Staffordshire & Stoke-on-Trent Economic Bulletin

Issue 30 – February 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 continue to see the **early impact of the energy and cost-of-living crisis with unemployment, youth unemployment and dependency on work-related benefits continuing 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** as a result of 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 challenging economic conditions.
- However, following the traditional lull in recruitment at Christmas we have **seen job vacancies increase in January** which clearly shows that overall recruitment demand remains strong to support business recovery and growth.
- These recent changes show that **there are job opportunities, but the labour market remains very tight** with more job vacancies than claimants and businesses struggling to find the labour and skills that they require.
- Although we remain in challenging times it is clearly **positive that the Bank of England believes that inflation has peaked and is expected to fall sharply this year, interest rates are expected to peak lower than previously thought, and unemployment is expected to rise to a lower level than previously projected all pointing to a shallower and shorter potential recession**.
- However, as we remain in challenging times 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 continued to rise this month with a **further increase of 265 to a total of 14,700 claimants.**
- This increase is higher than the rise seen nationally, with the **claimant rate for Staffordshire increasing from 2.7% to 2.8%.**
- However, the rate in Staffordshire remains one of the lowest rates in the West Midlands and far lower than the average for England of 3.7% of the working age population.
- Contributing to this overall increase in claimants this month, the **youth claimant count in Staffordshire saw a slight increase of 45 to a total of 2,685 young people**. The proportion of young people in Staffordshire aged 18-24 that are claiming work-related Universal Credit has increased this month from 4.2% to 4.3%, although this remains lower than the unchanged national rate of 4.7%.
- These increases come at a time when some seasonal jobs are coming to an end and

during a period when there is a traditional lull in recruitment demand meaning there are fewer job vacancies for those that are unemployed to move into. However, demand for labour and skills remains high across the local economy and therefore it is about supporting those that unfortunately find themselves unemployed to transition into work.

- The total number of Universal Credit (UC) claimants in Staffordshire is now 22.0% or 2,650 higher than the level seen in March 2020 (pre-COVID), which is below the 23.5% increase seen nationally.
- 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 2.8% of the working age population in January compared to 4.8% regionally and 3.7% nationally**.
- In terms of job vacancies, **Staffordshire saw a 26% increase in the number of available job vacancies between December and January to a total of 21,900, which is far higher than the number of work-related benefit claimants. Stoke-on-Trent saw a 34% rise in vacancies to a total of nearly 8,700 which is just above the number of claimants.** This is largely reflective of the traditional Christmas lull in the number of job adverts being posted, but it also clearly shows that overall recruitment demand remains strong with new job postings higher than a year before and pre-pandemic levels. However, given current high inflation, energy prices and wage levels and a potential recession in 2023, many economists see the potential for a decline in recruitment demand alongside some redundancies over the coming months.
- The occupations to see the most significant increases during January include roles in parts of the economy experiencing ongoing recruitment difficulties such as **social care (care workers and home carers), hospitality (kitchen and catering assistants), logistics (van drivers and elementary storage occupations), manufacturing (science, engineering and production technicians), 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 '**science, engineering and production technicians' and 'engineering technicians'** are most in demand.

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

- It remains 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?**
- **Apply now for fully funded Carbon literacy training - limited places available.** Fully funded Carbon Literacy Training is now available to businesses looking to beat the rising host of energy and move closer towards their carbon-reduction targets.
  When: Two-hour sessions over two days:
  1. Wednesday 1st and Tuesday 7th February, or
  2. Thursday 2nd and Friday 3rd March

  Time: 10.30am - 2.30pm
- The training, which will be carried out by qualified trainers, will help you understand the impact of businesses activities on the environment, and provide you with the knowledge to reduce your business's greenhouse gas emissions. Jacobs UK saw carbon savings of five to 15% after training. Funding is available for just 60 individuals. Email sophie.carroll@staffordshire.gov.uk or Stephen.boden@staffordshire.gov.uk for more information.
- 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 signposts 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**.
- **Apply now for fully funded accountancy support - limited places available.** A fully funded accountancy package is available for businesses up to two years old, but this deal won't be around forever. As part of the county council's commitment to supporting businesses to start up and grow, fully funded, expert accountancy support is being offered to new businesses. The support, provided by Accountancy Insight, means that you can get on with what you're good at, and leave all the financial admin to the experts. The package of support includes"
    - setting up with HMRC and the red tape
    - everyday money management
    - financial planning and forecasting
    - applying for funding and investment
    - and more.
- **Apply now for free accountancy support.**
- **Staffordshire County Council has successfully bid for nearly £20 million from the Government's Levelling up Fund**, this funding will boost transport and connectivity across Staffordshire by enabling major transport projects to progress. The winning schemes will open up land for housing and business development, improve journey times on busy roads, put greener, cleaner buses on main roads and improve walking and cycling routes.
- **Business leaders lobby for A50/A500 growth plan acceleration.** MPs and

regional leaders, including the county council's cabinet member for economy and skills, have lobbied at Westminster for improvement plans to one of Staffordshire's 'growth corridors' to be accelerated. A masterplan was launched for the A50/A500 in February 2022 outlining the nine schemes, that if delivered, could ease congestion and support economic growth across the whole route. With the lynchpin of the work around Uttoxeter, Midlands Connect found that upgrades to the A500 and A50 could save motorists 37 minutes a day - and create 12,000 jobs in the region. Together business leaders have been asking for the project to be included in the upcoming Road Investment Strategies, and other schemes. The proposals include developing a package of capacity enhancement at junctions between Blythe Bridge and Sudbury on the central section of the A50 corridor (around Uttoxeter), which will reduce journey times and improve reliability and safety.

National Context

- This month we saw the **Prime Minister carry out his first cabinet reshuffle and the significant restructuring of a number of government departments** including:
  - The Department for International Trade and the Department for Business, Energy and Industrial Strategy (BEIS) were merged to form the **new Department for Business and Trade** with Kemi Badenoch as Secretary of State.
  - The energy and climate policy responsibilities of BEIS were spun off to form the **new Department for Energy Security and Net Zero** with Grant Shapps as Secretary.
  - The science and innovation policies of BEIS were combined with the digital portfolio of the former Department for Digital, Culture, Media and Sport (DCMS) to form the **new Department for Science, Innovation and Technology**, with Michelle Donelan as Secretary.
  - The DCMS continues as the **newly constituted Department for Culture, Media and Sport** with Lucy Frazer as Secretary.
- While **Rachel Maclean** has been appointed as the **new Housing Minister** in the Department for Levelling Up, Housing and Communities.
- **Chancellor Jeremy Hunt has set out his plan to boost the UK's economic growth**, which would focus on four pillars, or "four Es": enterprise, education, employment and everywhere. The plan outlined the opportunities in what he called "the growth sectors which will define this century" and will also pledge to build on "the freedoms which Brexit provides." The Chancellor also warned it is "unlikely" that there will be room for any "significant" tax cuts in the Budget and that any tax cuts for businesses will be prioritised over those for workers before the next general election to boost Britain's "long-term prosperity". The Chancellor said that his focus was to reduce the burden of taxation on companies as soon as inflation was brought under control and added that while cutting business taxes may not be "eye-catching" for voters, people wanted the Government to have a plan to make the

nation “prosperous and successful”.

