial six-month mandate was due to expire at the end of this month. New train strikes have been announced over December and January, and will be held across four 48-hour periods on 13 to 14 and 16 to 17 December and 3 to 4 and 6 to 7 January.
    - **Nurses** - Nurses across the UK have voted to strike over pay with action expected to start by the end of the year. The walkout will involve **Royal College of Nursing** members in more than half of hospitals and community teams, but emergency care will still be staffed. Union officials say that since 2010, the pay of some experienced nurses has fallen by 20 per cent in real terms.
    - **Universities** - University lecturers and other staff across the UK will strike this month over pay, pensions and working conditions. Strikes will take place on 24, 25 and 30 November at 150 universities, and 70,000 staff members will strike.
    - **Civil Service** - Civil servants at the Home Office, Border Force, Department for Transport and Department for Environment, Food and Rural Affairs will take part in industrial action in December, the **PCS Union** has announced.
- Looking forward the **Government has tested emergency plans to deal with energy blackouts** lasting up to a week, amid fears over energy supply this winter. **Programme Yarrow**, the confidential plan for coping in the event of an outage, will prioritise getting food, water and shelter to the young and elderly people, as well as those with caring responsibilities, with all sectors potentially being "severely disrupted" for up to a week.
- Energy regulator **Ofgem has officially approved a National Grid scheme that will offer discounts to customers who cut their electricity usage during peak times**. British Gas owner Centrica, E.ON and EDF will follow Octopus Energy in participating in the scheme which could save households £100 on their bills this winter and reduce the risk of national power outages.

Economy

- **The Government is to revive the idea of an industrial strategy**. The Chancellor, and Business Secretary Grant Shapps, will bring forward a more detailed vision for supporting growth areas following last week's Autumn Statement, which is expected to include details of investment incentives and regulatory changes.
- This comes at a time when the UK economic outlook has been downgraded from "stable" to "negative" by the ratings agency Moody's due to political instability and high inflation. Although Moody's along with another of the big credit rating agencies Standard & Poor's (S&P) maintained their assessments of the UK's credit rating.
- **Monthly gross domestic product (GDP) is estimated to have fallen by 0.6% in September 2022**, after a fall of 0.1% in August 2022 driven by a fall in the services sector. Estimates for September 2022 are affected by the bank holiday for the State Funeral of Her Majesty Queen Elizabeth II, where some businesses may have closed or operated differently on this day.
- Looking at the **quarterly picture, GDP fell by 0.2% in the three months to September 2022 compared with the three months to June 2022**.

- **Services** fell by 0.8% in September 2022 after growth of 0.1% in August 2022, the largest contribution to the fall came from a 3.2% fall in information and communication activity, and a 2.0% fall in wholesale and retail trade, and repair of motor vehicles and motorcycles.
- Output in **consumer-facing services** fell by 1.7% in September 2022, after a fall of 1.6% in August 2022.
- A clear sign of the impact of the rising cost of living and interest rates is the decline in consumer spending which has seen the **UK hospitality sector decline at the fastest rate since lockdown**. Tourism and recreation experienced the fastest fall in output of any UK business sector in September. Output in the sector, which includes pubs, hotels and restaurants, declined at the fastest pace since February 2021, when the UK was last in lockdown according to figures from **Lloyds Bank**.
- **Production** grew by 0.2% in September 2022, after a fall of 1.4% in August 2022; electricity, gas, steam and air conditioning supply grew by 1.5% and was the largest contributor to growth in production.
- **Construction** grew by 0.4% in September 2022, after growth of 0.6% in August 2022, the monthly increase came from increases in both new work (0.6%), and repair and maintenance (0.2%).

GDP Monthly index, January 2007 to September 2022, UK

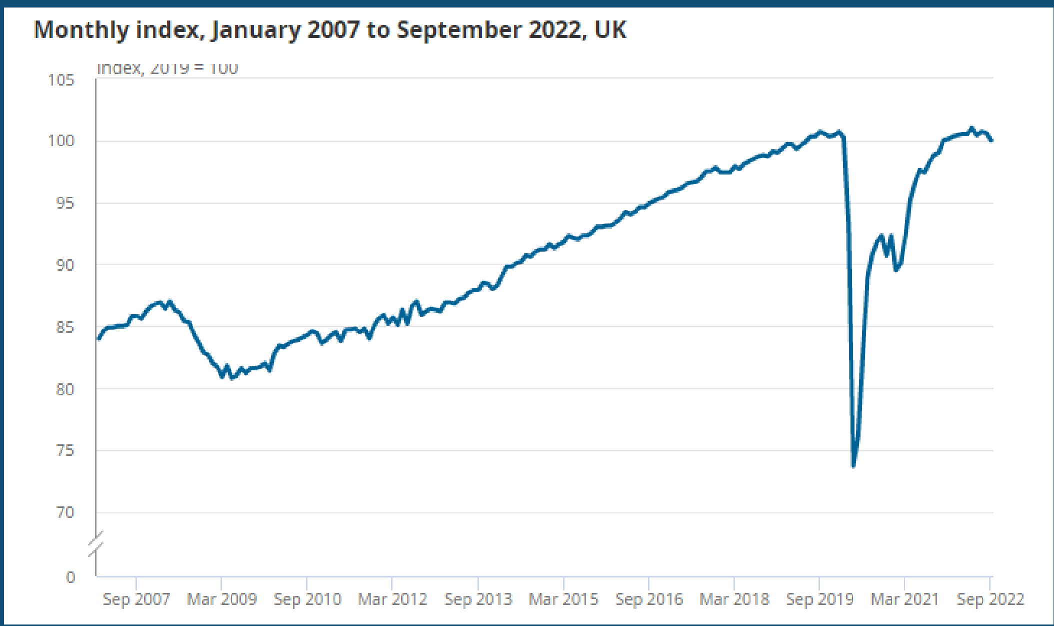
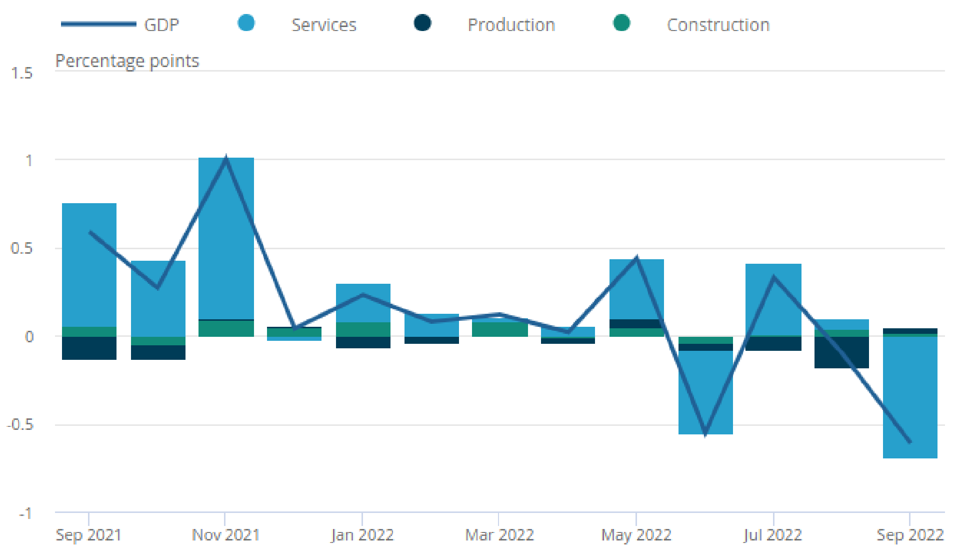


Figure 2: Services was the main contributor to the negative GDP growth in September 2022

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



Source: Office for National Statistics – GDP monthly estimate

- The **Bank of England expects UK to fall into the longest recession on record**, with the bank warning that the UK would face a "very challenging" two-year recession, with unemployment potentially almost doubling by 2025.

Business Challenges

- Lingering **business issues including energy costs, commodity costs, wage pressures and supply-chain constraints** and persistent **labour market challenges** are leading to **weakening structural business conditions and confidence.**
- The following charts show the latest results from Wave 69 of the **Business Insights and Conditions Survey (BICS)**, which was live from 31 October to 13 November 2022.

