Staffordshire & Stoke-on-Trent Economic Bulletin

Issue 29 – January 2023

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 having seen **improvement in the local economy and labour market following the COVID pandemic**, we are now starting to see the **early impact of the energy and cost-of-living crisis with unemployment, youth unemployment and dependency on work-related benefits starting to increase.**
- We continue to hear of **local businesses struggling to remain profitable** due to a wide range of factors including **high energy prices, rising interest rates, increasing wage levels and lower consumer demand** due to the cost-of-living crisis. This is leading to a number of businesses having to make the difficult decision to **reduce staffing costs** in order to help them try to survive during these very challenging economic conditions.
- At the same time we are **starting to see a reduction in the number of job vacancies available, although they still remain high in a number of priority sectors.**
- Given these changes there is likely to be **increased competition for available job opportunities** from both those that unfortunately find themselves unemployed but also those economically inactive and looking to re-enter the workforce due to the cost-of-living crisis.
- Clearly, it is positive that the **Bank of England has said that it believes that inflation has peaked at a lower level than previously feared and will decline over the coming year** which is clearly very welcome news for our businesses. However, we remain in challenging times and it is vital that we continue to support local businesses.
- Local partners continue to deliver a **wide range of programmes to support businesses, residents and economic growth helping to create better paid job opportunities across Staffordshire.**
- 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 increase of **335 claimants between November and December 2022 to a total of 14,640 claimants**. This increase is similar to the rise seen nationally.
- The **claimant rate for Staffordshire has remained at 2.7%** and remains one of the lowest rates in the West Midlands and far lower than the average for England which saw a rise from 3.7% to 3.8% of the working age population.
- These increases come at a time when normally the claimant count would be declining due to seasonal job opportunities, although such opportunities are likely to have somewhat limited the increase in claimant over the last month.
- The main contribution to the overall increase in claimants this month came from those aged 25-49 years of age with this group seeing an increase of 225 claimants, while there were also smaller increases for those aged 50+ which saw an increase of

65 claimants and youth claimants aged 18-24 saw a rise of 40 claimants to a total of 2,685 young people. This is similar to what has happened in the last month across England as a whole.

- 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 December compared to 4.8% regionally and 3.8% nationally.**
- In terms of job vacancies, **Staffordshire saw a 4% decrease in the number of available vacancies between November and December to a total of 16,700, this remains more than work related benefit claimants. Stoke-on-Trent saw a 2% decline in vacancies to a total of nearly 6,300 which is lower than the number of claimants.** Given this was the period going into Christmas when recruitment usually increases particularly in a number of service sectors, it clearly shows some of the early impact of the energy and cost-of-living crisis on businesses. Given current high inflation, energy prices and wage levels we are likely to see further declines in recruitment over the coming months.
- However, **although recruitment demand has started to decline there still remains high demand for labour and skills across most parts of the economy**.
- The occupations to see the most significant increases during December include roles in sectors with seasonal job opportunities and parts of the economy experiencing ongoing recruitment difficulties such as **social care (care workers and home carers), hospitality (chefs and kitchen and catering assistants), child care (nursery nurses and assistants), education (teaching and other educational professionals), logistics (van drivers), primary and nursery education teaching professionals), and health (nurses and nursing auxiliaries and assistants).**
- 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, followed by high demand for '**nurses'.**
- In logistics there is high demand for roles including '**elementary storage occupations' and 'van drivers'.**
- There remains high demand for business roles such as **'sales related occupations', 'customer service occupations' and 'administrative occupations'.**
- While in hospitality '**kitchen and catering assistants'** remain the roles in most demand.
- In education there remains demand for **'teaching assistants' and 'teaching and other educational professionals'.**
- In manufacturing **'engineering technicians' and 'science, engineering and production technicians'** are most in demand.
- There is high demand for digital roles in particular '**programmers and software development professionals'**.
- There is also high demand for **'chartered and certified accountants', 'book-keepers, payroll managers and wages clerks', 'human resources and industrial**

relations officers', and 'managers' to support business in their recovery/survival and new ways of working.

- It is in these areas of the economy where job vacancies remain very high that we are hearing the most reports of **labour and skills shortages** with not enough workers or skills to fill the vacant jobs.
- This has the **potential to slow down the recovery or limit business survival unless the labour shortage and skills gap is quickly and effectively addressed**, clearly employment support organisations, 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. While Government and business sectors have a key role in ensuring that jobs in areas of demand are attracting workers with good pay and terms and conditions.
- 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, unfortunately we continue to see the **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.

- Given the current economic climate we are **seeing unemployment slowly rise with businesses having to lay-off staff to try to survive** as we move further into the energy and cost-of-living crisis and it is expected that unemployment will continue to rise for some time.
- Alongside this rise in the jobless rate, we are also **starting to see a decline in available job vacancies** and we would expect recruitment to decline further as the energy and cost-of-living crisis progresses.
- This increase in unemployment and fall in recruitment comes at a time when we are also seeing **more people choosing to return to work, with the economic inactivity rate falling as those over 50 that had previously retired are opting to go back to work at a time when the cost of living is rising rapidly**. This re-engagement with the labour market is seeing more people in employment and also more actively looking for a job.
- It is positive that businesses have **greater access to workers to address skills gaps and labour shortages in areas of demand through a less tight labour market, but at the same time those with low skills will find it increasingly difficult to access employment and will need to be supported to do so in order to prevent them becoming long-term unemployed**.
- 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

- 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.
- Ready to help boost your business's productivity this year? With adults spending most of their time at work, it makes sense to take advantage of funded support to help them look after themselves and perform at their best. Now Staffordshire Workplace Health, part of Staffordshire County Council, is offering expert help to do just that. Get the new year off to a great start and scope out the range of funded support to support your staff's health and wellbeing, including:
    - experts coming to your business to do general health checks

    - healthy eating resources
    - mental health resources
    - physical activity resources and more

  Express an interest to get funded health and wellbeing support for your team
- **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

- **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

- SMEs and local businesses are being encouraged to make sure they're on the HS2 Local Business Register so they can become part of the HS2 supply chain and benefit from its development. HS2 Ltd regularly holds business engagement events and ensures that their Tier 1 suppliers are aware of the businesses that can help them fulfil their contracts through the Local Business Register. **Get on the HS2 Local Business Register**.
- **Keele University digital programme hits the hundred -** A Keele University programme is set to commence its 100th Digital Advisor project this month, delivering bespoke digital support to organisations across Stoke-on-Trent and Staffordshire. The project provides businesses with the opportunity to engage with talented Keele students and graduates, employed as advisors, to work on projects specifically-tailored to build digital capacity and capabilities. Part-funded through a suite of funders including the European Regional Development Fund (ERDF), there is no cost to eligible organisations. **Discover how a talented Digital Advisor could boost your business**.
- Work has begun on a multi-million-pound Enterprise Zone development in Newcastle-under-Lyme. **The Chatterley Valley West development**, which will sit on the brownfield site just off the A500, will see major private sector investment and an additional £3.7million of investment through the Kidsgrove Town Deal and £3.5million from Staffordshire County Council. The investment by the county council which will be paid back through business rates that are wholly retained within the

area and can be used to help fund further regeneration schemes. Through the joint funding by both councils, essential roads and infrastructure at the site are now being delivered to pave the way for the development of industrial units. Outline planning permission for the site allows for up to 1.17 million square feet (109,000 sqm) of development. The development could create up to 1,700 jobs, will be one of the biggest business developments in the north of the county in decades.

- **Wades Ceramics** has collapsed into administration with the loss of around 140 jobs. Wades Ceramics, which has been producing practical and ornamental homeware items in Stoke-on-Trent for more than two centuries, blamed the decision on the loss of a major customer and the current economic situation.

National Context

- In his first major speech of the year, **Rishi Sunak laid out five key pledges, to grow the economy, halve inflation, reduce debt, cut hospital waiting lists, and stop migrant crossings in the Channel.**
- The Prime Minister has also warned that the **UK's problems will not all go away in 2023** and that the Government was taking "difficult but fair" decisions to "get borrowing and debt under control".
- In his **spring statement on the 15th March** the Chancellor Jeremy Hunt will provide further detail on how the Government plans to boost growth, bring down inflation and reduce national debt.
- The Health and Social Care Secretary Steve Barclay has said that flu and Covid have put "**massive pressure" on the NHS** and reducing backlogs caused by the pandemic will "take time". The Government is working on freeing up beds reduce hospital delays and relieve pressure in A&Es and on ambulance services.

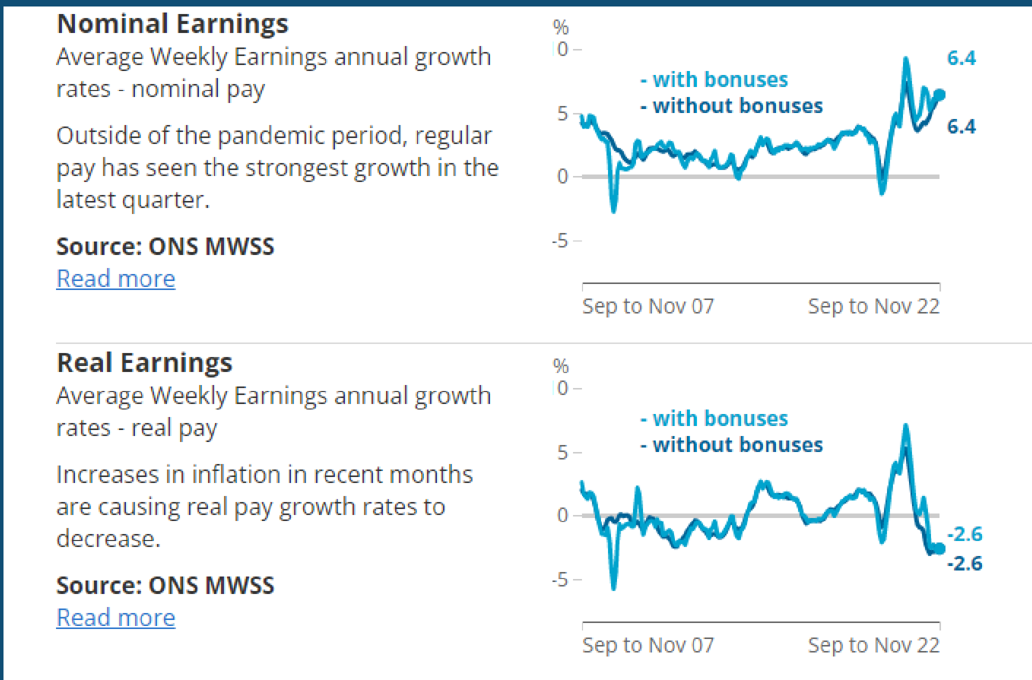
Cost of Living Crisis, Inflation and the War in Ukraine