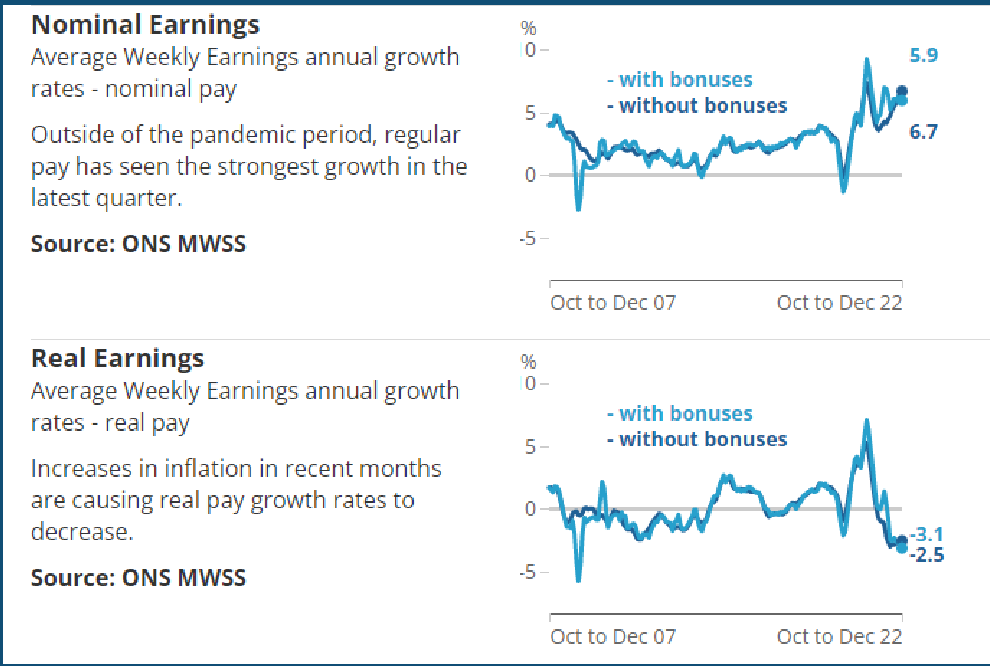
- **Government borrowing hit a new high in December**, driven by the cost of supporting households with their energy bills and rising debt interest costs. Borrowing, the difference between spending and tax income, was £27.4 billion, a rise of £16.7 billion on December 2021 with interest on government debt reaching £17.3 billion, more than double what it was a year earlier.
- However, the **Government saw a surprise budget surplus in January** despite "substantial spending" to help households with energy bills and one-off payments to the EU. The Government spent less than it received in tax during the month, resulting in a surplus of £5.4 billion, which comes ahead of the Budget set to be delivered next month.

Cost of Living Crisis, Inflation and the War in Ukraine

- Positively, **inflation has eased for the third consecutive month to 10.1 per cent in January,** including motor fuel inflation continuing to ease and the inflation rate for food and non-alcoholic beverages has eased for the first time since May 2021.
- **The Bank of England feels that inflation has probably peaked and has raised interest rates to 4 per cent to further manage the rising cost-of-living.**
- It has also been announced that Councils in England are being given further funds to help vulnerable households from the start of April. The **Household Support Fund** will give each local authority in England a share of £842 million, to try to help those struggling the most with rising prices, with information on getting hold of the new funding to be updated on each council website over the coming weeks.
- Alongside this **almost 13,000 “warm banks” launched by councils and partner organisations are operating across the UK** in public places such as libraries, cafés and churches as vulnerable households struggle to afford heating due to soaring energy bills.
- This support comes at a time when **energy bills are set to rise by 20% despite an expected fall in the price cap**. **Cornwall Insight** expect bills to rise by an estimated £500 a year despite an expected reduction in Ofgem's household energy cap. Cornwall Insight has forecast the energy regulator will cap the amount households pay on electricity and gas bills each year at £3,294 from 1 April, a drop from the previous cap of £4,279, but customers will pay about 20 per cent more on their bills as the Government's energy price guarantee only partially protects consumers from paying the full price cap.
- However, **household energy bills are expected to fall this summer**, helping to bring down inflation and reduce pressures on the cost of living. **The Resolution Foundation** said it expected the average bill to fall to £2,200 by October, below the £2,500 paid under the present price cap, while energy consultancy **Cornwall Insight** predicted that average bills could fall to about £2,360 over the summer.
- The newly created **Department for Energy Security and Net Zero is to push households and businesses to slash their energy use by 15 per cent**. Rishi Sunak

has made the target – to be achieved by 2030 – one of the six priorities of the department.

- **Almost half of working age households have reported being either behind on or struggling with housing-related costs**. Research by the **Resolution Foundation** show more than two in five (44 per cent) working-age households reported being either behind on or struggling with housing-related costs in November, an increase from 26 per cent during the depths of the Covid pandemic in January 2021.
- **Parents are also facing higher childcare costs due to a decline in the number of nurseries**. Official figures show the number of childcare providers in England has fallen by almost a fifth in four years, driving up costs and preventing parents from going back to work. New data reveals childcare provision fell by 18 per cent between 2018 and 2022, the equivalent of 64 providers closing every week.
- For those **childcare providers that remain open many are raising prices and cutting staff and opening hours to cope with funding pressures**. A recent survey by the charity **Coram Family and Childcare** showed that three quarters of councils said many providers were charging more than last year and were finding it "very difficult" to recruit staff.
- **Water bills are set to rise by 7.5 per cent increase in April**, meaning customers will pay on average £31 more than last year. According to industry body Water UK the annual bill for an average household in England and Wales will hit £448.
- As well as these further cost pressures, **regular pay is still failing to keep up with rising prices**.
- **Growth in average total pay (including bonuses) was 5.9% and growth in regular pay (excluding bonuses) was 6.7% among employees in October to December 2022.** For regular pay, this is the strongest growth rate seen outside of the pandemic period. Average regular pay growth for the private sector was 7.3% in October to December 2022, and 4.2% for the public sector; outside of the height of the pandemic period, this is the largest growth rate seen for the private sector.
- **In real terms (adjusted for inflation), growth in total and regular pay fell on the year in October to December 2022, by 3.1% for total pay and by 2.5 for regular pay**. This is smaller than the record fall in real total pay we saw in February to April 2009 (4.5%) but remains among the largest falls in growth since comparable records began in 2001.