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

Indicator	Latest data compared with **previous wave**	Latest data compared with **period covering the start of 2022**	Latest data compared with **equivalent period the previous year**	Timeline
Trading status Currently trading Units	-1.1▼	3.2▲	2.9▲	65.9 15/06/2020 – 93.8 06/11/2022
Trading status Temporarily closed or paused trading	1.1▲	-2.7▼	-0.7▼	33.4 15/06/2020 – 4.7 06/11/2022
Prices Prices bought increased Units	-1.6▼	12.5▲	9.2▲	16.3 01/06/2020 – 45.9 31/10/2022
Prices Prices sold increased Units	-1.5▼	3.9▲	4.8▲	4.9 01/06/2020 – 19.8 31/10/2022
Workforce status Using a hybrid model of working Units	-0.2▼	6.4▲	4.2▲	17.0 04/10/2021 – 21.3 31/10/2022
Workforce status Working from home Units	-0.4▼	-9.5▼	-5.0▼	13.0 04/10/2021 – 7.9 31/10/2022
Workforce status Working from a designated workspace Units	-0.4▼	5.8▲	3.6▲	59.8 04/10/2021 – 63.8 31/10/2022

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

- In October 2022, a quarter (25%) of trading businesses reported **turnover** was lower compared with September 2022, while 15% reported their turnover was higher (a net 11% of businesses reporting turnover decreased).
- In early November 2022, nearly a quarter (24%) of trading businesses reported that they **expect their turnover to decrease** in December 2022, while 13% **expect their turnover to increase** (a net 11% of businesses expect their turnover to decrease).
- Nearly half (46%) of trading businesses reported an **increase in the price of goods or services bought** in October 2022 compared with September 2022.
- In early November 2022, the proportion of trading businesses reporting their

performance will decrease over the next 12 months was 16%, broadly stable with early October 2022.

- Nearly three-quarters (72%) of **businesses in the accommodation and food service activities industry reported that their production and/or suppliers have been affected by the recent increases in energy prices**, in early November 2022.
- In early November 2022, 11% of businesses with 10 or more employees reported that they were using, or intending to use, increased **homeworking** as a permanent business model; improved **staff well-being** was reported as the main reason for doing so, at 76%.
- Nearly one in five (19%) businesses reported that **domestic demand for goods and services** in October 2022 decreased compared with the previous calendar month, broadly stable with September 2022; in contrast nearly half (45%) reported domestic demand stayed the same.
- **In October 2022 there were a total of 1,948 company insolvencies in England and Wales up 38% compared to the same month last year (1,410 in October 2021) and 32% higher than three years previously (pre-pandemic – 1,477 in October 2019).** 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.
- UK **restaurants** are going bust at a faster rate than during the Covid crisis owing to a **"toxic mix" of surging energy costs, staff shortages and falling bookings**. Closures in the sector rose by 60 per cent, with 1,567 insolvencies during 2021/22, up from 984 during 2020/21, according to a study by the advisory firm **Mazars**.
- The Office for National Statistics also reported that **retail sales volumes fell 1.4% in September**, meaning that "consumers were now buying less than before the pandemic". The decline was far worse than the 0.5% decline that economists had forecast. Although alongside the cost of living crisis, retail will have been impacted by store closures for the funeral of the Queen. However, sales volumes have reduced by 2.4 per cent over the last three months, continuing the downward trend seen since summer 2021 as the cost-of-living crisis impacts people's spending.
- Clothing group **Joules** has collapsed into administration, putting 1,600 jobs at risk. The Leicestershire-based company, which has 132 shops, took the step after failing to secure emergency investment. The firm will be run as a going concern over Christmas while the administrators look for a buyer.
- Positively, **retailers with bricks-and-mortar stores will pay significantly lower business rates, while operators of large warehouse and logistics facilities will see their bills increase**, following a revaluation of commercial properties announced alongside the Autumn Statement. Shops will also benefit more quickly

from any rate reductions after the Chancellor scrapped downwards transitional relief in England. This has seen lower bills phased in over three years and is a change expected to cost the Government £1.6 billion.

Labour Market

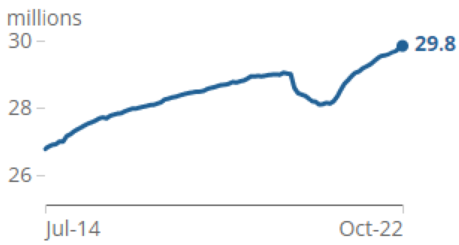
- **Economic inactivity continues to increase** due to long-term health issues such as long-Covid, mental health problems and health problems worsening due to long NHS waiting lists, alongside older workers taking early retirement and young people staying in education and overall is **significantly above 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 July to September 2022:

Payrolled employees
The number of payrolled employees

Monthly change: ▲ 74,000
Since Feb 2020: ▲834,000

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

Source: HMRC PAYE RTI
Read more

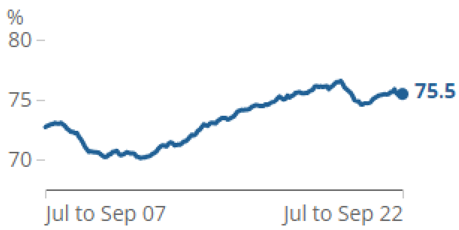


Employment rate
Employment rate (all aged 16 to 64)

Quarterly change: ◀▶ 0pps
Since Dec-Feb 2020: ▼-1.1pps

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

Source: ONS LFS
Read more

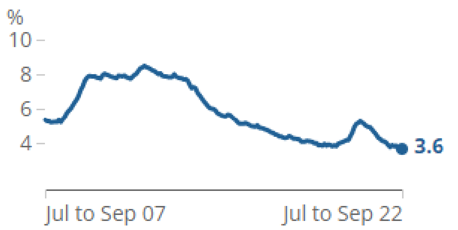


Unemployment rate
Unemployment rate (all aged 16+)

Quarterly change: ▼-0.2pps
Since Dec-Feb 2020: ▼-0.4pps

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

Source: ONS LFS



Inactivity rate

Economic inactivity rate (all aged 16 to 64)

Quarterly change: ▲0.2pps
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
Read more

Redundancy rate

Redundancy rate (per 1000 employees)

Quarterly change: ▲0.7 people per thousand
Since Dec-Feb 2020: ▼-1.2 people per thousand