- We have heard welcomed news that **inflation has continued to decline**. According to the **Office for National Statistics** the annual rate of consumer price inflation declined to 10.5 per cent in December, from 10.7 per cent in November and further below the 41-year high of 11.1 per cent in October.
- **Petrol and diesel costs eased** last month but **food prices continued to soar**, reaching the highest since 1977. Restaurants and hotel prices also jumped in December along with a record rise in air fares.
- To help control inflation the Bank of England further raised **interest rates** in December to 3.5% and even though inflation has declined it is widely expected to raise interest rates in early February for the 10th time in succession. Its rate setters are likely to view official figures showing resilience in the jobs market, and stronger than expected economic growth in November, as reasons for a further rate increase.
- Although the **Bank of England** has suggested that **inflation has now peaked and could fall rapidly as global energy prices drop, which may limit the rise in**

interest rates. However, the Governor of the BoE has warned that a **shortage of workers due to early retirement and long-term sickness could still pose major risks amid the cost-of-living crisis.**

- The Government has announced that **energy bill support for businesses will be reduced from April** after warning that the current level of help was too expensive. Under the new scheme, which is also for charities and public sector organisations, firms will get a discount on wholesale prices rather than costs being capped as under the current one and it will run until the end of March 2024.
- It has also been reported that up to **half a million of the UK's most vulnerable families have been left without government help to pay their energy bills** since October, with an estimated 1.3 million vouchers worth an estimated £80 million for homes with prepayment meters lost according to **PayPoint**.
- Positively, the Department for Work and Pensions has confirmed that **low-income households will receive new energy payments of £900 in the Spring**, which will be paid directly to bank accounts in three payments. There will also be a separate £150 payment for people with disabilities and £300 for pensioners to supplement their Winter Fuel Payments.
- Over 3,200 **warm banks**, run by councils and charities to provide heating to those who cannot afford to heat their homes, are open across the UK according to the **Warm Welcome Campaign**. Charity Save the Children said 194 of 355 councils in England and Wales are directly involved in or supporting local groups to open warm spaces this winter.
- There is also the very welcomed news that **energy bills are predicted to fall** below £2,500 from July as wholesale gas prices drop, according to analysis by **Investec**. The international banking and wealth management group forecast that the cap on annual energy bills will fall to £2,478 for an average bill in the summer, down from a previous estimate of £2,640 earlier this month.
- This positive new regarding declining fuel and energy prices and more Government support will be a big positive for all households, although those **households struggling the most still face significant cost-of-living challenges.**
- **Food inflation** hit a record annual rate in December as cash-strapped households prepared for Christmas, according to the latest **British Retail Consortium-NielsenIQ shop price index**, which showed typical food grocery costs up 13.3 per cent last month, compared with December 2021.
- **Annual household bills have increased by 80 per cent over two years**, according to analysis by **Compare the Market**. A typical household spent £3,280 on **energy, car and home insurance** in the year to November, compared to £1,964 in 2021.
- The Bank of England has also warned that due to interest rate rises an estimated **four million UK households will face higher mortgage payments this year**, with the typical payment up from £750 to £1,000.
- While **wages are rising at a record rate, they are not keeping pace with rising inflation**.

- **Growth in average total pay (including bonuses) and regular pay (excluding bonuses) among employees was the same at 6.4% in September to November 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 7.2% in September to November 2022, and 3.3% for the **public sector**. Outside of the height of the coronavirus pandemic period, this is the largest growth rate seen for the private sector.
- **In real terms (adjusted for inflation) over the year, total and regular pay both fell by 2.6%.** This is slightly smaller than the record fall in real regular pay we saw in April to June 2022 (3.0%), but still remains among the largest falls in growth since comparable records began in 2001.



- Given these ongoing cost-of-living challenges we continue to hear reports of ongoing strikes regarding the need for better pay including:
  - **Train Drivers** – Following a number of strikes including over Christmas the **Rail Delivery Group (RDG)** made its first offer to **Aslef**, the union for train drivers. The deal included a backdated pay rise of 4% for 2022 and a 4% increase this year, but also hinged on changes to working practices which was rejected with the announcement of further strikes on 1 and 3 February.
  - Last month, the **RMT union** rejected an offer from the Rail Delivery Group, which included the same pay rise conditional on a list of changes to working practices. The RMT objected to some of those, particularly the expansion of driver-only operation, where drivers operate the doors on all carriages.
  - **Nurses** – the Royal College of Nursing has announced that nurse will stage two more strikes next month as the row over pay continues, its members will walk out on 6 and 7 February and in an escalation of industrial action, more NHS trusts will take part than during the two previous days of industrial action in

December.
  - **Ambulance Workers** – the GMB have announced that ambulance workers will walk out on 6 and 20 February, and 6 and 20 March, with the 6 Febuary coinciding with a nurses' date marking the first time both have acted on the same day.
  - **Teachers** – the National Education Union has announced that teachers will strike over pay in England and Wales on seven dates in February and March. National strikes are scheduled for 1 February, 15 and 16 March as well as several regional dates, with the NEU saying the strike will affect 23,400 schools.
- The **1st of February is becoming a de facto general strike day** as teachers, train drivers, civil servants, and university staff are also taking industrial action leading to significant social and economic impact.
- The **cumulative economic impact of strikes** by rail workers, postal workers and nurses is revealed in analysis carried out by **Panmure Gordon**. The stockbroker calculates that **disruption since last June has cost Britain an estimated £3.2 billion, or 0.25 per cent of GDP over that period**, with the damage concentrated in the Christmas and new year peak at a hit of £1.6 billion for December and January.

Economy

- The **UK economy exceeded expectations by growing in November**, boosted by the World Cup, according to figures from the **Office for National Statistics**. The country's **gross domestic product (GDP) rose by 0.1 per cent** despite being widely expected to contract in November.
- To boost the economy further the Government has announced awarded **£2.1 billion for new projects in a total of 111 areas** across the UK from the second round of it's **Levelling Up Fund**. **Staffordshire County Council** has been awarded £19.8 million to **invest in Mid-Staffordshire's Major Road Network** to kickstart major road works in Staffordshire, including the A38 and A511, to unlock housing and improve bus lanes and journey times. **Staffordshire Moorlands District Council** has also secured £17.1 million to **regenerate Leek Town Centre**.
- This comes after the Government approved plans to invest in a **new £2.6 billion** local development fund. The **UK Shared Prosperity Fund**, which succeeds EU structural funding, will be used by councils for initiatives to boost business and skills, regenerate high streets and improve local pride.
- These are positive development after the UK's biggest business group, the **Confederation of British Industry (CBI)** warned that firms are not investing, prices are rising and the economy is contracting – a dire economic picture that is set to last well into 2023. The CBI boss Tony Danker said the UK could even face a decade of lost economic growth if action is not taken.
- Looking at the latest GVA data in more detail, **monthly real gross domestic product (GDP) is estimated to have grown by 0.1% in November 2022, following growth of 0.5% in October 2022.**

- Looking at the quarterly picture, **GDP fell by 0.3% in the three months to November 2022.**
- The **services sector** grew by 0.2% in November 2022, after growth of 0.7% in October 2022; the largest contributions came from administrative and support service activities and information and communication.
- Output in **consumer-facing services** grew by 0.4% in November 2022, following growth of 1.5% in October 2022; the largest contribution to growth came from food and beverage service activities in a month where the FIFA World Cup started.
- **Production** output decreased by 0.2% in November 2022, after a fall of 0.1% in October 2022; manufacturing was the main driver of negative production growth in November 2022, partially offset by a positive contribution from mining and quarrying.
- The **construction sector** was flat in November 2022 after growth of 0.4% in October 2022.

GDP Monthly index, January 2007 to November 2022, UK

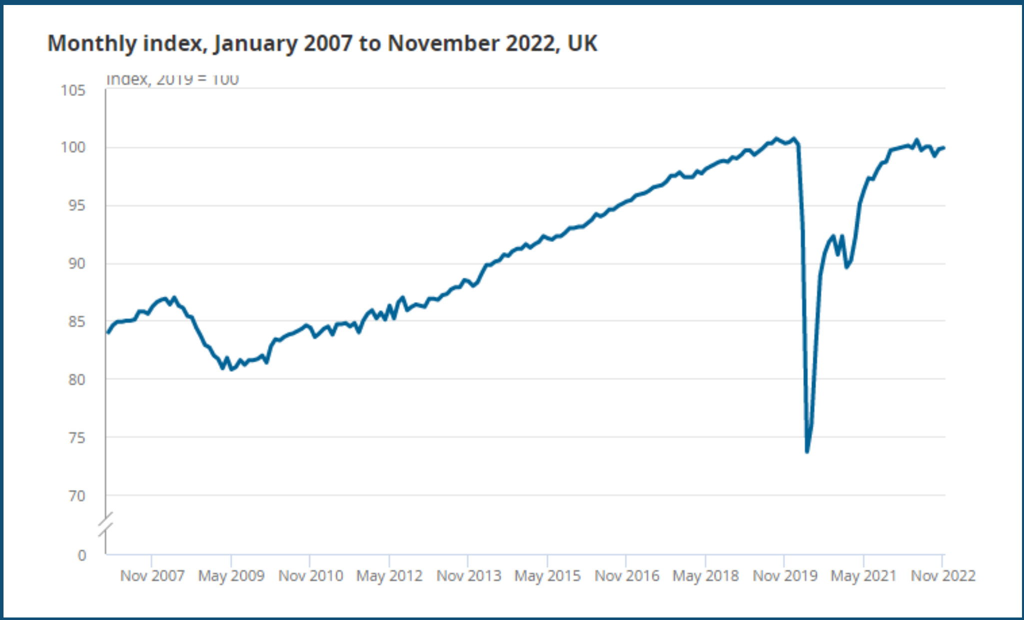
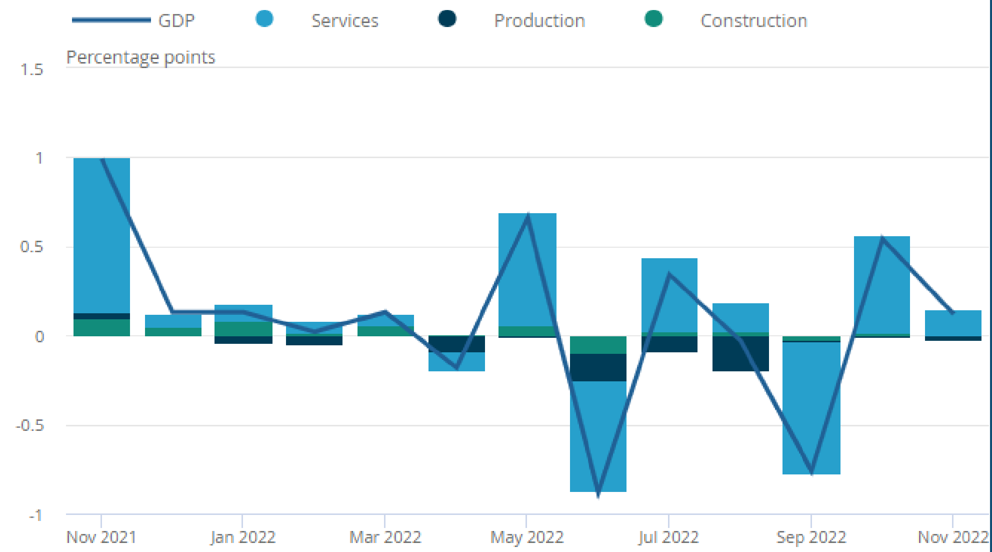