- We **continue to see wide-ranging strikes and pay disputes take place across a number of key sectors**, including nurses, junior doctors, ambulance staff, teachers, train staff, railway engineering workers, civil servants and fire fighters. This ongoing industrial action saw around 1 in 30 adults miss work between 25 January and 5 February.

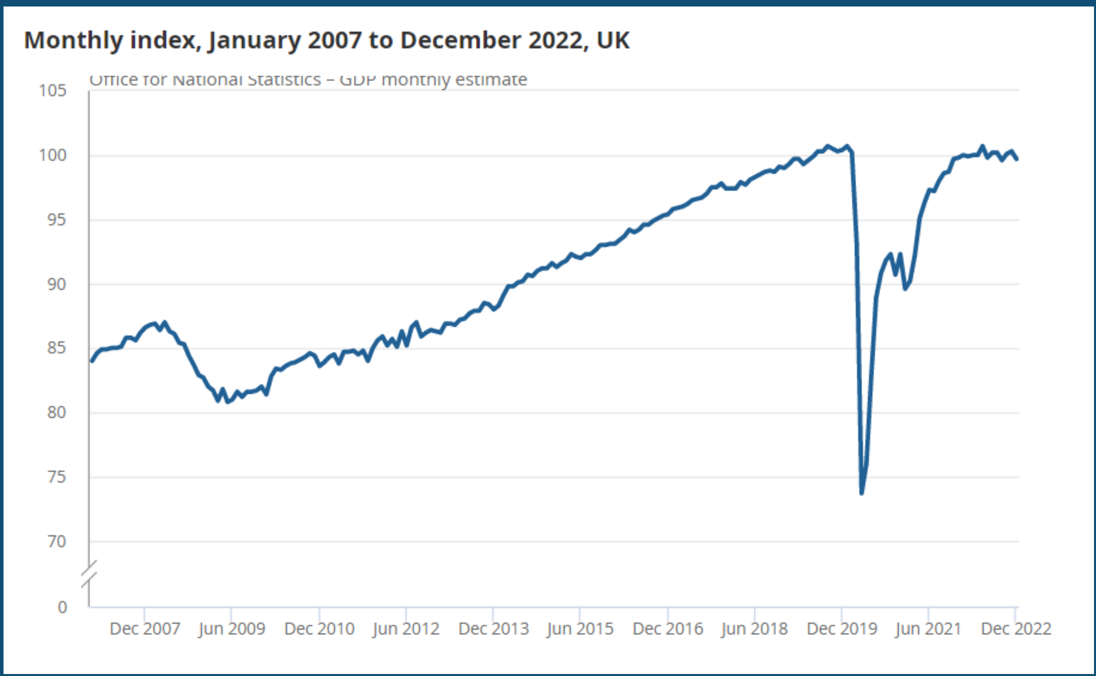
Economy

- The **UK narrowly avoided falling into recession in 2022**, a recession is defined as when the economy contracts for two consecutive three-month periods, and despite shrinking between July and September, the economy saw zero growth between October and December, preventing a recession.
- However, the **Bank of England still expects the economy to fall into recession this to happen this year, although it is likely to be shorter and less severe than previously forecast.** The slump is now expected to last just over a year rather than almost two as energy bills fall and price rises slow. As a result, fewer people are likely to lose their jobs, but the Bank has warned that the economy remains fragile.
- The **International Monetary Fund has also said the UK economy will shrink in 2023 and perform worse than other advanced economies** as the cost of living continues to hit households.
- The reasons why the UK has seemingly fared worse than other countries are complex with a number of factors at play. Although all countries have had to contend with the pandemic, the war in Ukraine and soaring costs of both energy and food, the UK has also faced the challenges surrounding Brexit and workforce shortages.
- Estimates about the **cost of Brexit** vary, according to a report by **Bloomberg** it is **costing the UK economy roughly £100bn a year, and the economy is 4% smaller than it might have been if the UK had stayed in the EU**. Business investment has also stagnated since the referendum vote in 2016, causing another

drag on growth. The Bank of England has said that Brexit hit UK investment to the tune of £29bn.

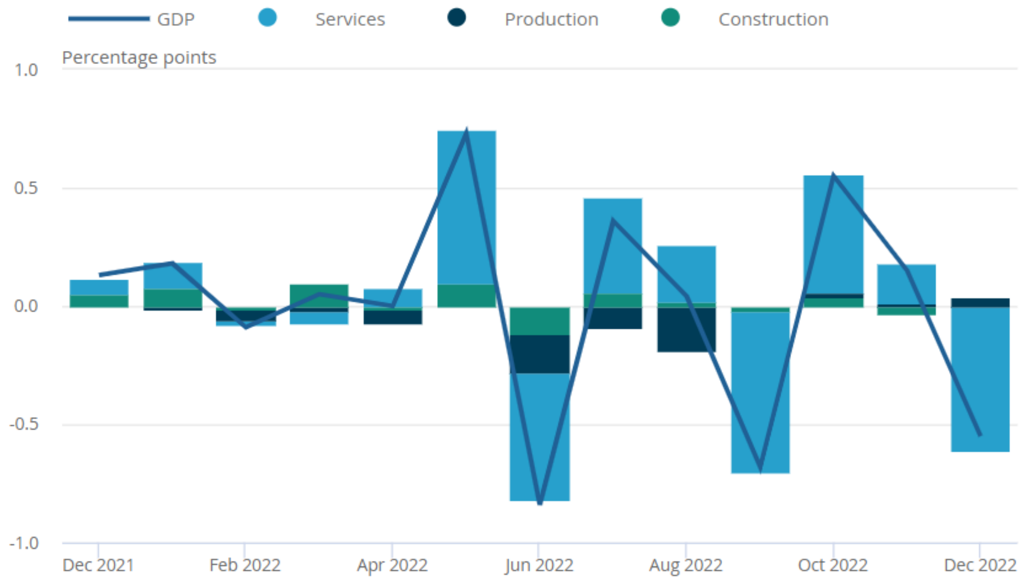
- **Most economies saw their workforce shrink during the pandemic, but the UK is an outlier, with numbers failing to bounce back after the crisis**. There are a number of reasons behind this including young people have opted to study rather than work, older people have retired early, and more people are receiving long-term sickness benefits. Although there are signs the workforce is starting to grow again, which could help boost growth and tax revenues later this year.
- Looking at the latest GDP data in more detail, **monthly real gross domestic product (GDP) is estimated to have fallen by 0.5% in December 2022**, following a growth of 0.1% in November 2022.
- Looking at the broader picture, **GDP was flat in the three months to December 2022**, and annual **GDP output is estimated to have grown by 4.1% in 2022, following growth of 7.4% in 2021.**
- The **services sector** fell by 0.8% in December 2022, after growth of 0.2% in November 2022; the largest contributions to this fall came from human health activities including a decline in vaccinations, education with a decline in school attendance, arts, entertainment and recreation activities, and transport and storage.
- Output in **consumer-facing services** fell by 1.2% in December 2022, following growth of 0.4% in November 2022.
- **Production** output grew by 0.3% in December 2022, following growth of 0.1% in November 2022. The main contributor to this growth was electricity, gas, steam and air conditioning supply.
- The **construction** sector was flat in December 2022 after a fall of 0.5% in November 2022.