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

Source: ONS LFS
Read more

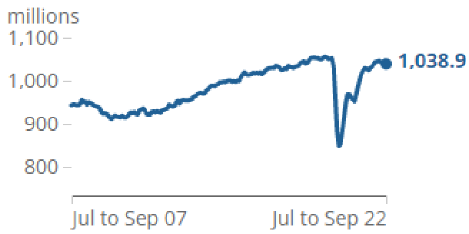
Hours worked

Total actual weekly hours worked

Quarterly change: ▼-4.2 million
Since Dec-Feb 2020: ▼-13.3 million

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

Source: ONS LFS



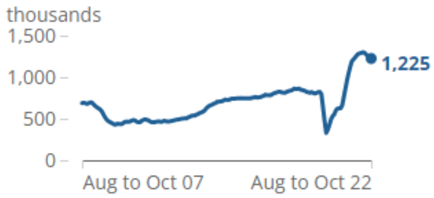
Job vacancies

Number of job vacancies

Quarterly change: ▼-46,000
Since Jan-Mar 2020: ▲429,000

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

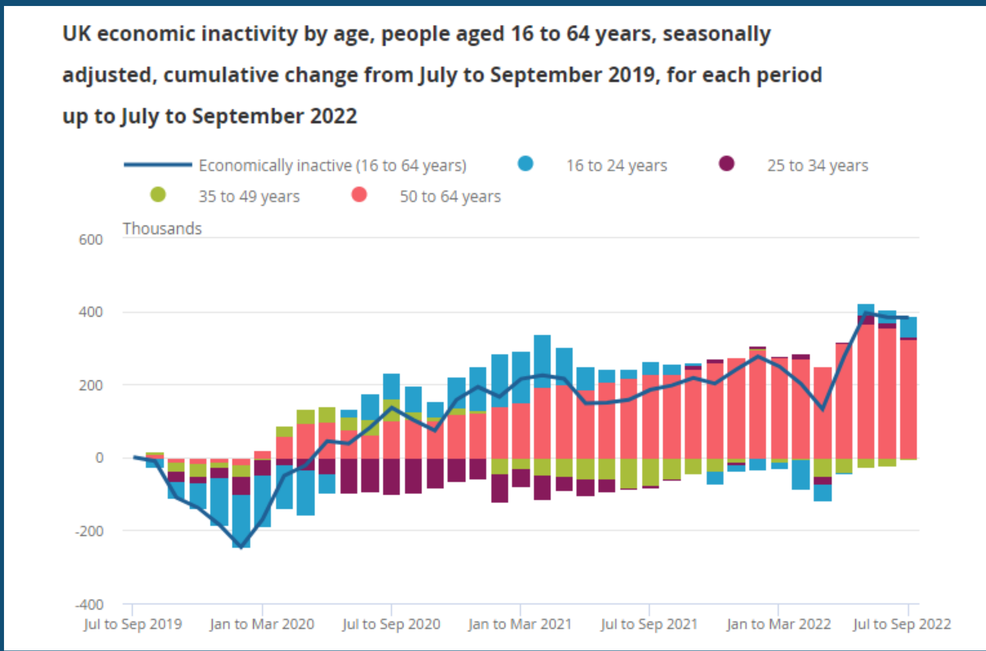
Source: ONS Vacancy Survey

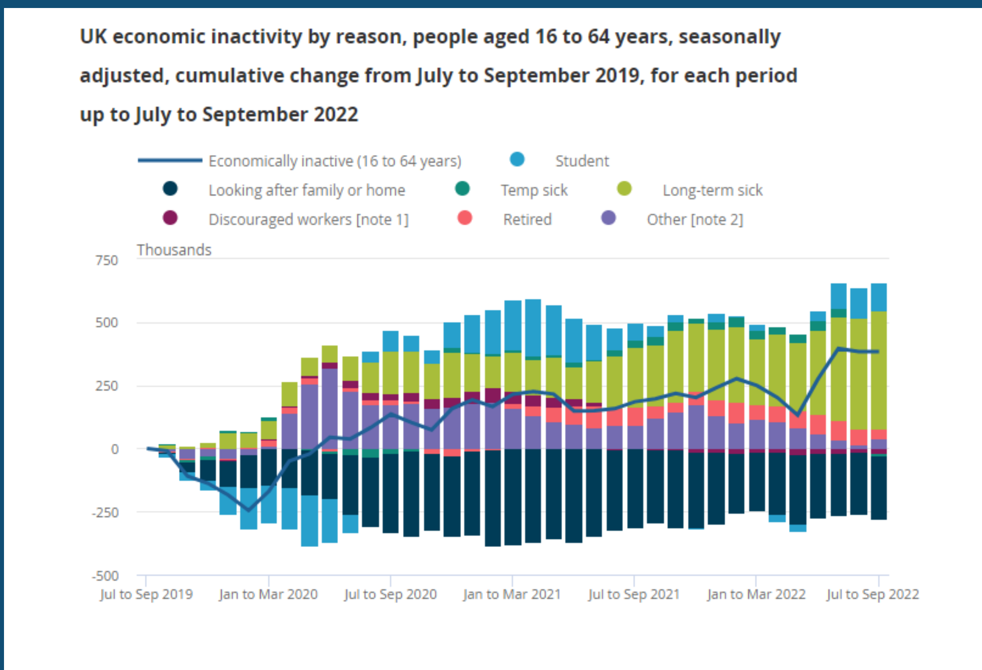


- The **UK employment rate** for July to September 2022 was 75.5%, largely unchanged on the previous quarter and 1.1 percentage points lower than before the pandemic (December 2019 to February 2020). Over the latest three-month period, the number of employees decreased, while self-employed workers increased. **Employment remains 334,000 below pre-pandemic levels.**
- The most timely estimate of **payrolled employees** for October 2022 shows another monthly increase, up 74,000 on the revised September 2022 figures, to a record 29.8 million.
- Total **hours worked** decreased compared with the previous three-month period and are still 13.3million below pre-pandemic levels.
- The **unemployment rate** for July to September 2022 decreased by 0.2 percentage points on the quarter to 3.6%. The number of people unemployed for all duration

categories decreased in the latest three-month period. **Unemployment is 140,000 below pre-pandemic levels.**

- In July to September 2022 **the redundancy rate increased slightly by 0.7 per thousand employees compared with the previous three-month period, but remains low at 2.7 per thousand employees**
- The **economic inactivity rate** increased by 0.2 percentage points on the quarter to 21.6% in July to September 2022. During the latest three-month period, the increase in economic inactivity was **largely driven by those aged 16 to 24 and 35 to 49 years and those who are long-term sick, who increased to a record high of 2.5 million**. Importantly, over two-thirds of those becoming long-term sick in 2021 and 2022 were already economically inactive for another reason. **Those economically inactive are 629,000 above pre-pandemic levels.**





Source: Office for National Statistics – Labour Force Survey

- A study by online jobs website **CV-Library** has found that **nine in ten economically inactive over-50s are considering returning to work** as the soaring cost of living looks set to force people into new jobs. Since the beginning of the pandemic, the number of people aged 50 to 64 classed as economically inactive has risen by 3.6 million or 10 per cent, which looks set to change as record inflation, pension worries and higher energy bills have left 91 per cent of inactive workers in the age bracket considering re-entering the workforce.
- In August to October 2022, the estimated number of **vacancies** fell by 46,000 on the quarter to 1,225,000. Despite four consecutive quarterly falls, the number of vacancies remain at historically high levels with one person unemployed for every one vacancy. **An increasing number of businesses are now reporting holding back recruitment because of economic pressures**.
- In September 2022, there were 205,000 working days lost to **labour disputes**.
- The **NHS is launching an effort to recruit tens of thousands of nurses** to help fill the record number of vacancies that low pay, Covid and heavy workloads have created across the service. It comes soon after NHS figures showed that the number of empty posts in nursing across hospitals, mental health, community care and other services had reached 46,828, the largest number ever, equivalent to **more than one in 10 nursing roles (11.8 per cent) unfilled** across the service overall.
- This shortage of nurses has seen NHS bosses increasingly paying premium rates for agency staff to plug holes in rotas. Spending in this area rose by 20% last year to hit £3bn in England, with some NHS trusts paying as much as £2,500 to fill shifts.
- A report by the **National Foundation for Educational Research** has found **schools struggling with teacher recruitment issues are having to use non-specialists for maths, physics and language lessons**. It said the use of non-specialist teachers in schools struggling with recruitment could have a negative impact on learning for pupils.
- Two million **public sector workers** could be close to leaving over substandard pay, a survey by the **Trades Union Congress** has suggested. The TUC has warned that below inflation pay awards and a rise in the cost of living was forcing some people to move away from the public sector.

Green Economy

- At the **UN's COP27 climate summit**, rich nations have agreed to set up a fund to help poor countries being impacted by climate change disasters. The final agreement will include a provision to set up a "loss and damage" fund to help developing countries bear the immediate costs of climate-fuelled events such as damage and economic losses from storms and floods. However, developed nations were left dissatisfied over progress on cutting fossil fuels.
- The **ban on fracking in England** has been reinstated by Prime Minister Rishi Sunak, reversing the decision of his predecessor Liz Truss who lifted the ban during her tenure.

- The **cost of decarbonising public sector buildings in the UK is estimated to be between £25-30 billion**. The Government has set a target of reducing emissions from public buildings by 75 per cent by 2037, but said the "indicative" figure is based on today's prices and is not the actual budget to move to low carbon heating.

Conclusion

- **In Staffordshire we have a confident, diverse and robust economy, which has seen long-term improvement in the labour market since lockdown.** 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.
- We welcome many of the **Government measures announced through the Autumn Statement** which will support local businesses and residents during these challenging times. We will also continue to provide local support through the wide range of economic programmes delivered in Staffordshire.
- 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 introduced through the Autumn Statement 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, driven by historically high inflation levels.** The **UK economy is now believed to be at the start of the what is expected to be the longest recession on record with GDP falling again in September** driven by a fall in the services sector, with hospitality and retail being hit by reduced consumer spending amidst the cost-of-living crisis.
- There are lingering **business issues** including **inflated commodity costs, energy prices, wage pressures, supply-chain constraints and workforce shortages remain the biggest business concerns,** 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 recession **unemployment is forecast to potentially almost doubling by 2025,** prior to that we are likely to see recruitment decline with fewer job vacancies available to those looking for work.

- 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.**
- **We have also established the new Staffordshire County Council Job Brokerage Service** which is designed to match local people, employers and training providers to fill jobs and provide people with the jobs and careers they need.
- 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 October 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 October 2022 there were a total of 1,948 company insolvencies in England and Wales.