Figure 2: The services sector was the main contributor to gross domestic product (GDP) growth in November 2022

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



Source: Office for National Statistics - GDP monthly estimate

Business Challenges

- Lingering **business issues including high energy costs, increased 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 73 of the **Business Insights and Conditions Survey (BICS)**, which was live from 28 December 2022 to 8 January 2023.

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

Indicator	Latest data compared with **previous wave**	Latest data compared with **equivalent period the previous year**	Timeline
Trading status Currently trading Units	0.3▲	2.6▲	65.9 15/06/2020 – 93.2 08/01/2023
Trading status Temporarily closed or paused trading Units	0.1▲	-2.4▼	33.4 15/06/2020 – 5.0 08/01/2023
Business concerns Energy prices Units	-1.8▼	Not available	14.8 21/02/2022 – 19.8 28/02/2023
Business concerns No concerns for my business Units	-2.1▼	Not available	27.9 21/02/2022 – 16.9 28/02/2023

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

- In December 2022, approximately **one in six (16%) businesses had been affected as a result of industrial action**; 28% of those businesses reported they were unable to obtain necessary goods for their business and 23% were unable to operate fully.
- When looking ahead to February 2023, **one in five (20%) businesses reported energy prices were their main concern, followed by inflation of goods and services prices (16%) and falling demand of goods and services (14%).**
- In December 2022, **16% of businesses with 10 or more employees reported that they had experienced global supply chain disruption**; this has remained broadly stable since October 2022.
- In early January 2023, **more than a quarter (28%) of businesses with 10 or more employees reported they were experiencing a shortage of workers**; more than half (56%) of those businesses reported employees were working increased hours as a result of these shortages and 40% reported they were unable to meet demands.
- Nearly half (48%) of trading businesses with 10 or more employees that had imported in December 2022 reported they had experienced an **increase in importing challenges** compared with November 2022, with changes in transportation costs being reported by the largest proportion of businesses (30%); these percentages were 45% and 25% respectively for exporting businesses.
- **In December 2022 there were a total of 1,964 company insolvencies in England and Wales up 32% compared to the same month last year (1,489 in**

December 2021) and 76% higher than three years previously (pre-pandemic – 1,119 in December 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.

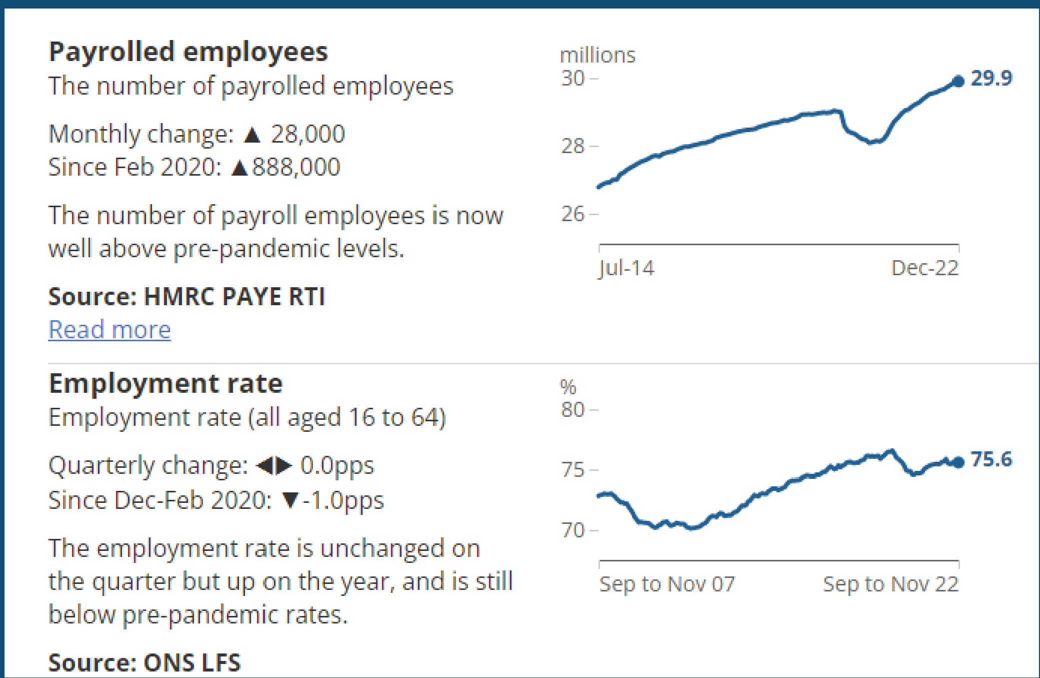
- **Construction businesses are going out of business at their fastest rate in a decade**. Rising material costs, staff shortages and plummeting consumer demand have been blamed for rising insolvencies.
- **Retail sales** jumped by 6.9 per cent in December but were driven by higher prices rather than people buying more. There was also a "healthy" rise in like-for like sales from last December, according to the **British Retail Consortium and accountancy firm KPMG**, as shoppers invested in energy-saving products and warm clothing due to rising household bills.
- However, **retail spending in the UK for 2022 has fallen by 0.8 per cent on the previous year**, despite an increase in face-to-face shopping, according to **Barclaycard** data. The bank reported that people have been cutting back on subscriptions and home improvements as a result of a 33 per cent increase in energy bills.
- This decline in retail spending will have contributed to a **sharp rise in the number of shops closing on the UK's High Streets, shopping parades, and out-of-town shopping parks in 2022**, according to the **Centre for Retail Research (CRR).** More than 17,000 sites shut, with total closures being nearly 50 per cent higher than in 2021.

Labour Market

- A report by the **House of Lords Economic Affairs Committee** has warned an **exodus of more than half a million people from the British workforce since the COVID-19 pandemic is putting the economy at risk of weaker growth and persistently higher inflation.**
- A key driver of this rise in economic inactivity is **poor health among working age people**, with analysis for the **Times Health Commission** estimating that this is **costing the UK economy an estimated £150 billion a year, the equivalent of 7 per cent of GDP**. The analysis suggests that the cost has increased by about 60 per cent in the past six years, with an additional cost to the Government of about £70 billion in lost income tax, benefit payments and NHS budgets.
- This worsening health has led the **number of new disability benefit claims to double in the past year**, according to a report by the **Institute for Fiscal Studies**. According to the IFS claims for the **personal independence payment (Pip) benefit** had doubled to 30,000 a month between the summer of 2021 and July this year with

no sign of slowing, with the recent increase in recipients having taken place across medical conditions and ages, with the fastest rise among **teenagers** where claim rates have tripled.

- Research by the **Institute for Public Policy Research (IPPR)** has found **people in the UK are getting "sicker and poorer"** with a gaping health and wealth divide between regions that is only getting worse. It found **economic inactivity because of sickness is at its highest level since records began, with 2.5 million working-age adults inactive due to their health.**
- As well as health issues causing people to leave the workforce, there was also a **significant rise in people taking early retirement during the pandemic**. This is why the **Government is considering plans to encourage retired middle-aged (over-50s) workers back into jobs to boost the economy**. Older people who have given up work following the pandemic could be offered a "midlife MoT" to entice them back into employment, which would assess their finances and also be used to help identify opportunities for part-time or flexible work, mentoring and skills training.
- There is further concern from the findings of a survey of 5,000 people by Opinium for skills development organisation **City and Guilds** which found that **nearly one in 10 young people never intend to start working**. The research suggests that young people are losing hope in what they see as a "hostile labour market" which requires skills they do not have, after a poll found that nine per cent of respondents aged 18 to 24 who are currently studying or unemployed said they do not plan to start working, indicating as many as 227,000 young people across the UK do not ever intend to get a job.
- The following charts shows the latest **labour market position** and the latest Office for National Statistics data for September to November 2022:



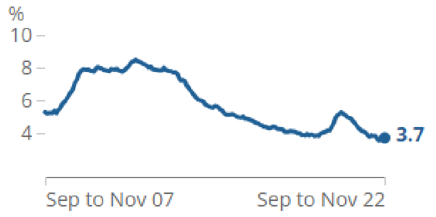
Unemployment rate

Unemployment rate (all aged 16+)

Quarterly change: ▲0.2pps
Since Dec-Feb 2020: ▼-0.3pps

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

Source: ONS LFS
[Read more]



Inactivity rate

Economic inactivity rate (all aged 16 to 64)

Quarterly change: ▼-0.1pps
Since Dec-Feb 2020: ▲1.3pps

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

Source: ONS LFS
[Read more]

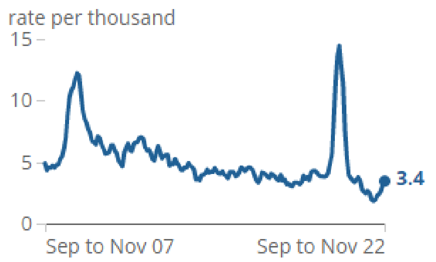
Redundancy rate

Redundancy rate (per 1000 employees)

Quarterly change: ▲1.1 people per thousand
Since Dec-Feb 2020: ▼-0.4 people per thousand

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

Source: ONS LFS



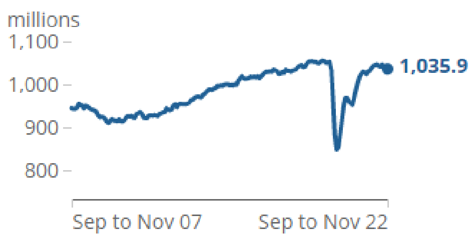
Hours worked

Total actual weekly hours worked

Quarterly change: ▼-10.0 million
Since Dec-Feb 2020: ▼-16.3 million

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

Source: ONS LFS
[Read more]



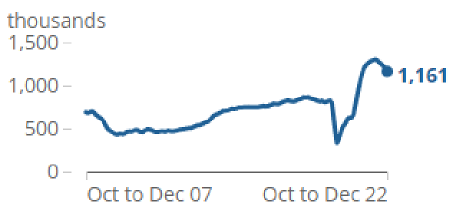
Job vacancies

Number of job vacancies

Quarterly change: ▼-75,000
Since Jan-Mar 2020: ▲365,000

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

Source: ONS Vacancy Survey



- The **UK employment rate** was estimated at 75.6% in September to November 2022, largely unchanged compared with the previous three-month period and 1.0 percentage points lower than before the pandemic (December 2019 to February 2020). **Employment remains 292,000 below pre-pandemic levels**. The number of employees and part-time self-employed workers increased over the latest three-month period, while full-time self-employed workers decreased.