GDP Monthly index, January 2007 to December 2022, UK



The services sector was the main contributor to the fall in GDP in December 2022

Contributions to monthly gross domestic product (GDP) growth, December 2021 to December 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 causing to **weakened structural business conditions and confidence.**
- The following charts show the latest results from Wave 76 of the **Business Insights and Conditions Survey (BICS)**, which was live from 6th to 19th February 2023.

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	-0.2▼	2.2▲	**65.9** 15/06/2020 – **94.9** 19/02/2023
Trading status Temporarily closed or paused trading Units	0.3▲	-0.8▼	**33.4** 15/06/2020 – **3.8** 19/02/2023
Prices Prices bought increased Units	-1.8▼	5.5▲	**16.3** 01/06/2020 – **38.9** 31/01/2023
Prices Prices sold increased Units	2.6▲	4.1▲	**4.9** 01/06/2020 – **20.0** 31/01/2023
Workforce status Using a hybrid model of working Units	-0.1▼	2.5▲	**17.0** 04/10/2021 – **21.6** 31/01/2023
Workforce status Working from home Units	0.0▲	-3.1▼	**13.0** 04/10/2021 – **7.8** 31/01/2023
Workforce status Working from a designated workspace Units	-1.3▼	0.4▲	**59.8** 04/10/2021 – **62.5** 31/01/2023

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

- **In January 2023, more than a quarter (29%) of trading businesses reported lower turnover compared with December 2022**, while 16% reported that their turnover was higher.
- **Businesses were more optimistic about their turnover for March 2023** as 21% of trading businesses reported that they expect their turnover to increase, up from 10% reported for January 2023; the accommodation and food service activities industry reported the largest proportion, at 29%.

- Of trading businesses, **39% reported an increase in the prices of goods or services bought in January 2023 compared with December 2022**; this percentage has gradually fallen each month from the 48% of businesses who reported higher prices in September 2022 compared with the previous calendar month.
- **A quarter (25%) of trading businesses expect to raise the prices of goods or services they sell in March 2023**; energy prices remain the top reason these businesses are considering doing so, with 35% reporting this.
- **More than a third (34%) of businesses reported they had passed on their input price increases to customers over the last six months**; the manufacturing industry reported the largest proportion, at 58%.
- **More than a quarter (28%) of businesses with 10 or more employees reported they experienced difficulties recruiting employees in January 2023**.
- **In January 2023 there were a total of 1,671 company insolvencies in England and Wales** up **7% higher than in the same month in the previous year (1,567 in January 2022), and 11% higher than the number registered three years previously (pre-pandemic; 1,502 in January 2020).** The main concern with company and individual insolvencies are associated issues such as mental health and homelessness.
- There are concerns that 2023 could see increased company collapses as the cost-of-living crisis continues, with the number of firms on the brink of insolvency up by more than a third at the end of last year, according to insolvency firm **Begbies Traynor**. It expects this number to rise due to higher costs, firms repaying Covid loans and consumers cutting back their spending.
- **UK pub and bar closures in 2022 were near to the highest level in a decade**, with more than 500 businesses folding last year, data from the **Insolvency Service** has found. The total number of licensed venues in the UK has fallen by 15 per cent over the past decade with the annual bankruptcy rate averaging 466. The sector has been struggling with a combination of high energy, labour and food and drink wholesale costs.
- **Of those pubs and bars that remain three in 10 could go bust this year**, according to an industry survey. Many cite rising energy prices as one of the main concerns. Around 30 per cent fear they will fail in the next year – and 66 per cent only have enough cash to see them through the next six months.
- **A group of almost 200 organisations have signed a letter to the Prime Minister warning of the "final straw" for many gyms, pools and clubs because of the "ongoing energy crisis"**. The letter makes an "urgent plea" for the Government to "think again" about not including them in future help with energy bills and provide the necessary support to the sport, recreation and physical activity sector.
- There are also difficulties in the manufacturing sector with hundreds of jobs at risk at **British Steel** as it continues talks with ministers about funding. A consultation is expected to be launched on around 800 redundancies, principally focused on the

Scunthorpe plant in north Lincolnshire where the company is based.