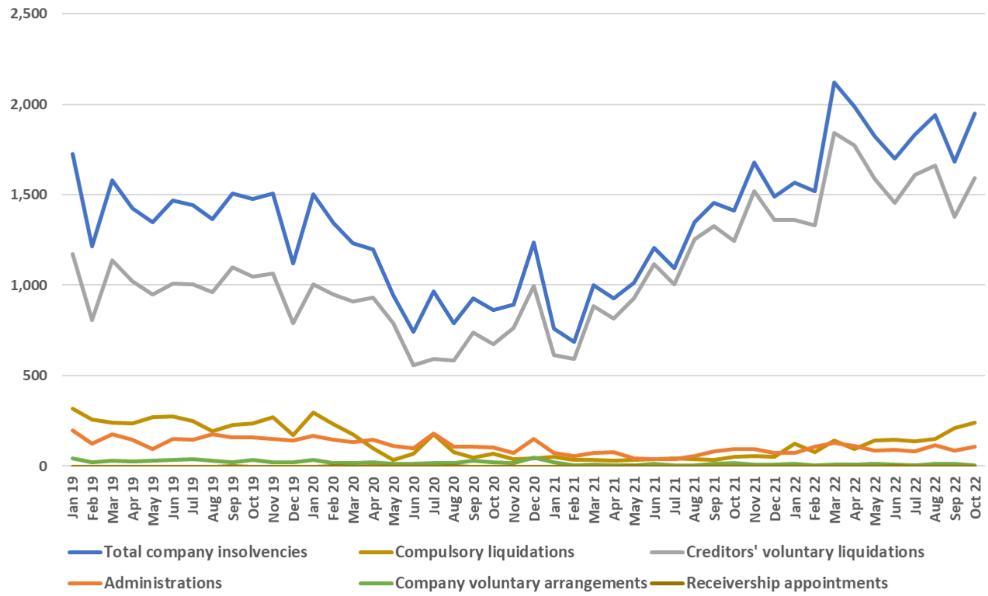
The overall number of **company insolvencies are 38% higher than in the same month last year (1,410 in October 2021) and 32% higher than three years previously (pre-pandemic – 1,477 in October 2019).** Please note that due to the volatility of the underlying data the Insolvency Service recommends comparisons are made with the same month in previous years rather than with the previous month.

There were 242 compulsory liquidations in October 2022, more than 4 times as many as in October 2021 and 2% higher than in October 2019. Numbers of compulsory liquidations have increased from historical lows seen during the pandemic, partly as a result of an increase in winding-up petitions presented by HMRC. October 2022 was the first time that the number of compulsory liquidations was similar to the pre-pandemic comparison month. This was partly caused by a large number of petitions from a single bank, which accounted for 45 of the compulsory liquidations in this month.

In October 2022 there were 1,594 Creditors' Voluntary Liquidations (CVLs), 28% higher than in October 2021 and 53% higher than October 2019. Numbers of administrations and Company Voluntary Arrangements (CVAs) remained lower than before the pandemic.

Company insolvencies between November 2021 and October 2022 are now 64% higher compared to a year earlier, representing 8,268 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_october_2022

The sectors to have seen the largest number of company insolvencies between October 2021 and September 2022 are construction (3,953), wholesale and retail (2,915) and accommodation and food (2,475). Levels now exceed those seen for the same period the previous year with construction 85% higher, wholesale and retail 97% higher, and accommodation and food 57% 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/inflation on the high street.

Individual Insolvencies

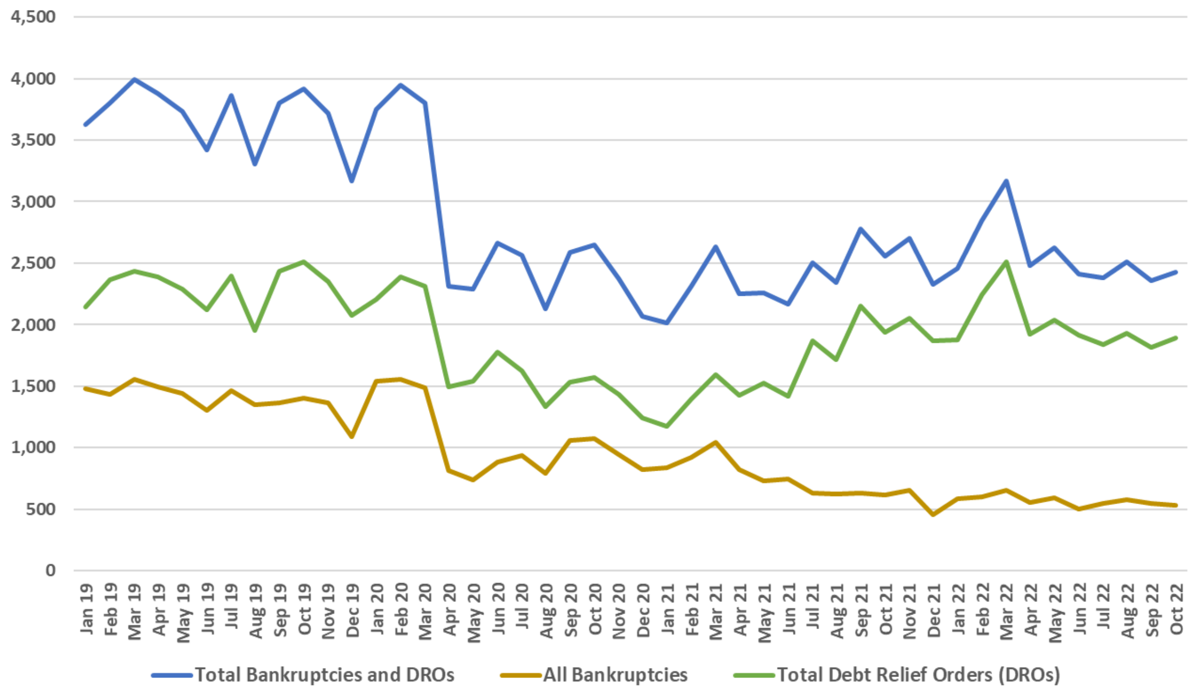
For individuals, **531 bankruptcies were registered in October 2022** (made up of 469 debtor applications and 62 creditor petitions), which was 14% lower than in October 2021 and 62% lower than October 2019.

There were **1,894 Debt Relief Orders (DROs)** in October 2022, which was 2% lower than October 2021 and 25% lower than the pre-pandemic comparison month (October 2019).

There were, on average, 7,610 Individual Voluntary Arrangements (IVAs) registered per month in the three-month period ending October 2022, which is 8% higher than the three-month period ending October 2021, and 13% higher than the three-month period ending October 2019. IVA numbers have ranged from around 6,300 to 7,800 per month over the past year.

Total bankruptcies and DROs between November 2021 and October 2022 are now 9% higher than the same period a year earlier, representing 2,426 more.

Bankruptcies and Debt Relief Orders in England and Wales



Sources: Insolvency Service

There were 6,342 Breathing Space registrations in October 2022, which is 31% higher than the number registered in October 2021. 6,230 were Standard breathing space registrations, which is 31% higher than in October 2021, and 112 were Mental Health breathing space registrations, which is 38% higher than the number in October 2021.

From the start of the 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. Company insolvency numbers have now returned to and exceeded pre-pandemic levels, but for individuals, numbers of bankruptcies and debt relief orders 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: October 2022

Area	Claimant Count Rate (Oct 2021)	Claimant Count Rate (Sept 2022)	Claimant Count Rate[1] (Oct 2022)	Number of Claimants (Oct 2022)	Monthly Change in Claimants (Numbers)	Monthly Change in Claimants (%)	Change in Claimants since March 2020 (Numbers)	Change in Claimants since March 2020 (%)
England	4.8	3.7	3.7	1,303,055	645	0.0%	239,550	22.5%
West Midlands	5.7	4.7	4.8	175,005	560	0.3%	30,655	21.2%
SSLEP	4.1	3.3	3.3	22,855	190	0.8%	3,485	18.0%
Birmingham	9.7	8.2	8.3	60,800	265	0.4%	11,430	23.2%
Wolverhampton	8.6	7.3	7.4	12,030	145	1.2%	1,650	15.9%
Sandwell	7.7	6.4	6.5	13,325	175	1.3%	2,545	23.6%
Walsall	6.9	5.4	5.4	9,450	-10	-0.1%	845	9.8%
Stoke on Trent	**6.5**	**5.2**	**5.3**	**8,485**	**150**	**1.8%**	**1,165**	**15.9%**
Dudley	5.8	4.7	4.7	9,215	60	0.7%	700	8.2%
Coventry	5.2	4.6	4.6	11,820	130	1.1%	3,820	47.8%
Telford and Wrekin	4.5	3.6	3.5	3,960	-100	-2.5%	530	15.5%
Solihull	4.3	3.2	3.2	4,070	-100	-2.4%	420	11.5%
Worcestershire	3.8	3.1	3.1	10,845	15	0.1%	2,540	30.6%
Staffordshire	**3.4**	**2.7**	**2.7**	**14,365**	**40**	**0.3%**	**2,315**	**19.2%**
Warwickshire	3.5	2.7	2.7	9,625	-140	-1.4%	1,795	22.9%
Shropshire	3.1	2.4	2.4	4,500	-65	-1.4%	490	12.2%
Herefordshire, County of	2.8	2.2	2.2	2,500	-20	-0.8%	390	18.5%
Tamworth	4.4	3.5	3.4	1,620	-25	-1.5%	130	8.7%
Cannock Chase	3.9	3.1	3.2	2,040	55	2.8%	385	23.3%
East Staffordshire	3.9	3.0	2.9	2,150	-35	-1.6%	430	25.0%
Newcastle-under-Lyme	3.3	2.7	2.7	2,220	-10	-0.4%	240	12.1%
South Staffordshire	3.3	2.6	2.6	1,740	15	0.9%	430	32.8%
Stafford	3.0	2.4	2.5	2,040	25	1.2%	385	23.3%
Lichfield	3.1	2.4	2.4	1,480	-10	-0.7%	160	12.1%
Staffordshire Moorlands	2.5	1.8	1.9	1,075	25	2.4%	155	16.8%