- **Payrolled employees** for December 2022 shows another monthly increase, up 28,000 on November 2022, to 29.9 million.
- The **unemployment rate** for September to November 2022 increased by 0.2 percentage points on the quarter to 3.7%. **Unemployment is 120,000 below pre-pandemic levels.** In the latest three-month period, the number of people unemployed for up to six months increased, driven by those aged 16 to 24 years. Those unemployed for over six and up to 12 months increased, while those unemployed for over 12 months decreased in the recent period.
- The **economic inactivity rate** decreased by 0.1 percentage points on the quarter to 21.5% in September to November 2022. **Those economically inactive are 575,000 above pre-pandemic levels.** The decrease in economic inactivity during the latest three-month period was driven by those aged 16 to 24 years and those aged 50 to 64 years. Looking at economic inactivity by reason, the quarterly decrease was driven by those inactive because they are students, long-term sick, or retired.
- The **redundancy rate** has increased to 3.4 per thousand employees in September to November 2022 but remains low.
- The number of **vacancies** in October to December 2022 was 1,161,000, a decrease of 75,000 from July to September 2022. Despite six consecutive quarterly falls, the number of vacancies remains at historically high levels. The fall in the number of vacancies reflects uncertainty across industries, as survey respondents continue to cite economic pressures as a factor in holding back on recruitment.
- There were 467,000 **working days lost because of labour disputes** in November 2022, which is the highest since November 2011.
- There continue to be **specific labour shortages**, with the **LGA's 2022 workforce survey** finding that **councils are struggling to recruit and retain staff across a range of positions.** The survey found that 9 in ten councils are finding it difficult to find the right staff, with particular problems recruiting and retaining **social workers, planning officers and environmental health and social care staff**. Cllr James Jamieson, LGA chairman, said: "Some services are likely to continue to see a significant increase in demand which they will not be able to meet without an increase in the supply of skilled staff."
- The LGA has also warned that almost two thirds of councils in England concerned they can't recruit enough **HGV drivers** to drive gritters this winter. Government officials have said they expect local highways staff to have "sufficient contingency" operations in place throughout winter, but councils worry they're unable to compete with private sector pay in a sector experiencing workforce shortages.
- **BBC News research** suggests that a **growing shortage of children's social workers in the UK means councils' spending on agency staff has increased significantly in five years**. Data from 125 councils found spending up by 38 per cent. The LGA said eight in 10 councils were having to overspend their budgets on children's social care because of rising numbers of vulnerable children needing

help.

- There are also **specific pay and terms and conditions issues** within certain occupations, with research by **Public First** showing **teachers and social workers have experienced the slowest pay growth in the UK in the last decade**. Social workers saw a 4.1 per cent increase in their pay over the last ten years, compared to 15 per cent for the median worker.
- Research by the charity, **Community Integrated Care** also shows that a **care worker in England is paid on average £8,000 a year less than NHS staff with the same skills.**
- New government proposals mean **employees will be given the right to ask for flexible working from their first day at a new job**. The current laws says that workers have to wait for 26 weeks to seek flexible arrangements.
- **A hundred UK companies have signed up for a permanent four-day working week for all their employees with no loss of pay**, a milestone in the campaign to fundamentally change Britain's approach to work. The 100 companies employ 2,600 staff, a tiny fraction of the UK's working population, but the **4 Day Week Campaign group** is hoping they will be the vanguard of a major shift.

Skills

- **Children as young as five and six are to be the target of a new careers programme,** the Government has announced. Primary school pupils in years 1, 2 and 3 will be given age-appropriate lessons designed to introduce them to different careers. The £2.6 million initiative will be introduced across 55 education investment areas in England, targeting 600,000 pupils in over 2,200 primary schools.

Green Economy

- According to an **independent review carried out by Conservative MP Chris Skidmore** the **Government is at risk of failing to deliver on its net zero plans without a "new approach" to climate change**. The review says opportunities have been lost as a result of "inconsistent policy" and outlines 25 actions the Government should take by 2025. These include scrapping planning rules for solar panels and "eco-labelling" more environmentally friendly foods.
- In a similar vein a report by the **Office for Environmental Protection (OEP)** states that the **Government is on course to miss 14 of its 23 climate and nature targets,** including protecting commercially important fish and reducing people's water consumption and waste. OEP's latest appraisal of the Government's progress found "little good news to report", concluding that it is not "demonstrably" on track to meet a single target. The report did point to positive progress tackling climate breakdown, with England's greenhouse gases reducing overall, but condemned the "poor" adaptation to climate change impacts like overheating in homes.
- Positively, **Business Secretary Grant Shapps** has announced that an **extra £1**

billion will be spent to insulate the UK's least energy efficient homes. The **ECO+ scheme** will target homes which have a low energy efficiency rating and are in the lower council tax bands, while a new £18 million public information campaign will also offer advice on how to reduce energy use in the home including turning down boiler temperatures and radiators to save energy.

- **From 2026, households will be banned from replacing liquid petroleum gas or oil boilers** with equivalent models and **will instead have to install heat pumps**. Trade bodies have warned that plans to phase out oil heating systems could cost rural homeowners £11,000 more than if a like-for-like replacement was used.
- **Two thirds of the electric car charging points planned by local authorities this year are in London**, figures from **Zapp Map** has shown. There are almost 37,000 public charging points in the UK, up 33 per cent on a year ago, the research has found.
- The **RAC** has said that the **cost of rapid charging of electric cars has risen by more than 50 per cent in the past eight months**. It now costs an average of 70.32p per kilowatt hour for rapid pay-as-you-go charging, with the rises largely driven by further increases in the wholesale cost of electricity, meaning that drivers now pay £36 to charge a typical family-sized electric car with a 64kWh battery to its 80 per cent rapid or ultra-rapid limit.
- The UK battery start-up **Britishvolt has collapses into administration**, with the majority of its 232 staff made redundant with immediate effect. The firm had planned to build a giant factory to make electric car batteries in Blyth, Northumberland. But Britishvolt struggled to turn a profit and ran out of money, with no viable bids to keep the company afloat. The UK currently only has one Chinese-owned battery plant next to the Nissan factory in Sunderland, while 35 plants are planned or already under construction in the European Union. Industry experts have said the UK will need several battery factories to support the future of UK car making as pure petrol and diesel engines are phased out over the next decade.
- The **Government has reversed its ban on onshore wind by saying turbines could be installed if the projects gain the support of local communities**. The Department for Levelling Up, Housing and Communities has launched a consultation to explore how councils can "demonstrate local support and respond to views of their communities when considering onshore wind development in England" and if local people agree to having windfarms in their area, they could also end up with lower energy bills.
- **Britain has set a new record for wind generation as power from onshore and offshore turbines helped boost clean energy supplies late last year**. National Grid's electricity system operator said that a new record for wind generation was set on 30 December when 20.91 gigawatts were produced by turbines, representing the third time the country's fleet of wind turbines set new generation records in 2022.
- The **Department of Levelling Up, Housing and Communities have approved**

plans for a new coal mine in Cumbria. The proposed mine in Cumbria would dig up coking coal for steel production in the UK and across the world. The Government's decision to open a coal mine for the first time in 30 years has been criticised, saying that the case to start production is non-existent. Citing the need to invest in green energy, the piece references LGA estimates that claim as many as 6,000 more jobs would be created by investing in green industries such as solar, offshore wind and energy efficiency in the area.

Housing

- In November 2022 the **Secretary of State for Levelling Up, Housing and Communities Michael Gove** confirmed that the **Government's target of building 300,000 new homes in 2022 would not be met.** Mr Gove confirmed that delivering that many homes remains the Government's ambition moving forward, but that rising costs and worker shortages will prevent them from hitting the target in 2022.
- However, in December **mandatory housebuilding targets were scrapped by Michael Gove, with targets only being "advisory" in a change to the Levelling-Up and Regeneration Bill**. In another change to the Bill, councils will be allowed to introduce registration schemes for short-term holiday lets and there will be a consultation on allowing them to require a change of use planning application if there is a switch from residential to short-term "Airbnb-type" use.
- A **£21 billion government programme to build more affordable housing in England is missing its target by 32,000 homes with big shortfalls in rural areas**, MPs have said. The **affordable homes programme** also risks falling further behind because the Department for Levelling Up, Housing and Communities "does not seem to have a grasp" of risks ahead including soaring construction inflation, according to the **Public Accounts Committee**, while it says a new below-inflation cap on social rent increases could also limit new building. LGA Housing spokesperson Cllr David Renard said: "The social housing supply is not sufficient to meet the current housing demand, which is why we want to see long-term plans to give councils powers to build 100,000 high-quality, climate-friendly social homes a year."
- The number of **households in need of homelessness support from councils as a result of a Section 21 notice, or no-fault eviction, has increased by over 50 per cent across the north of England in the last three years**, data from the Department for Levelling Up, Housing and Communities reveals. In the same part of the country, the proportion of households at risk of homelessness due to no-fault evictions has risen by 88 per cent, with **England as a whole seeing an increase of 18 per cent between the second quarter of 2019 and the second quarter of 2022**.
- Positively, the Department of Levelling Up, Housing and Communities has announced a **new £60 million fund for councils to regenerate disused**

brownfield sites for housing. Councils across England are able to bid for a share of the pot to revive disused urban areas and make room for new dwellings. The money, which is the **second tranche from the £180 million Brownfield Land Release Fund 2**, will go towards building new homes by March 2027.