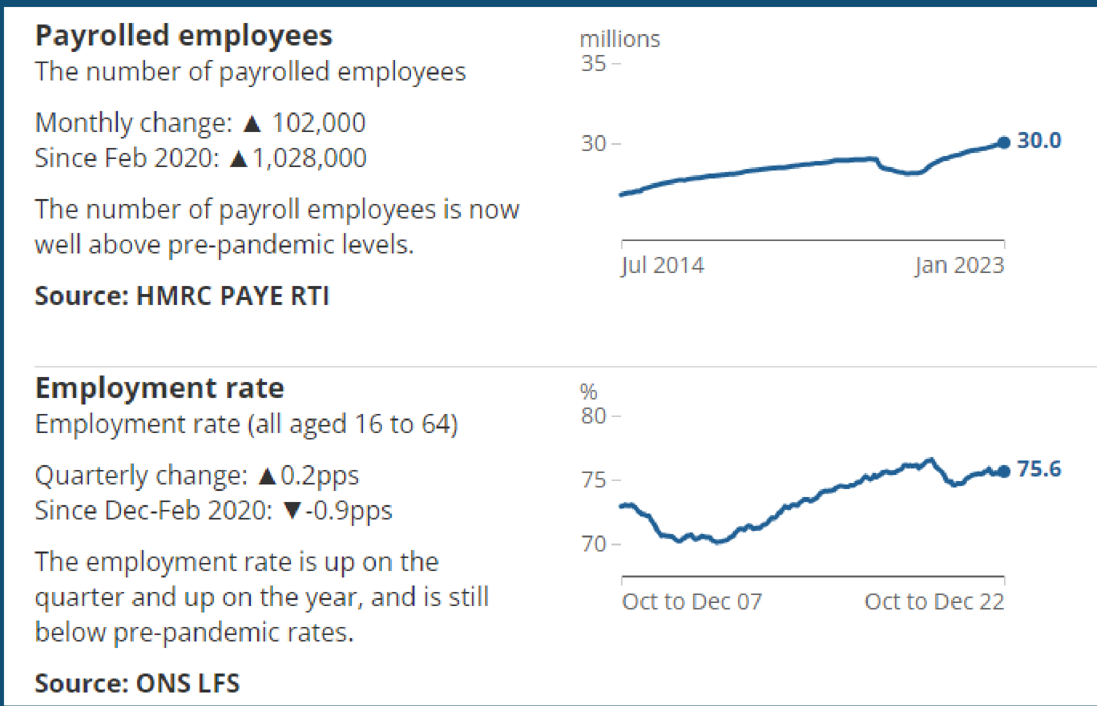
- While **Ford** has announced that 1,300 jobs, a fifth of the workforce, is being cut from its UK business as part of a Europe-wide overhaul. The majority of the UK losses will be at the Ford site in Dunton, Essex - its UK headquarters and technical centre. Up to 1,000 jobs are to be axed at the location with the remaining 300 to come from administrative roles spread across the remaining five sites.

Labour Market

- A **report on 'hidden unemployment' by Centre for Cities suggests that unemployment in the UK could be three times higher than shown by official government figures**, with a stark north-south divide in adults out of work due to ill health or lack of good opportunities. The study found that **more than 3 million people are missing from the headline unemployment rate because they report themselves as economically inactive** to government labour force surveys. It follows a dramatic rise in economic inactivity rates since the start of the Covid pandemic, fuelled by older workers quitting the jobs market and a sharp increase in long-term ill health among working-age adults. Rather than an official unemployment rate of 3.7%, the lowest level since the mid-1970s, the report said the figure could be as high as 12.1% when including three million economically inactive people who could work if they had enough support.
- There are **concerns that the Government's focus on trying to get people in retirement back to work to fix chronic staff shortages is misguided,** with the Resolution Foundation advising that this is unlikely to be effective. Instead, there are **calls to focus more on addressing long-term sickness and pressure on the NHS which is thought to be having a bigger impact on the jobs market**. The sharp rise in economic inactivity – when working-age adults are neither in work nor looking for a job – is more likely to be driven by people waiting for treatment as the health service struggles to cope, as well as by people who permanently live in poorer health, according to the **consultancy LCP**.
- This focus is supported by the fact that currently **more than 1.6 million adults aged 50 and over are unable to work because of long-term sickness**. The number has increased 20%, or 270,000 in three years, according to an analysis of Office for National Statistics figures by **Rest Less**, a digital community and advocate for over fifties.
- A recent **Resolution Foundation** report advises the Government to **focus on supporting mothers through childcare support, older workers and those with a disability into the workforce in an effort to reduce the increased number of people classed as economically inactive.**
- The **Confederation of British Industry has said Rishi Sunak should funnel billions of pounds into free childcare to help get more parents into work to tackle workforce shortages.**
- **Foreign students would be allowed to work longer hours under plans to boost**

the economy by plugging vacancies, with ministers looking at ways to encourage British and overseas students to take more part-time jobs to deal with shortages in areas such as hospitality and retail. Britain's 680,000 overseas students are currently limited to 20 hours of paid work a week during term time, which is designed to prevent student visas from being used as backdoor routes to jobs in this country, but this cap could be raised to 30 hours or removed entirely.

- It has been reported that **unemployment benefit claimants will be required to spend a fortnight on an intensive skills programme designed to get them back into work or risk losing universal credit payments**. The programme, already being piloted in four areas, will apply to those who have been out of work for three months.
- **Changes made to toughen benefit rules since the late 1990s have boosted employment in the UK but left many in part-time roles with low chance of career progression**, according to the Institute of Fiscal Studies. The thinktank found that those encouraged to enter paid work had tended to remain on low pay, were paying little tax and were often still entitled to in-work benefits.
- The following charts shows the latest **labour market position** and the latest Office for National Statistics data for October to December 2022:



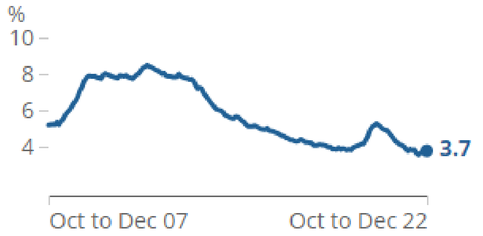
Unemployment rate

Unemployment rate (all aged 16+)

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

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

Source: ONS LFS



Inactivity rate

Economic inactivity rate (all aged 16 to 64)

Quarterly change: ▼-0.3pps
Since Dec-Feb 2020: ▲1.2pps

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

Source: ONS LFS

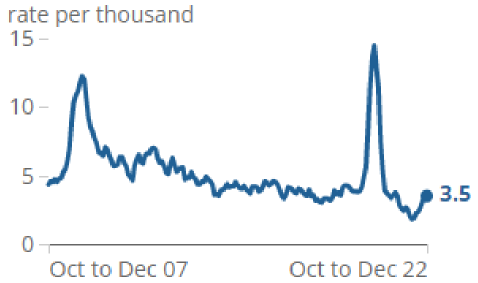
Redundancy rate

Redundancy rate (per 1000 employees)

Quarterly change: ▲0.8 people per thousand
Since Dec-Feb 2020: ▼-0.3 people per thousand

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

Source: ONS LFS



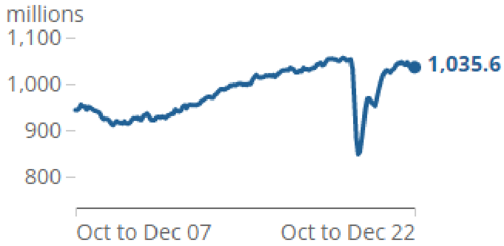
Hours worked

Total actual weekly hours worked

Quarterly change: ▼-2.9 million
Since Dec-Feb 2020: ▼-16.6 million

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

Source: ONS LFS



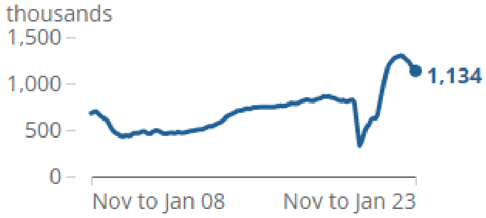
Job vacancies

Number of job vacancies

Quarterly change: ▼-76,000
Since Jan-Mar 2020: ▲338,000

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 October to December 2022, 0.2 percentage points higher than the previous three-month period. The increase in employment over the latest three-month period was driven by part-time workers. **Employment remains 260,000 below pre-pandemic levels.**