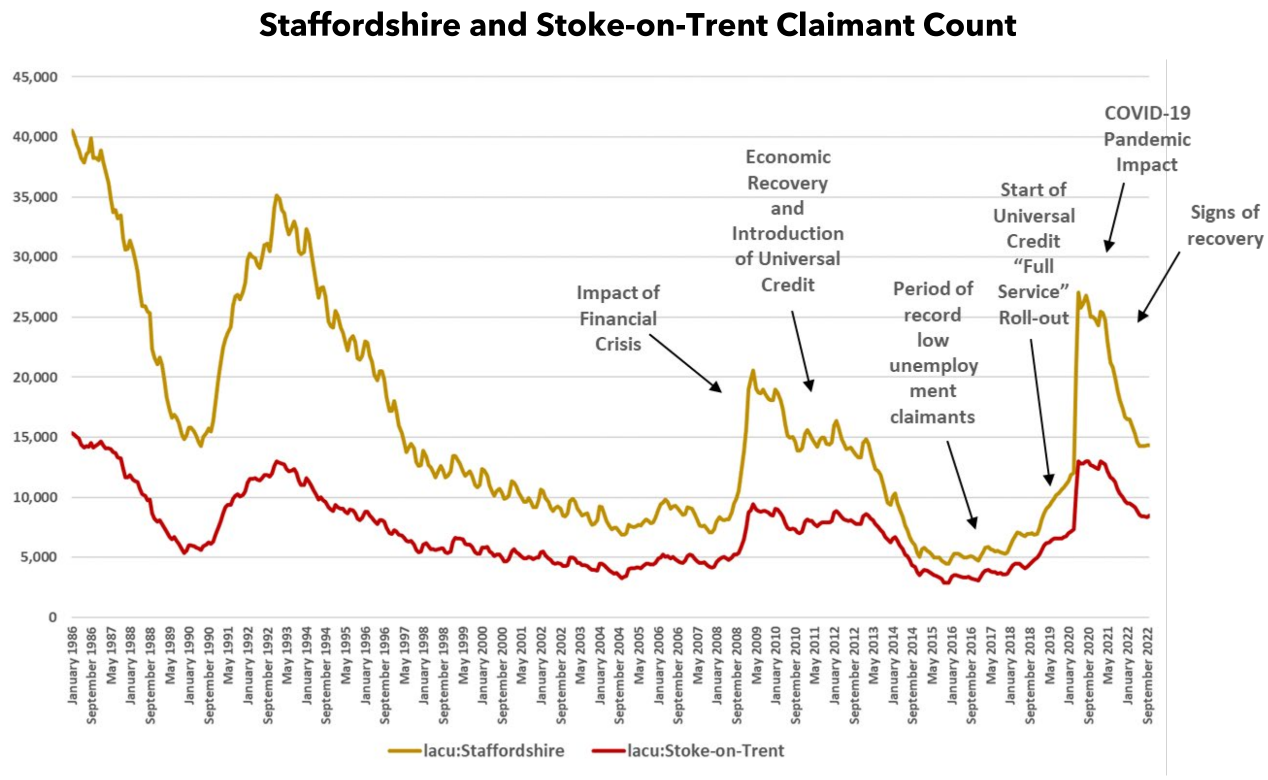
[1] The claimant rate is the proportion of the working age population claiming benefits

- The claimant count in Staffordshire has remained virtually unchanged over the last month, with only a very small increase of 40 claimants between September and October 2022, with the total number of claimants in the county now standing at 14,365. This is similar to the national picture, with the claimant rates for Staffordshire and England remaining unchanged at 2.7% and 3.7% of the working age population, respectively.

- Stoke-on-Trent saw an increase of 150 over the same period with a total of 8,485 claimants in October, with the rate increasing from 5.2% to 5.3%.

- These recent increases in the claimant count follow a long period of recovery following lockdown, however the total number of Universal Credit (UC) claimants remains 19.2% or 2,315 higher than the level seen in March 2020 (pre-COVID), although this is below the 22.5% increase seen nationally and 21.2% increase seen regionally.

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



- However, not all will be out of work. The increases in the Claimant Count also need to be viewed in the context of the move to Universal Credit. Before Universal Credit, the Claimant Count was based upon Jobseeker's Allowance claimants, i.e., people out of work but looking for a job. A proportion of claimants currently will have a job but claiming Universal Credit due to having a low income or have seen reduced hours (under-employment). Unfortunately, due to Government data limitations it is not currently possible to quantify the proportion of people that fall into these cohorts at a local level.

- It is important to recognise that although claimant numbers remain higher than pre-pandemic given our strong position going into the pandemic, we still perform comparatively well for our claimant rate which stood at 2.7% of the working age population in October compared to 4.8% regionally and 3.7% nationally. In Stoke-on-Trent the Claimant Count rate remains above both the regional and national averages at 5.3%.

- This month half of Staffordshire Districts have seen an increase in the number of claimants, while the other half have seen a decrease. Cannock Chase saw the largest increase with a 55 rise in claimants, while East Staffordshire saw the largest decrease with a decline of 35 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.