Conclusion

- **In Staffordshire we have a confident, diverse and robust economy,** demonstrated by the improvement and recovery witnessed since the last lockdown due to Covid. However, as is the case nationally, we are **now having to deal with the social and economic impacts of the energy and cost-of-living crisis.** There are some **positive signs that inflation may have reached its peak** at a lower level than previously feared and is expected to continue to improve over coming months. It is particularly welcomed by our businesses that **energy and fuel prices continue to decline** and in turn this **may prevent interest rates from rising as high as previously predicted**.
- The **Government's focus on boosting economic growth, dealing with inflation and reducing debt** are welcomed and the **news that the economy grew in both October and November** is a real unexpected positive. The further funding announcements including the **Levelling Up Fund and UK Shared Prosperity Fund** are vital for Staffordshire and other local areas to boost business, skills and infrastructure when it most needed. This further funding will boost investment in Staffordshire's economy alongside the extensive investment and support programmes that we have already put in place.
- Given that we are **remain in an energy and cost-of-living crisis** we know that these are still **challenging times ahead for our businesses and residents**. **Businesses are struggling to remain profitable** due to due to a wide range of factors including high energy prices, rising interest rates, increasing wage levels and lower consumer demand. While **unemployment and economic inactivity levels have increased** leading to a reduced overall workforce and shortage of labour and skills for businesses to draw on to aid survival and growth.
- As the **ongoing global and national socio-economic challenges** 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**.
- **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 where they can access better paid jobs will be key.

Business and Individual Insolvencies

This section covers the latest Insolvency Service monthly insolvency statistics[1] for December 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 December 2022 there were a total of 1,964 company insolvencies in England and Wales.

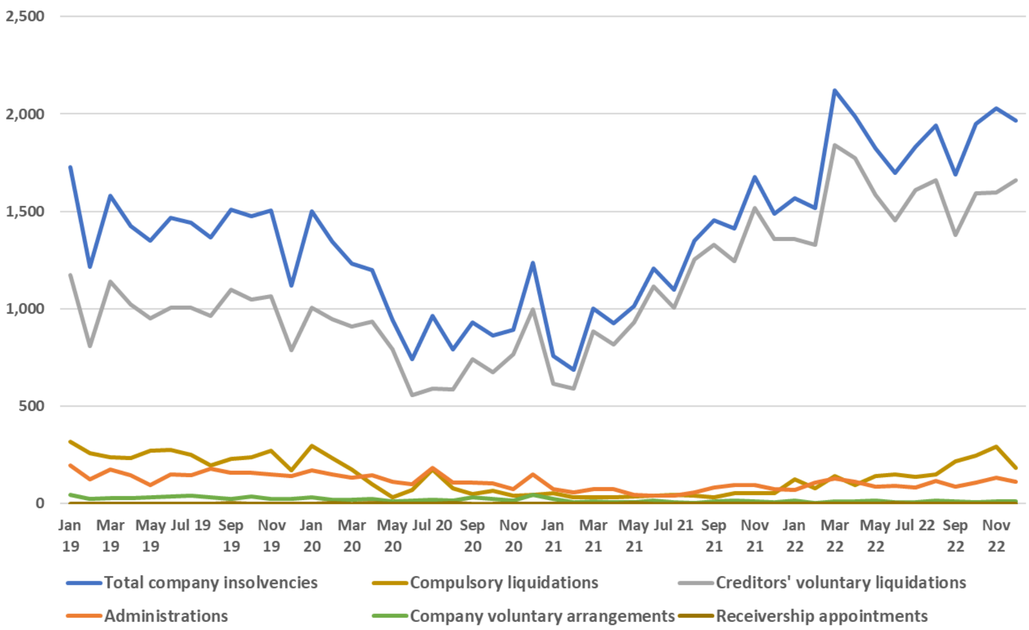
The overall number of **company insolvencies are 32% higher than in the same month last year (1,489 in December 2021) and 76% higher than three years previously (pre-pandemic – 1,119 in December 2019).** Please note that due to the volatility of the underlying data the Insolvency Service recommends comparisons are made with the same month in previous years rather than with the previous month.

There were 183 compulsory liquidations in December 2022, more than three and a half times as many as in December 2021 and 8% higher than in December 2019. Numbers of compulsory liquidations have increased from historical lows seen during the coronavirus (COVID-19) pandemic, partly as a result of an increase in winding-up petitions presented by HMRC.

In December 2022 there were 1,659 Creditors' Voluntary Liquidations (CVLs), 22% higher than in December 2021 and more than twice as many as December 2019. Numbers of administrations and Company Voluntary Arrangements (CVAs) remained lower than before the pandemic but were higher than in December 2021.

Company insolvencies between January 2022 and December 2022 are now 57% higher compared to a year earlier, representing 8,063 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 Monthly Insolvency Statistics, December 2022 GOV.UK (www.gov.uk)

The sectors to have seen the largest number of company insolvencies between December 2021 and November 2022 are construction (4,076), wholesale and retail (3,143) and accommodation and food (2,599). Levels exceed those seen for the same period the previous year with construction 64% higher, wholesale and retail 88% higher, and accommodation and food 55% 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

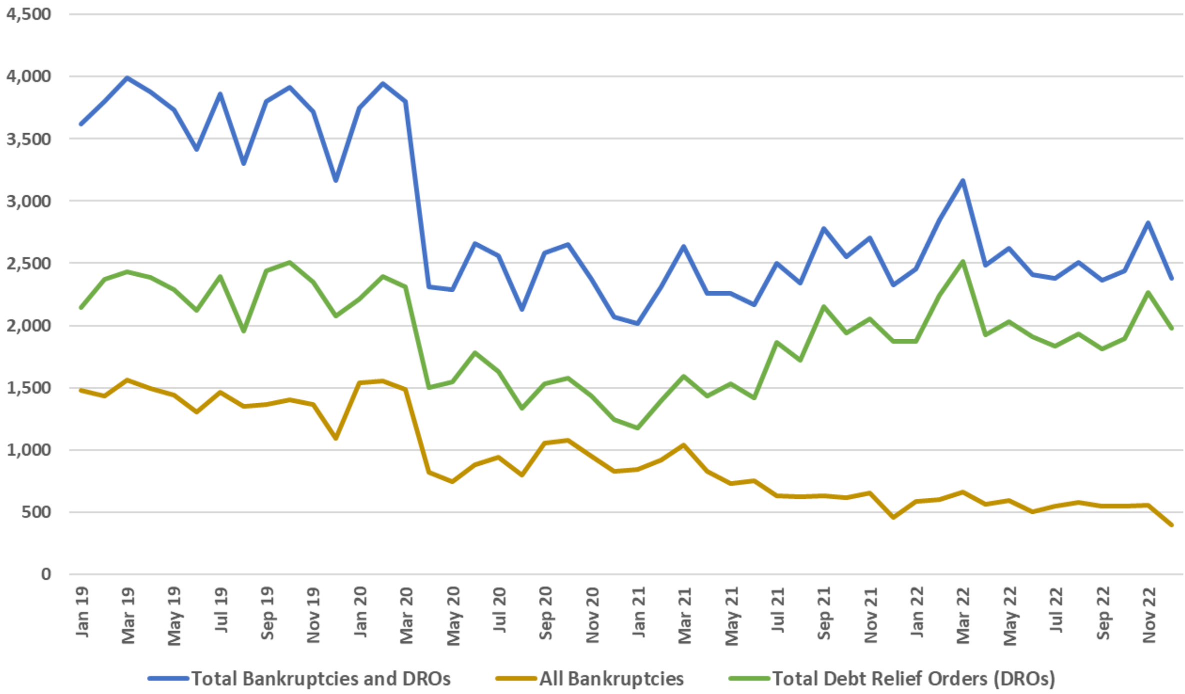
For individuals, **397 bankruptcies were registered in December 2022** (made up of 321 debtor applications and 76 creditor petitions), which was 13% lower than in December 2021 and 64% lower than December 2019.

There were **1,979 Debt Relief Orders (DROs)** in December 2022, which was 6% higher than December 2021 but 5% lower than the pre-pandemic comparison month (December 2019).

There were, on average, 7,233 Individual Voluntary Arrangements (IVAs) registered per month in the three-month period ending December 2022, which is 9% higher than the three-month period ending December 2021, and 26% higher than the three-month period ending December 2019. IVA numbers have ranged from around 6,300 to 7,800 per month over the past year.

Total bankruptcies and DROs between January 2022 and December 2022 are now 7% higher than the same period a year earlier, representing 2,025 more.

Bankruptcies and Debt Relief Orders in England and Wales



Sources: Insolvency Service

There were 4,803 Breathing Space registrations in December 2022, which is 14% higher than the number registered in December 2021. 4,691 were Standard breathing space registrations, which is 15% higher than in December 2021, and 112 were Mental Health breathing space registrations, which is 8% higher than the number in December 2021.