- The timeliest estimate of **payrolled employees** for January 2023 shows another monthly increase, up 102,000 on the revised December 2022 figures, to 30.0 million.
- The **unemployment rate** for October to December 2022 increased by 0.1 percentage points on the quarter, to 3.7%. In the latest three-month period, the number of people unemployed for up to six months increased, driven by people aged 16 to 24 years. Those unemployed for over six, and up to 12, months also increased, while those unemployed for over 12 months decreased in the recent period. **Unemployment is 94,000 below pre-pandemic levels.**
- The **economic inactivity rate** decreased by 0.3 percentage points on the quarter, to 21.4% in October to December 2022. The decrease in economic inactivity during the latest three-month period was driven by people aged 16 to 24 years. Looking at economic inactivity by reason, the quarterly decrease was driven by those inactive because they are students, retired, or long-term sick. **Those economically inactive are 516,000 above pre-pandemic levels.**
- Flows estimates between July to September 2022 and October to December 2022 show that there was a record-high net flow out of economic inactivity, driven by people moving from economic inactivity to employment.
- In November 2022 to January 2023, the **estimated number of vacancies** fell by 76,000 on the quarter to 1,134,000, the seventh consecutive quarterly fall since May to July 2022. 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 843,000 **working days lost because of labour disputes** in December 2022, which is the highest since November 2011.
- There continue to be **specific labour shortages**, analysis from the **Office for National Statistics** shows that a **shortage of healthcare workers** means near-record numbers of job vacancies across the UK. The lack of nurses, carers and other staff have the biggest recruitment gap in almost every local authority area.
- The **world's biggest trial of a four-day working week has been hailed a success**, with most of the companies involved saying they would continue offering a shorter week. A total of 61 companies across several sectors in the UK were involved in the pilot, which ran for six months from June last year.

Skills

- **Business and retail organisations have written to the Government to warn that its £3.5 billion apprenticeship levy is a mistake**. The British Retail Consortium (BRC), UKHospitality, techUK, and the Recruitment & Employment Confederation (REC) said the Government was "holding back investment" in critical training that could increase productivity, fuel economic growth and raise wages. The key ask is to reform the apprenticeship levy to make it flexible and fit-for-purpose.

- In terms of the future workforce, the **National Audit Office** has found that in summer 2021 pupils were, on average, 2.2 months, 0.9 months and 1.2 months behind the level of attainment that would have been expected in **primary maths, primary reading and secondary reading**. This compared with 3.6 months, 1.8 and 1.5 months in autumn 2020.
- **A quarter of a million children enter secondary school without basic maths and English**. 41 per cent of year 6 pupils in England left primary school without meeting the expected standards in literacy and maths, the equivalent of 275,000 11-year-olds according to researchers at the **Centre for Social Justice** thinktank. The report states that the attainment gap in education – that between the poorest and most advantaged – is at its widest level for a decade.
- **A third of 15-year-olds have been persistently absent from classrooms in England during the current school year** according to figures from educational research group **FFTdatalab**. The data also revealed that almost 5 per cent of teenagers in years 10 and 11 were classed as severely absent, meaning they had missed at least half of the autumn term. Across all year groups it estimated that about 170,000 pupils in England could be classed as severely absent.

Green Economy

- **A report by the Confederation of British Industry has found that the transition to a greener economy is worth £71 billion and has brought jobs and investment to parts of the UK experiencing industrial decline.**
- **One of Britain's biggest housebuilders is to install heat pumps in its new homes as standard**, as the Government prepares to ban new gas boilers. **Redrow**, which completes more than 5,000 homes a year, has become the first major housebuilder to install heat pumps as standard.
- **Making homes better insulated and using renewable energy to power them could mean people live longer according to a new study published in The Lancet Planetary Health**. Researchers found that net zero policies like home insulation would "significantly" cut mortality by 2050.
- **According to a new report from the Climate Change Committee the UK is "chronically" underspending on climate change adaptation, increasing risks of heatwaves, droughts, flooding and failing infrastructure.** The climate change watchdog says adapting to higher temperatures and more intense heatwaves and storms that are predicted as a result requires investment of around £10 billion a year.
- **One new public charger was built for every 53 electric cars sold last year**, according to the **Society of Motor Manufacturers and Traders**, with the speed of rollout slowing as the year went on. The figures show 368,617 plug-in cars were registered in Britain last year, while only 6,949 standard chargers were installed.
- **Nearly one third of all the UK's public charging devices for electric vehicles are in London**, according to new government data which shows 8,680 new charging

devices were installed nationwide in the past year. As of 1 January 2023, there were 37,055 public electric vehicle charging devices installed in the UK, up 31 per cent from a year before. The Government is aiming for there to be 300,000 charging devices in the UK by 2030.

Transport

- **Government agency Active Travel England is inviting local authorities outside London to apply for a share of a £200 million investment in walking and cycling.** Schemes could include more paths in rural areas, new routes for children to walk to school and more inclusive street designs to support people using wheelchairs and mobility scooters.

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 continue to deal with the social and economic impacts of the energy and cost-of-living crisis.** There are further **positive signs that inflation may have reached its peak** at a lower level than previously feared and is expected to continue to improve over the coming months. However, **cost-of-living remains high, and the economy is fragile with businesses struggling to remain profitable and rising unemployment.**
- **Further detail on the Government's plan to boost economic growth is welcomed,** with the focus on the four pillars, or "four Es" of enterprise, education, employment and everywhere. It is **positive that the UK narrowly avoid falling into recession in 2022 and that the potential recession this year is likely to be shorter and less severe than previously feared.** The further funding announcements including the **Levelling Up Fund and Household Support Fund** are vital for Staffordshire and other local areas to support businesses and residents during these challenging times. This further funding will **boost investment in Staffordshire's economy and support households most in need,** alongside the extensive investment and support programmes that we have already put in place.
- 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 continue to support residents into work and help businesses address ongoing labour shortages and skills gaps** to aid survival and growth. **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 January 2023, which show the number of new companies and individuals who are unable to pay debts and enter a formal insolvency procedure.

Company Insolvencies

In January 2023 there were a total of 1,671 company insolvencies in England and Wales.