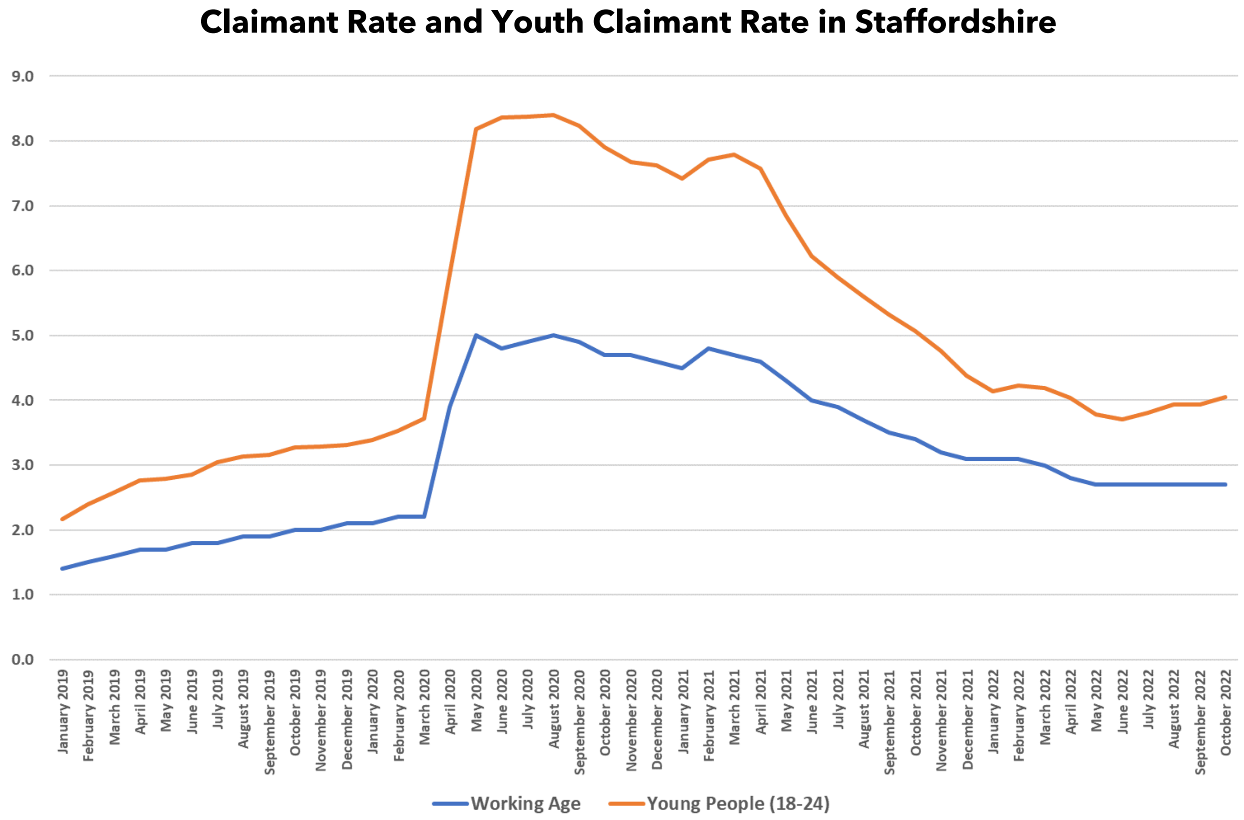
Youth Claimant Count

- This month the youth claimant count in Staffordshire saw an increase of 80 to a total of 2,635 young people. The number of claimants aged 18-24 has therefore increased but been partly offset by a fall in the number of claimants from other age groups. This is the same as what has happened in the last month across England as a whole.
- At the moment it is not entirely clear as to why this is the case, and we will be closely monitoring the situation, but it may be due to young people leaving formal education and having no immediate job or further training to progress into.
- The proportion of young people in Staffordshire aged 18-24 that are claiming work-related Universal Credit has increased this month from 3.9% to 4.1% compared to 2.7% for the working age population and 4.7% nationally.
- While in Stoke-on-Trent the rate has increased from 6.6% to 6.8% in October following an increase of 50 youth claimants.

Youth Claimant Count (Universal Credit) Statistics: October 2022

Area	Youth Claimant Count Rate (Oct 2021)	Youth Claimant Count Rate (Sept 2022)	Youth Claimant Count Rate[1] (Oct 2022)	Number of Youth Claimants (Oct 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	5.9	4.6	4.7	219,585	5,135	2.4%	21,855	11.1%
West Midlands	7.1	5.8	5.9	31,190	610	2.0%	3,285	11.8%
SSLEP	5.8	4.6	4.8	4,225	130	3.2%	405	10.6%
Wolverhampton	11.9	9.7	10.0	2,070	60	3.0%	160	8.4%
Sandwell	10.7	8.9	9.3	2,450	95	4.0%	335	15.8%
Walsall	10.4	7.9	8.1	1,850	35	1.9%	-65	-3.4%
Birmingham	8.9	7.5	7.7	10,710	230	2.2%	1,605	17.6%
Dudley	9.0	6.9	7.1	1,695	45	2.7%	-55	-3.1%
Stoke on Trent	**7.8**	**6.6**	**6.8**	**1,590**	**50**	**3.2%**	**185**	**13.2%**
Telford and Wrekin	7.2	6.0	5.9	865	-25	-2.8%	105	13.8%
Solihull	7.0	5.1	4.8	740	-45	-5.7%	-85	-10.3%
Worcestershire	5.5	4.5	4.6	1,870	20	1.1%	275	17.2%
Staffordshire	**5.1**	**3.9**	**4.1**	**2,635**	**80**	**3.1%**	**220**	**9.1%**
Coventry	4.1	3.7	3.8	2,055	45	2.2%	520	33.9%
Shropshire	4.6	3.6	3.6	730	5	0.7%	-95	-11.5%
Warwickshire	4.4	3.4	3.4	1,560	5	0.3%	225	16.9%
Herefordshire, County of	4.2	3.0	3.1	370	5	1.4%	-45	-10.8%
Cannock Chase	6.4	5.4	6.0	430	40	10.3%	65	17.8%
Tamworth	7.9	5.8	5.9	330	5	1.5%	35	11.9%
Stafford	4.4	4.1	4.3	375	15	4.2%	60	19.0%
South Staffordshire	5.4	4.2	4.2	325	0	0.0%	75	30.0%
East Staffordshire	5.6	4.0	4.1	350	10	2.9%	30	9.4%
Lichfield	4.7	3.7	3.7	260	0	0.0%	-10	-3.7%
Newcastle-under-Lyme	3.9	2.9	2.9	405	5	1.3%	-20	-4.7%
Staffordshire Moorlands	3.8	2.5	2.7	165	10	6.5%	-10	-5.7%

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



- The majority of Staffordshire Districts have seen an increases in youth claimants this month, with only Lichfield and South Staffordshire seeing no change during October. Cannock Chase and Stafford saw the largest increases of 40 and 15 youth claimants respectively.

- Cannock Chase and Tamworth 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

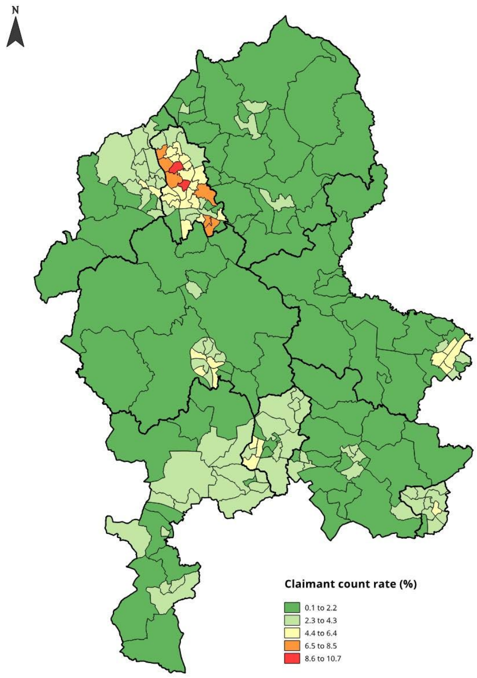
The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

Claimant Count Rate October 2022

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 58 were above the England average of 3.7% for the number of claimants as a proportion of the working age population.

Of the top 15 wards with the highest claimant count rate all were in Stoke-on-Trent with Joiner's Square (10.7% or 490 claimants), Moorcroft (8.8% or 330) and Burslem Central (8.1% or 370) having the highest rates.

In Staffordshire of the wards with the highest claimant count rates were Burton in East Staffordshire (5.6% or 170), Glascote in Tamworth (5.5% or 255) and Anglesey in East Staffordshire (5.4% or 295).

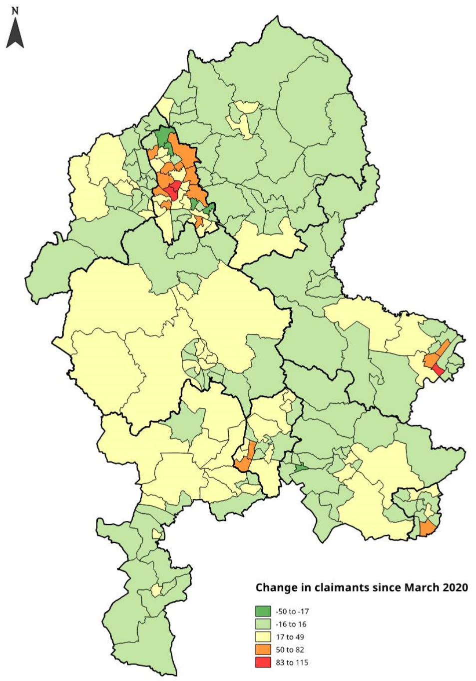


Staffordshire County Council

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 Joiner's Square (115 rise to 490 claimants in total), Hanley Park and Shelton (100 increase to 285), and Lightwood North and Normacot (80 rise to 225).

The remaining 3 wards in the top 10 were Anglesey in East Staffordshire (105 rise to 295), Shobnall in East Staffordshire (75 increase to 285) and Cannock South in Cannock Chase (65 rise to 290).