From the start of the coronavirus (COVID-19) pandemic until mid-2021, overall numbers of company and individual insolvencies were low when compared with pre-pandemic levels. This is likely to have been partly driven by government measures put in place to support businesses and individuals during this time. 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: December 2022

Area	Claimant Count Rate (Dec 2021)	Claimant Count Rate (Nov 2022)	Claimant Count Rate[1] (Dec 2022)	Number of Claimants (Dec 2022)	Monthly Change in Claimants (Numbers)	Monthly Change in Claimants (%)	Change in Claimants since March 2020 (Numbers)	Change in Claimants since March 2020 (%)
England	4.4	3.7	3.8	1,322,885	24,820	1.9%	259,380	24.4%
West Midlands	5.4	4.7	4.8	177,465	2,810	1.6%	33,115	22.9%
SSLEP	3.8	3.3	3.3	23,120	430	1.9%	3,750	19.4%
Birmingham	9.1	8.2	8.4	61,680	1,130	1.9%	12,310	24.9%
Wolverhampton	8.0	7.3	7.6	12,415	465	3.9%	2,035	19.6%
Sandwell	7.2	6.5	6.7	13,665	370	2.8%	2,885	26.8%
Walsall	6.4	5.4	5.5	9,510	90	1.0%	905	10.5%
Stoke on Trent	**6.1**	**5.3**	**5.3**	**8,485**	**100**	**1.2%**	**1,165**	**15.9%**
Dudley	5.4	4.7	4.8	9,265	135	1.5%	750	8.8%
Coventry	4.9	4.6	4.7	11,945	170	1.4%	3,945	49.3%
Telford and Wrekin	4.2	3.6	3.5	3,950	-60	-1.5%	520	15.2%
Solihull	3.9	3.1	3.1	4,060	25	0.6%	410	11.2%
Worcestershire	3.5	3.1	3.1	11,135	5	0.0%	2,830	34.1%
Warwickshire	3.2	2.7	2.7	9,645	-45	-0.5%	1,815	23.2%
Staffordshire	**3.1**	**2.7**	**2.7**	**14,640**	**335**	**2.3%**	**2,590**	**21.5%**
Shropshire	2.9	2.4	2.4	4,520	25	0.6%	510	12.7%
Herefordshire, County of	2.6	2.2	2.3	2,555	70	2.8%	445	21.1%
Tamworth	4.0	3.4	3.5	1,655	50	3.1%	165	11.1%
Cannock Chase	3.6	3.2	3.2	2,045	40	2.0%	390	23.6%
East Staffordshire	3.4	3.0	3.1	2,290	70	3.2%	570	33.1%
Newcastle-under-Lyme	3.0	2.7	2.7	2,220	45	2.1%	240	12.1%
South Staffordshire	3.2	2.5	2.6	1,725	45	2.7%	415	31.7%
Lichfield	2.8	2.4	2.5	1,555	55	3.7%	235	17.8%
Stafford	2.8	2.4	2.5	2,085	60	3.0%	430	26.0%
Staffordshire Moorlands	2.3	1.9	1.9	1,070	-20	-1.8%	150	16.3%

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

- The claimant count in Staffordshire saw a further increase of 335 claimants over the last month, with the total number of claimants in the county now standing at 14,640. This increase is similar to the rise seen nationally.

- The claimant rate for Staffordshire has remained at 2.7% and remains one of the lowest rates in the West Midlands and far lower than the average for England which saw a rise from 3.7% to 3.8% of the working age population.

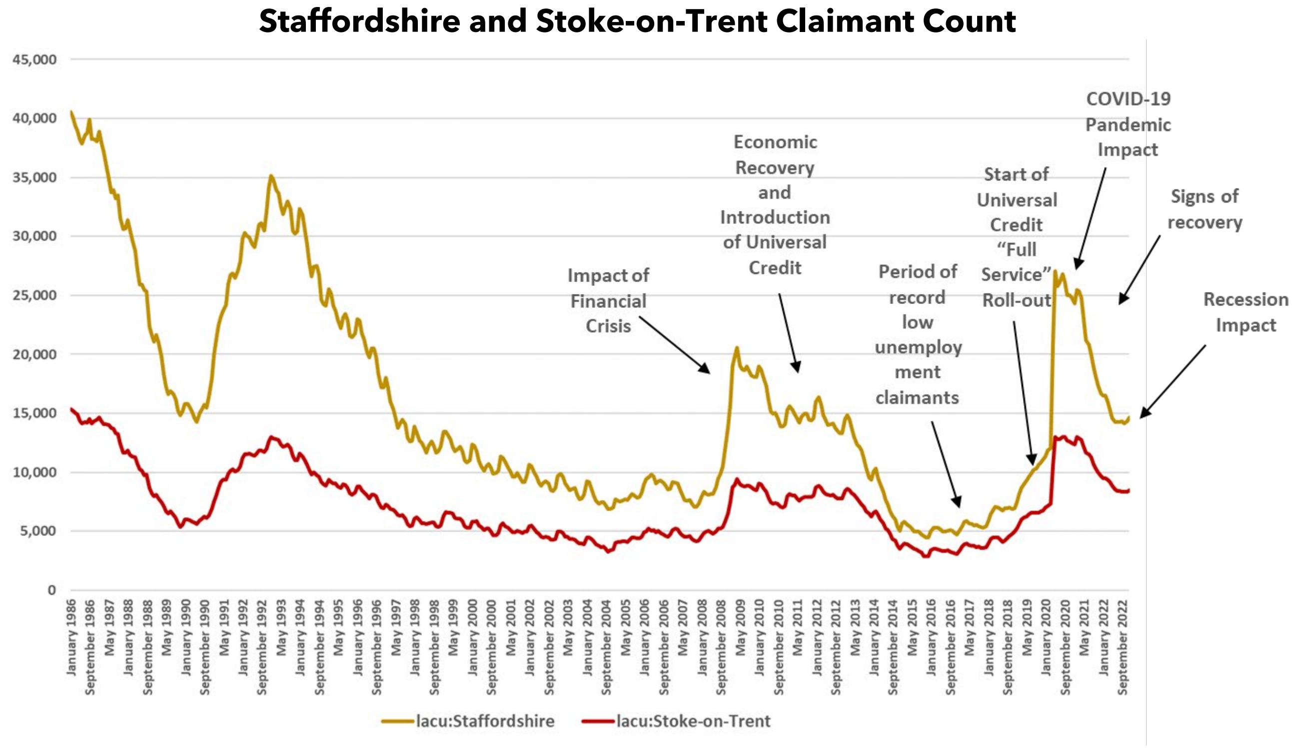
- Stoke-on-Trent saw an increase of 100 over the same period with a total of 8,485 claimants in December, with the rate remaining at 5.3%.

- These increases come at a time when normally the claimant count would be declining due to seasonal job opportunities, although such opportunities are likely to have somewhat limited the increase in claimant over the last month.

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

- The main contribution to the overall increase in claimants this month came from those aged 25-49 years of age with this group seeing an increase of 225 claimants, while there were also smaller increases for those aged 50+ which saw an increase of 65 claimants and youth claimants aged 18-24 saw a rise of 40 claimants. This is similar to what has happened in the last month across England as a whole.

- The total number of Universal Credit (UC) claimants is now 21.5% or 2,590 higher than the level seen in March 2020 (pre-COVID), which is below the 24.4% increase seen nationally and 22.9% increase seen regionally.



- However, not all will be out of work. The increases 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 also 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 December compared to 4.8% regionally and 3.8% nationally. In Stoke-on-Trent the Claimant Count rate remains above both the regional and national averages at 5.3%.

- This month all Staffordshire Districts with the exception of Staffordshire Moorlands have seen an increase in the number of claimants. East Staffordshire saw the largest increase with a 70 rise in claimants, while Staffordshire Moorlands saw a decline of 20 claimants.

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

Youth Claimant Count

- This month the youth claimant count in Staffordshire saw an increase of 40 to a total of 2,685 young people. This is the similar to what has happened in the last month across England as a whole.

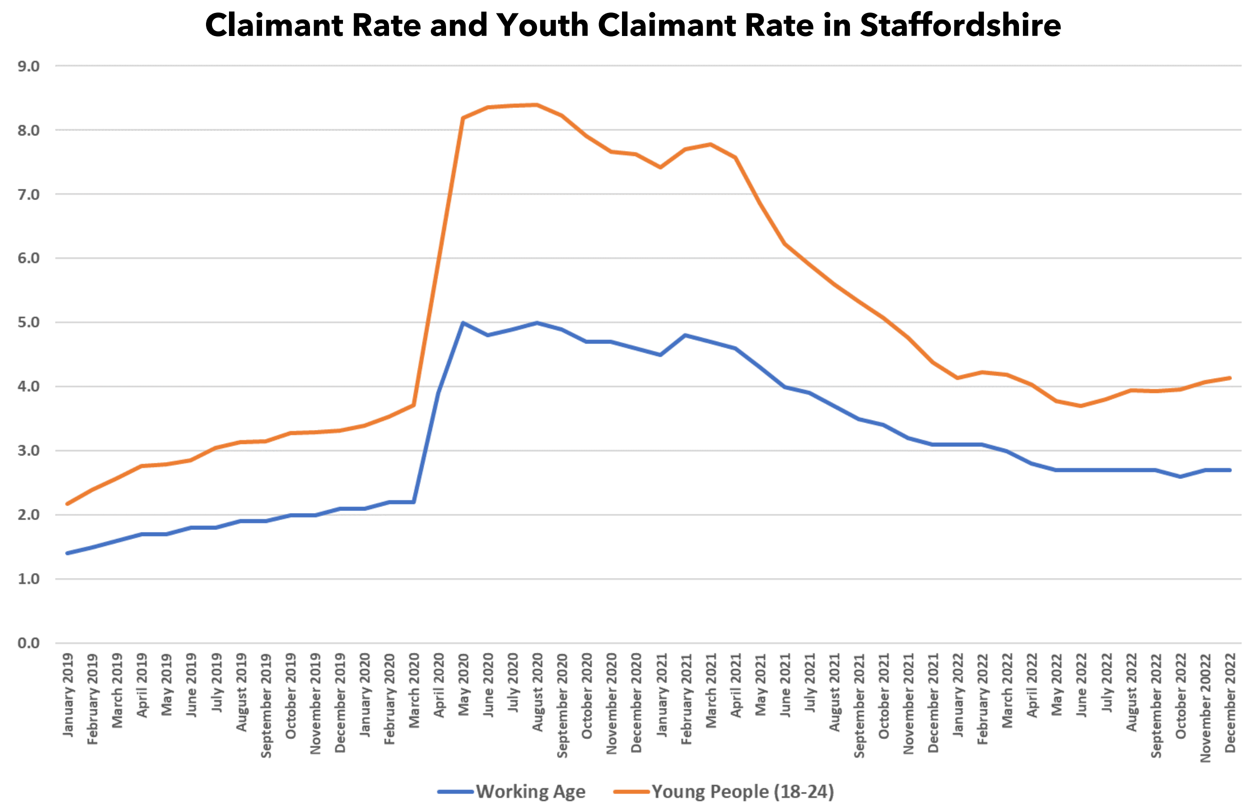
- The proportion of young people in Staffordshire aged 18-24 that are claiming work-related Universal Credit has remained at 4.1% compared to 2.7% for the working age population and 4.7% nationally.

- While in Stoke-on-Trent the rate has increased from 6.9% to 7.0% in December following an increase of 15 youth claimants.