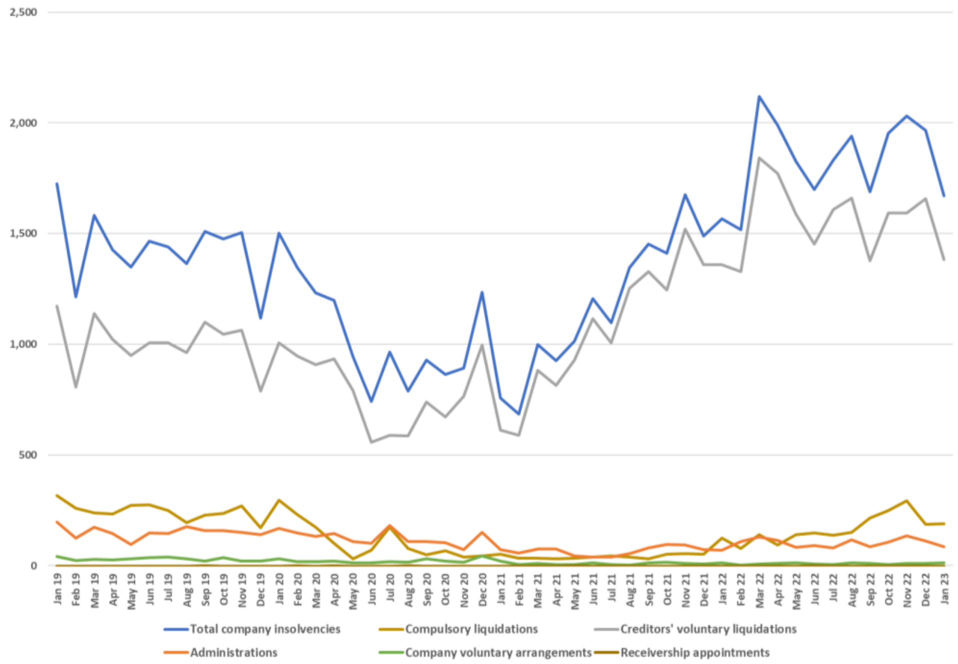
The overall number of **company insolvencies are 7% higher than in the same month in the previous year (1,567 in January 2022), and 11% higher than the number registered three years previously (pre-pandemic; 1,502 in January 2020).** Please note that due to the volatility of the underlying data the Insolvency Service recommends comparisons are made with the same month in previous years rather than with the previous month.

There were 189 compulsory liquidations in January 2023, which is 52% more than in January 2022, but 36% lower than in January 2020. 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 January 2023 there were 1,382 Creditors' Voluntary Liquidations (CVLs), 2% higher than in January 2022 and 37% higher than January 2020. Numbers of administrations and Company Voluntary Arrangements (CVAs) remained lower than before the pandemic but were higher than in January 2022.

Company insolvencies between February 2022 and January 2023 are 50% higher compared to a year earlier, representing 7,360 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, January 2023 - GOV.UK (www.gov.uk)

The sectors to have seen the largest number of company insolvencies between January 2022 and December 2023 are construction (4,160), wholesale and retail (3,277) and accommodation and food (2,710). Levels exceed those seen for the same period the previous year with construction 61% higher, wholesale and retail 90% higher, and accommodation and food 62% 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, **612 bankruptcies were registered in January 2023**, which was 5% higher than in January 2022, but 60% lower than January 2020.

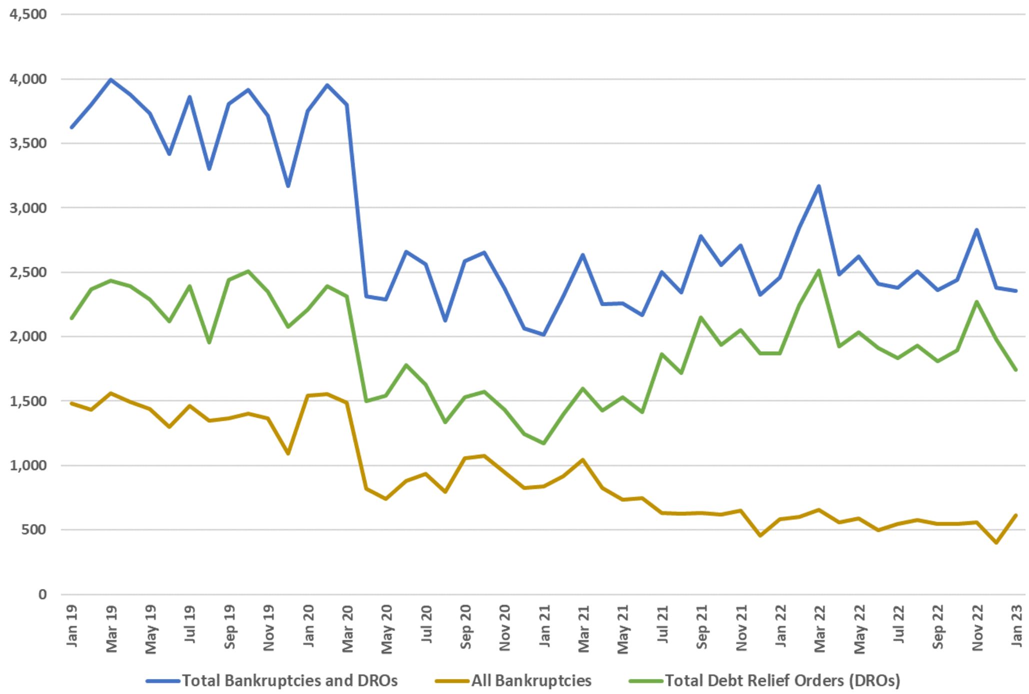
There were **1,741 Debt Relief Orders (DROs)** in January 2023, which was 7% lower than January 2022 and 21% lower than the pre-pandemic comparison month (January 2020).

There were, on average, **6,328 Individual Voluntary Arrangements (IVAs)** registered per month in the three-month period ending January 2023, which is 1% higher than the three-month period ending January 2022, and 6% higher than the three-month period ending January 2020.

Please note some IVAs registered on 30th and 31st January had not been input into the Insolvency Service administration systems at the time of data extraction for this publication. The number of registered IVAs for January 2023 is therefore likely to be an undercount. Any IVAs not yet counted will be included in next month's publication.

Total bankruptcies and DROs between February 2022 and January 2023 are 5% higher than the same period a year earlier, representing 1,489 more.

Bankruptcies and Debt Relief Orders in England and Wales



Sources: Insolvency Service

Due to a data issue currently under investigation, the number of Breathing Spaces in January is not available at the time of writing.