Staffordshire County Council

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

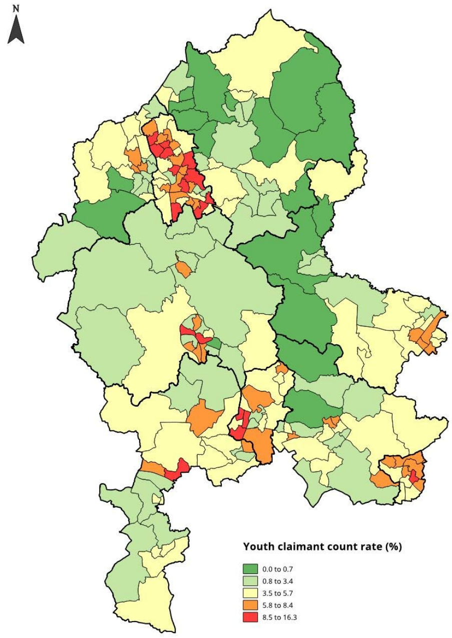
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

Youth Claimant Count Rate October 2022

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 82 were above the England average of 4.7% 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 7 were in Stoke-on-Trent with Joiner's Square (16.3% or 125 claimants), Bentilee and Ubberley (12.2% or 110) and Meir South (10.8% or 60) having the highest rates.

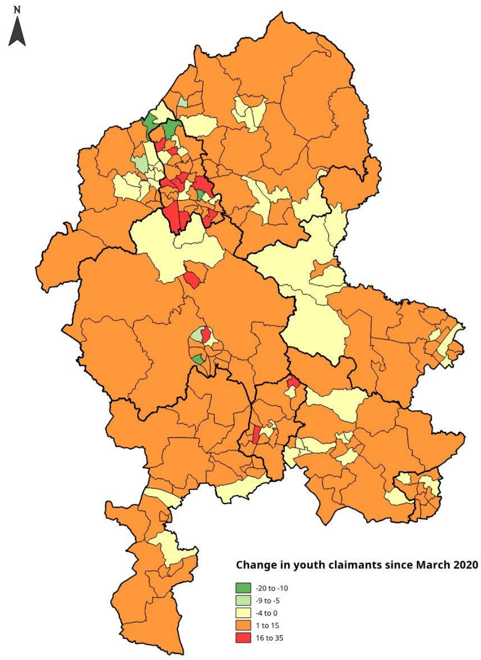
In Staffordshire, the 3 wards with the highest rates were Glascote in Tamworth with 10.4% or 60 claimants, Doxey & Castletown with 10.0% or 30, and Cannock East with 9.5% or 55 youth claimants.



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 7 were in Stoke-on-Trent including Hanley Park and Shelton (35 rise to 65 youth claimants), Joiner's Square (25 increase to 125), and Bentilee and Ubberley (20 rise to 110) with the highest increases since March 2020.

In Staffordshire, the highest increase was seen in Cannock East with a 15 rise to 55, Western Springs in Cannock Chase with a 15 increase to 40, and Walton in Stafford with a 15 rise to 25 youth claimants.



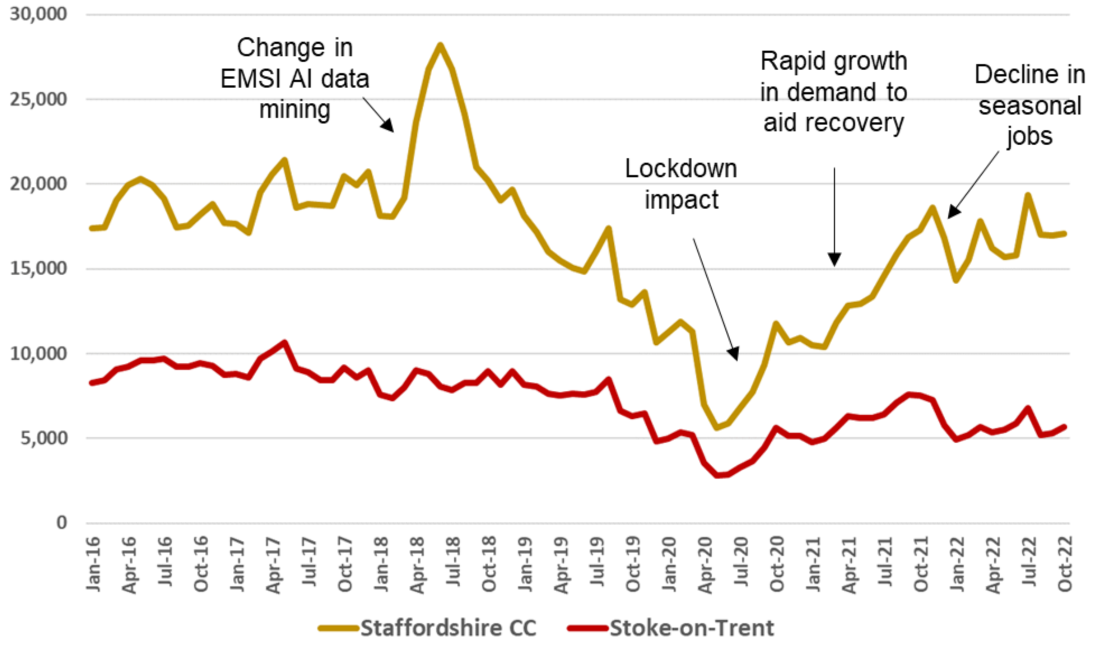
Job Vacancies[3]

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

- **Stoke-on-Trent saw a 7% rise in vacancies to a total of nearly 5,700 which is lower than the number of claimants.**

- Clearly, there continues to be high demand for labour and skills across most parts of the economy to aid the recovery from the pandemic but the business impact of rising inflation, energy prices and wage levels are likely starting to weigh on recruitment levels.

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 October were 'Professional Occupations' (7% rise), 'Sales and Customer Service Occupations' (5% rise), and 'Caring, Leisure and Other Service Occupations' (4% rise).

- The occupational groups which saw the largest decrease were 'Process, Plant and Machine Operatives' (4% decline) and 'Administrative and Secretarial Occupations' (3% decline).

- The occupations to see the most significant increases during October include roles in sectors experiencing ongoing recruitment difficulties such as health (nurses), hospitality (kitchen and catering assistants), education (teaching assistants and secondary education teaching professionals), logistics (elementary storage occupations), and digital (IT business analysts, architects and systems designers).

Annual Trends in job vacancies

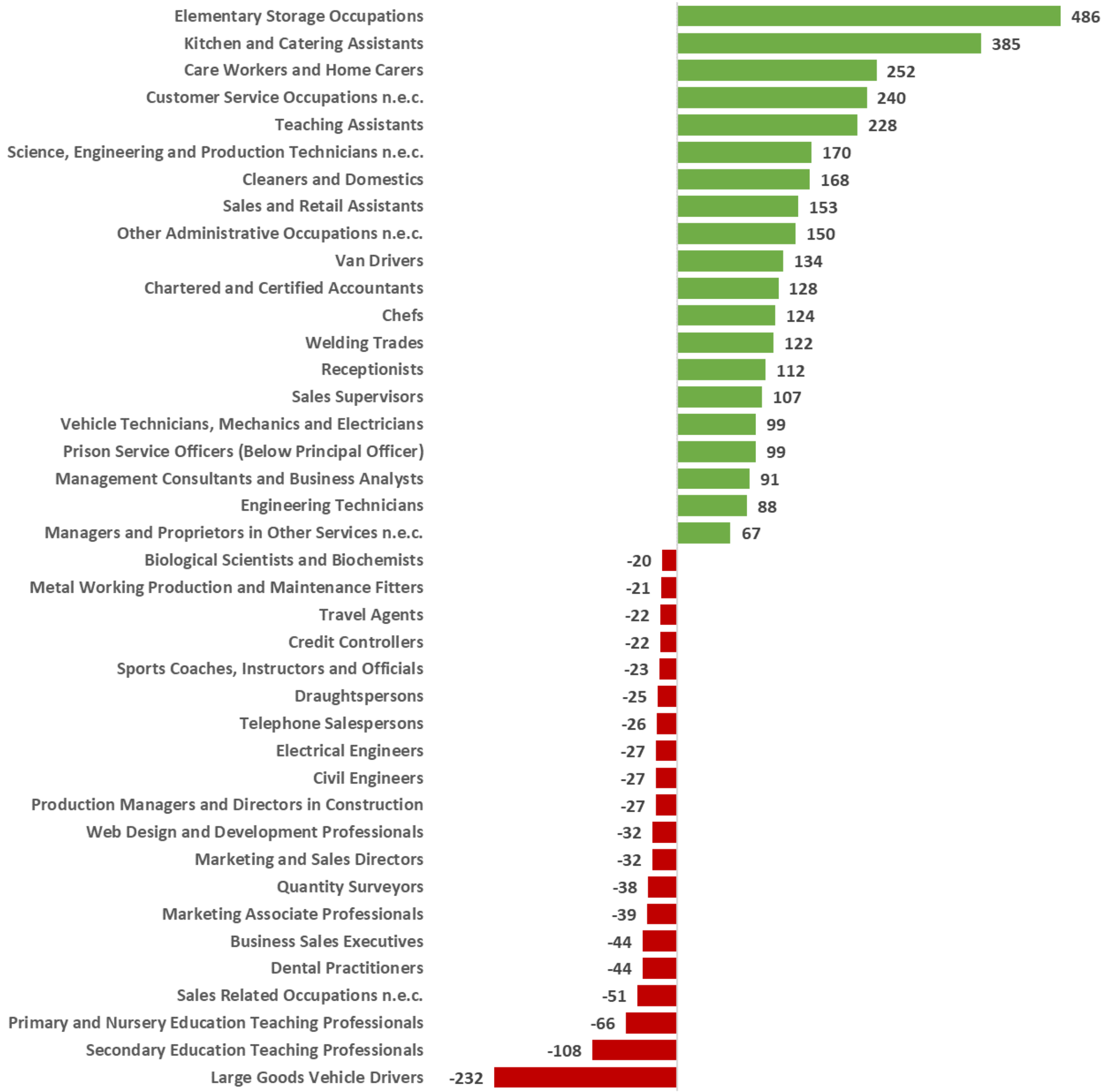
- The occupations to see the largest year-on-year increases have been in education (teaching assistants and primary and nursing education teaching professionals), digital roles (programmers and software development professional), hospitality (kitchen and catering assistants), manufacturing (welding trades, engineering technicians, mechanical engineers, and production and process engineers), and business management roles (chartered and certified accountants and 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'.
    - **Education** including 'teaching assistants'.
    - **Manufacturing** including 'science, engineering and production technicians' and 'welding trades'.
    - **Retail** including 'sales and retail assistants'.
    - **Wider-business roles** including 'customer service occupations', 'administrative occupations' and 'chartered and certified accountants'.