Youth Claimant Count (Universal Credit) Statistics: December 2022

Area	Youth Claimant Count Rate (Dec 2021)	Youth Claimant Count Rate (Nov 2022)	Youth Claimant Count Rate[1] (Dec 2022)	Number of Youth Claimants (Dec 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	5.3	4.7	4.7	222,835	2,595	1.2%	25,105	12.7%
West Midlands	6.3	6.0	6.1	31,830	410	1.3%	3,925	14.1%
SSLEP	5.2	4.8	4.9	4,300	55	1.3%	480	12.6%
Wolverhampton	10.4	10.0	10.4	2,150	80	3.9%	240	12.6%
Sandwell	9.8	9.3	9.6	2,535	95	3.9%	420	19.9%
Walsall	9.2	8.1	8.1	1,855	5	0.3%	-60	-3.1%
Birmingham	8.0	7.7	7.8	10,905	120	1.1%	1,800	19.8%
Dudley	7.8	7.1	7.4	1,760	65	3.8%	10	0.6%
Stoke on Trent	**7.3**	**6.9**	**7.0**	**1,615**	**15**	**0.9%**	**210**	**14.9%**
Telford and Wrekin	6.4	5.9	5.7	845	-30	-3.4%	85	11.2%
Solihull	6.0	4.9	5.0	760	5	0.7%	-65	-7.9%
Worcestershire	4.7	4.7	4.7	1,930	-10	-0.5%	335	21.0%
Staffordshire	**4.4**	**4.1**	**4.1**	**2,685**	**40**	**1.5%**	**270**	**11.2%**
Coventry	3.8	3.7	3.8	2,050	35	1.7%	515	33.6%
Shropshire	4.2	3.7	3.7	750	5	0.7%	-75	-9.1%
Warwickshire	4.0	3.5	3.5	1,590	-20	-1.2%	255	19.1%
Herefordshire, County of	3.5	3.3	3.3	395	5	1.3%	-20	-4.8%
Cannock Chase	5.9	5.8	5.9	425	10	2.4%	60	16.4%
Tamworth	6.6	5.8	5.9	330	5	1.5%	35	11.9%
East Staffordshire	4.5	4.3	4.3	370	5	1.4%	50	15.6%
South Staffordshire	4.8	4.2	4.3	340	10	3.0%	90	36.0%
Stafford	4.1	4.4	4.3	375	-10	-2.6%	60	19.0%
Lichfield	4.2	3.9	3.9	275	5	1.9%	5	1.9%
Newcastle-under-Lyme	3.2	2.9	3.0	420	20	5.0%	-5	-1.2%
Staffordshire Moorlands	3.2	2.5	2.5	155	0	0.0%	-20	-11.4%

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



- All Staffordshire Districts with the exception of Stafford have seen an increases in youth claimants this month. Newcastle-under-Lyme saw the largest increase of 20 youth claimants while Stafford saw a decline of 10 youth claimants.

- 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 there is the right support in place to help young people find work such as through the Staffordshire Jobs and Careers Brokerage service, the Restart Scheme and the new Skills Bootcamps to help prevent them becoming long-term unemployed.

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

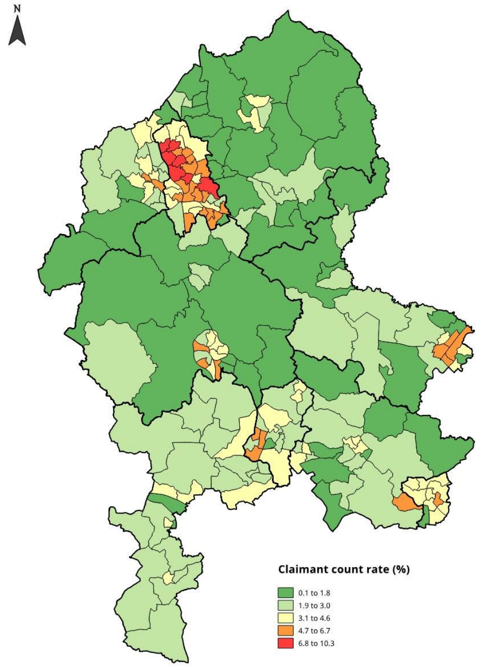
The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

Claimant Count Rate December 2022

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 59 were above the England average of 3.8% for the number of claimants as a proportion of the working age population.

Of the top 14 wards with the highest claimant count rate all were in Stoke-on-Trent with Joiner's Square (10.3% or 470 claimants), Moorcroft (8.6% or 320) and Etruria and Hanley (8.2% or 445) having the highest rates.

In Staffordshire the wards with the highest claimant count rates were Burton in East Staffordshire (5.9% or 180), Cannock North in Cannock Chase (5.5% or 255) and Shobnall in East Staffordshire (5.5% or 295).

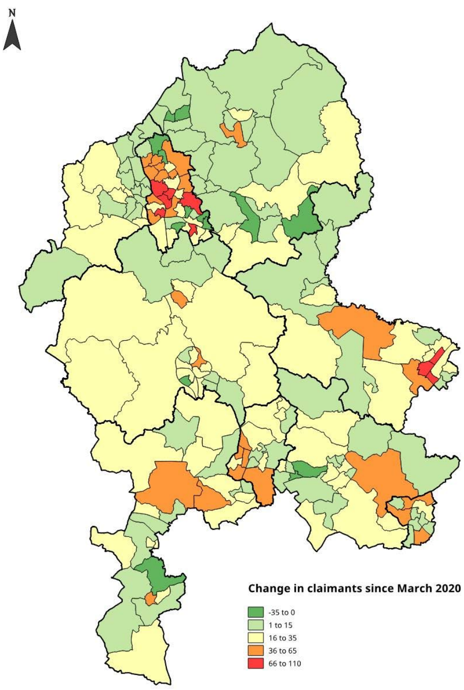


Staffordshire County Council

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 Hanley Park and Shelton (110 increase to 295), Joiner's Square (95 rise to 470 claimants in total), and Bentilee and Ubberley (95 increase to 495).

The remaining 3 wards in the top 10 were all in East Staffordshire including Shobnall in with an 85 increase to 295 claimants, Anglesey with a rise of 85 to 275 claimants and Eton Park with an increase of 65 to 245 claimants in total.



Staffordshire County Council

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

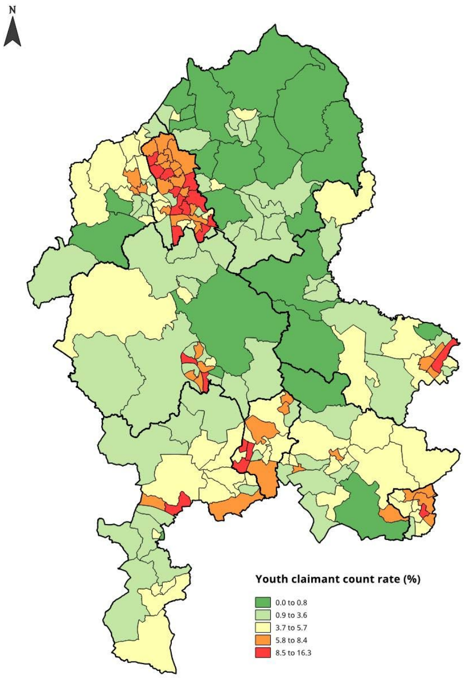
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

Youth Claimant Count Rate December 2022

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 79 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 Doxey & Castletown in Stafford with 10.0% or 30 youth claimants, Penkside in Stafford with 9.8% or 30 youth claimants, and Cannock North in Cannock Chase with 9.4% or 50 youth claimants.

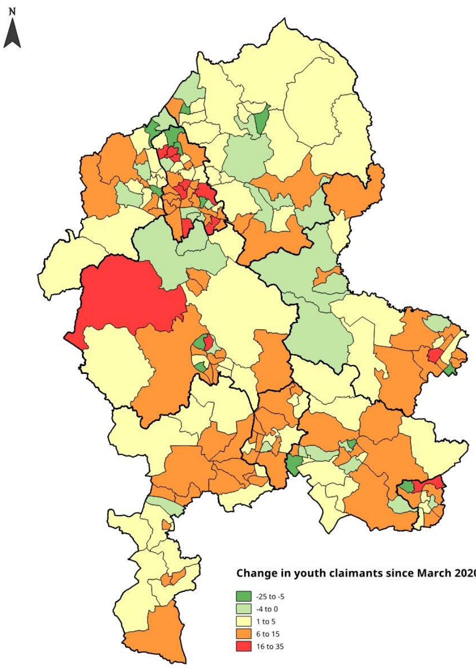


Staffordshire County Council

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 8 were in Stoke-on-Trent including Hanley Park and Shelton (35 rise to 65 youth claimants), Joiner's Square (25 increase to 125), and Blurton West and Newstead (25 rise to 60) with the highest increases since March 2020.

In Staffordshire, the highest increase was seen in Shobnall in East Staffordshire with a rise of 20 to 55 youth claimants, Spital in Tamworth with an increase of 15 to 35 youth claimants, and Common in Stafford with a rise of 15 to 30 youth claimants.



Staffordshire County Council

Job Vacancies[3]

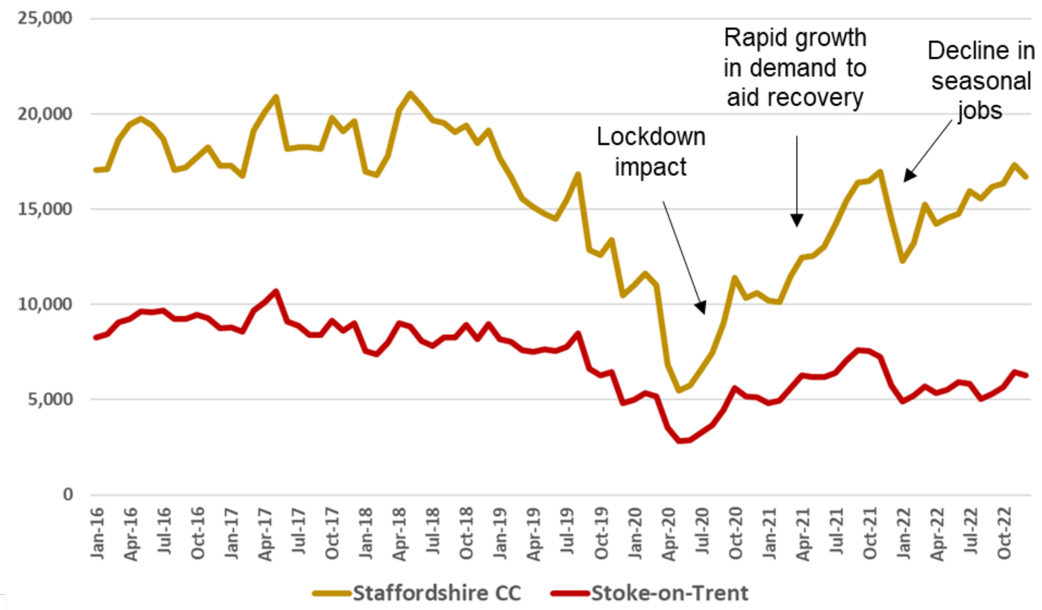
- **Staffordshire saw a 4% decrease in the number of available job vacancies between November and December to a total of 16,700, this remains more than work related benefit claimants.**

- **Stoke-on-Trent saw a 2% decline in vacancies to a total of nearly 6,300 which is lower than the number of claimants.**

- Given this was the period going into Christmas when recruitment usually increases particularly in a number of service sectors, it clearly shows some of the early impact of the energy and cost-of-living crisis on businesses. Given current high inflation, energy prices and wage levels we are likely to see further declines in recruitment over the coming months.