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

Top 20 occupations increasing and top 20 declining between Feb 2020 (Pre-COVID) and October 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 **'nurses', 'sales related occupations', 'customer service occupations' and 'administrative occupations'.**

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

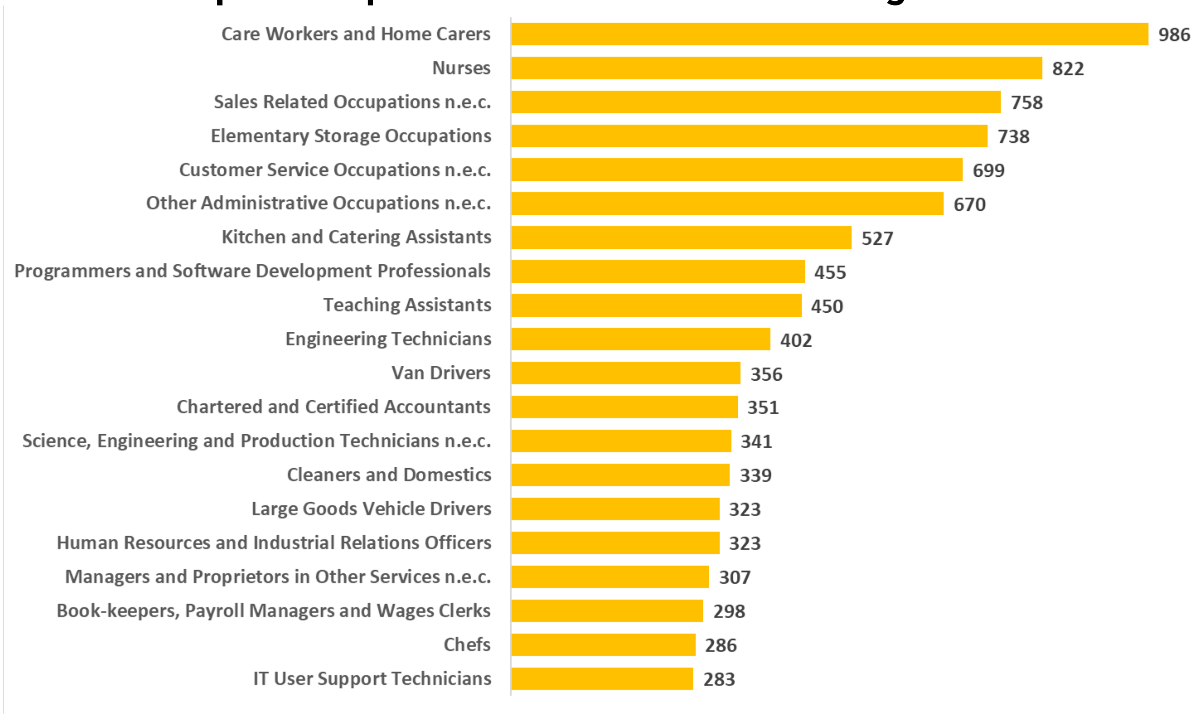
- There is high demand for digital roles in particular **'programmers and software development professionals'.**

- In manufacturing **‘engineering technicians’ and ‘science, engineering and production technicians’** are most in demand.

- In education there also remains demand for **‘teaching assistants’**.

- There is also high demand for **‘chartered and certified accountants’, ‘human resources and industrial relations officers’, ‘managers’, and ‘book-keepers, payroll managers and wages clerks’** to support business in their recovery/survival and new ways of working.

Top 20 occupations in demand in SSLEP during October 2022



Job Vacancies Summary Table

Area / SSLEP Occupational Group	Feb 2020 Unique Postings	Oct 2021 Unique Postings	Aug 2022 Unique Postings	Sep 2022 Unique Postings	Oct 2022 Unique Postings	Sep 2022-Oct 2022 (Month on Month Change)	Sep 2022-Oct 2022 Monthly % Change	Oct 2021-Oct 2022 (Year on Year Change)	Oct 2021-Oct 2022 Annual % Change	Feb 2020-Oct 2022 (Month on Month Change)	Feb 2020-Oct 2022 Monthly % Change
Staffordshire CC	11,872	17,281	17,008	16,984	17,052	68	0%	-229	-1%	5,180	44%
Stoke-on-Trent	5,355	7,547	5,220	5,302	5,678	376	7%	-1,869	-25%	323	6%
SSLEP	17,227	24,828	22,228	22,286	22,730	444	2%	-2,098	-8%	5,503	32%
West Midlands	117,033	171,209	160,969	158,192	163,439	5,247	3%	-7,770	-5%	46,406	40%
England	1,126,697	1,826,105	1,798,309	1,727,926	1,762,494	34,568	2%	-63,611	-3%	635,797	56%
East Staffordshire	2,665	4,511	4,978	5,041	4,766	-275	-5%	255	6%	2,101	79%
Lichfield	1,337	2,228	2,302	2,352	2,376	24	1%	148	7%	1,039	78%
Staffordshire Moorlands	267	435	405	385	386	1	0%	-49	-11%	119	45%
Cannock Chase	1,613	2,250	2,230	2,221	2,209	-12	-1%	-41	-2%	596	37%
Tamworth	2,139	2,576	2,977	2,812	2,764	-48	-2%	188	7%	625	29%
Stafford	2,846	4,118	3,062	3,110	3,415	305	10%	-703	-17%	569	20%
Newcastle-under-Lyme	857	985	864	879	970	91	10%	-15	-2%	113	13%
South Staffordshire	148	178	190	184	166	-18	-10%	-12	-7%	18	12%
Elementary Occupations	1,001	3,029	2,494	2,373	2,448	75	3%	-581	-19%	1,447	145%
Caring, Leisure and Other Service Occupations	1,415	2,378	2,136	2,075	2,168	93	4%	-210	-9%	753	53%
Skilled Trades Occupations	1,252	1,938	1,740	1,770	1,782	12	1%	-156	-8%	530	42%
Sales and Customer Service Occupations	1,675	2,391	2,200	2,134	2,234	100	5%	-157	-7%	559	33%
Administrative and Secretarial Occupations	1,550	2,514	2,245	2,137	2,063	-74	-3%	-451	-18%	513	33%
Associate Professional and Technical Occupations	2,861	3,871	3,564	3,681	3,658	-23	-1%	-213	-6%	797	28%
Managers, Directors and Senior Officials	1,370	1,766	1,539	1,616	1,577	-39	-2%	-189	-11%	207	15%
Professional Occupations	4,761	5,032	4,772	4,968	5,308	340	7%	276	5%	547	11%
Process, Plant and Machine Operatives	1,227	1,739	1,453	1,397	1,340	-57	-4%	-399	-23%	113	9%

- In conclusion, 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 and preventing them becoming long-term unemployed.

- 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.

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.