- However, although recruitment demand has started to decline there still remains high demand for labour and skills across most parts of the economy.

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 only main occupational groups to see an increase in vacancies during December were 'Caring, Leisure and Other Service Occupations' with a 9% rise and 'Elementary Occupations' which saw a 5% increase.

- The occupational groups which saw the largest decrease were 'Managers, Directors and Senior Officials' with a 10% drop followed by 'Skilled Trades Occupations', 'Professional Occupations' and 'Sales and Customer Service Occupations' all seeing a 7% decline.

- The occupations to see the most significant increases during December include roles in sectors with seasonal job opportunities and parts of the economy experiencing ongoing recruitment difficulties such as **social care (care workers and home carers), hospitality (chefs and kitchen and catering assistants), child care (nursery nurses and assistants), education (teaching and other educational professionals), logistics (van drivers), primary and nursery education teaching professionals), and health (nurses and nursing auxiliaries and assistants).**

Annual Trends in job vacancies

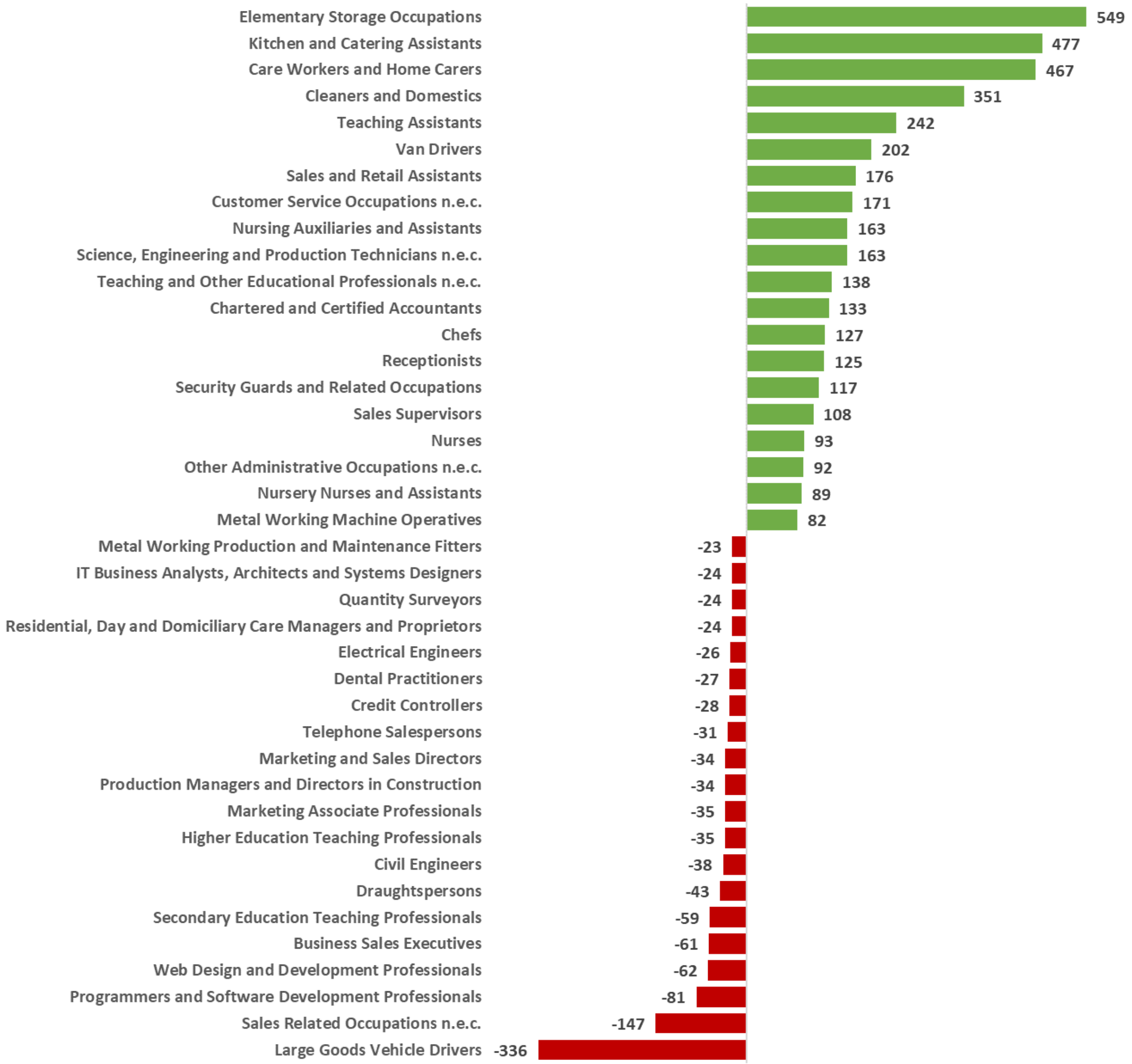
- The occupations to see the largest year-on-year increases have been in hospitality (kitchen and catering assistants; and chefs), education (teaching assistants and primary and nursing education teaching professionals; teaching and other educational professionals; nursery nurses and assistants), manufacturing (engineering technicians and metal working machine operatives), digital roles (programmers and software development professional), and business management roles (chartered and certified accountants; managers and proprietors in other services; book-keepers, payroll managers and wages clerks; 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', 'nursing auxiliaries and assistants', and 'nurses'.
  - **Education** including 'teaching assistants' and 'teaching and other educational professionals'.
  - **Retail** including 'sales and retail assistants'.
  - **Manufacturing** including 'science, engineering and production technicians' and 'metal working machine operatives'.
  - **Wider-business roles** including 'customer service occupations', 'chartered and certified accountants', and 'administrative occupations'

- 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 February 2020 (Pre-COVID) and December 2022 in SSLEP



Top Occupations in Demand

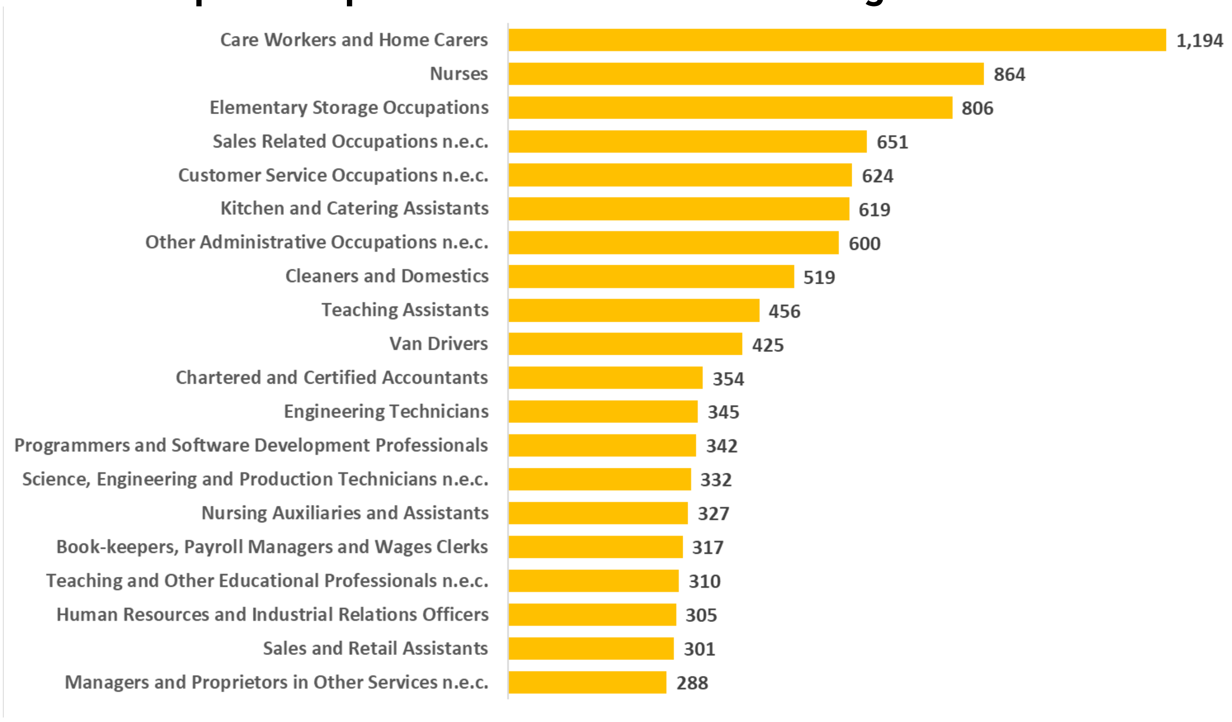
- Demand for roles in social care including **'care workers and home carers'** remain by far the strongest of all occupations, followed by high demand for '**nurses'.**
- In logistics there is high demand for roles including '**elementary storage occupations' and 'van drivers'.**
- There remains high demand for business roles such as **'sales related occupations', 'customer service occupations' and 'administrative occupations'.**
- While in hospitality '**kitchen and catering assistants'** remain the roles in most demand.
- In education there remains demand for **'teaching assistants' and 'teaching and other educational professionals'.**

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

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

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

Top 20 occupations in demand in SSLEP during December 2022



- It is in these areas of the economy where job vacancies remain very high that we are hearing the most reports of **labour and skills shortages** with not enough workers or skills to fill the vacant jobs.

- This has the **potential to slow down the recovery or limit business survival unless the labour shortage and skills gap is quickly and effectively addressed**, clearly employment support organisations, 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. While Government and business sectors have a key role in ensuring that jobs in areas of demand are attracting workers with good pay and terms and conditions.

- 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.