In 2022, there were 70,546 registered breathing spaces, comprised of 69,334 Standard and 1,212 Mental Health breathing space registrations. Average monthly numbers were 14% higher in 2022 than in 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: January 2023

Area	Claimant Count Rate (Jan 2022)	Claimant Count Rate (Dec 2022)	Claimant Count Rate[1] (Jan 2023)	Number of Claimants (Jan 2023)	Monthly Change in Claimants (Numbers)	Monthly Change in Claimants (%)	Change in Claimants since March 2020 (Numbers)	Change in Claimants since March 2020 (%)
England	4.3	3.7	3.7	1,313,775	6,545	0.5%	250,270	23.5%
West Midlands	5.3	4.8	4.8	176,215	910	0.5%	31,865	22.1%
SSLEP	3.7	3.3	3.3	23,210	405	1.8%	3,840	19.8%
Birmingham	8.9	8.2	8.2	60,780	-40	-0.1%	11,410	23.1%
Wolverhampton	7.8	7.4	7.4	12,295	45	0.4%	1,915	18.4%
Sandwell	6.7	6.2	6.2	13,465	65	0.5%	2,685	24.9%
Walsall	6.3	5.4	5.5	9,610	215	2.3%	1,005	11.7%
Coventry	5.5	5.2	5.3	11,895	170	1.4%	3,895	48.7%
Stoke-on-Trent	**5.9**	**5.2**	**5.3**	**8,510**	**145**	**1.7%**	**1,190**	**16.3%**
Dudley	5.3	4.7	4.7	9,280	110	1.2%	765	9.0%
Telford and Wrekin	4.0	3.4	3.4	3,950	10	0.3%	520	15.2%
Solihull	3.8	3.1	3.1	4,045	5	0.1%	395	10.8%
Worcestershire	3.4	3.1	3.0	10,955	-165	-1.5%	2,650	31.9%
Staffordshire	**3.1**	**2.7**	**2.8**	**14,700**	**265**	**1.8%**	**2,650**	**22.0%**
Warwickshire	3.1	2.6	2.6	9,580	-25	-0.3%	1,750	22.3%
Herefordshire, County of	2.7	2.3	2.4	2,605	70	2.8%	495	23.5%
Shropshire	2.9	2.4	2.4	4,550	45	1.0%	540	13.5%
Cannock Chase	3.5	3.2	3.3	2,070	55	2.7%	415	25.1%
Tamworth	4.0	3.3	3.3	1,615	-25	-1.5%	125	8.4%
East Staffordshire	3.2	2.9	3.0	2,300	60	2.7%	580	33.7%
Newcastle-under-Lyme	3.3	2.9	2.9	2,215	25	1.1%	235	11.9%
South Staffordshire	3.1	2.6	2.7	1,770	70	4.1%	460	35.1%
Lichfield	2.7	2.4	2.5	1,575	35	2.3%	255	19.3%
Stafford	2.8	2.5	2.5	2,040	-15	-0.7%	385	23.3%
Staffordshire Moorlands	2.3	1.9	2.0	1,110	55	5.2%	190	20.7%

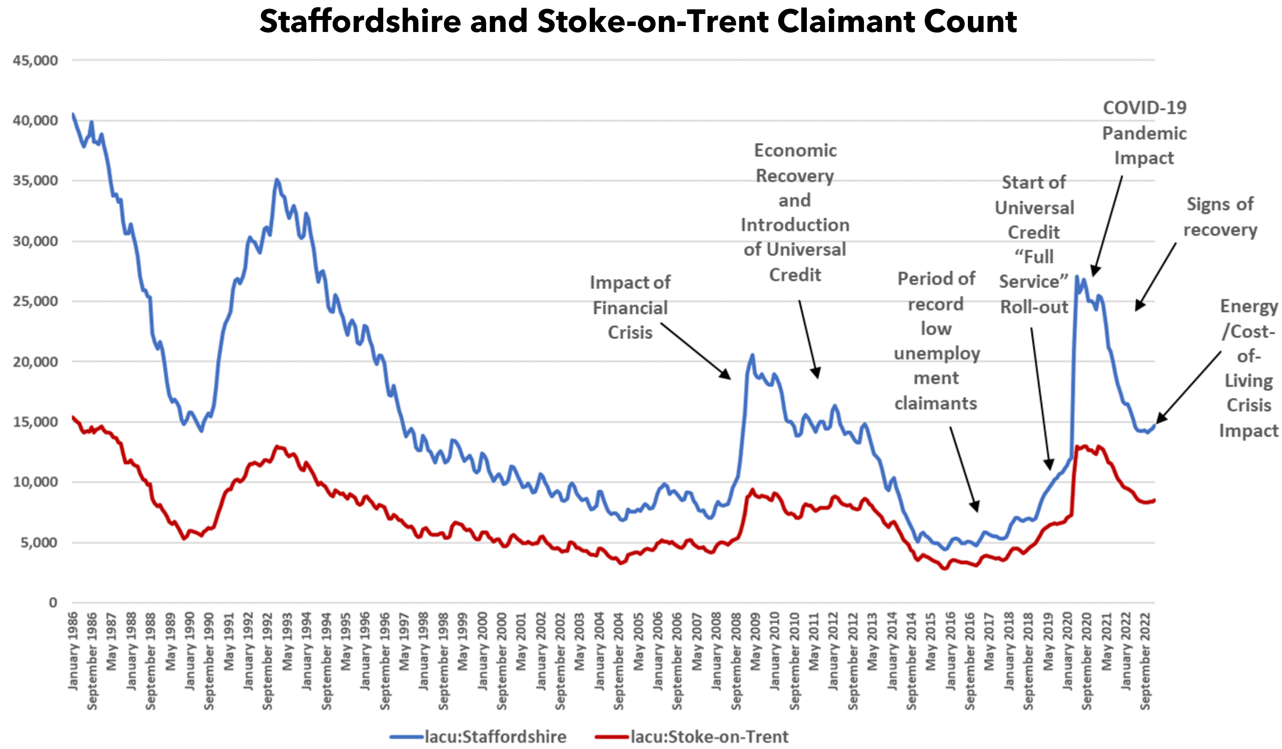
[1] The claimant rate is the proportion of the working age population claiming benefits

- The claimant count in Staffordshire saw a further increase of 265 claimants over the last month, with the total number of claimants in the county now standing at 14,700.
- This increase is higher than the rise seen nationally, with the claimant rate for Staffordshire increasing from 2.7% to 2.8%.
- However, the rate in Staffordshire remains one of the lowest rates in the West Midlands and far lower than the average for England of 3.7% of the working age population.
- Stoke-on-Trent saw an increase of 145 over the same period with a total of 8,510 claimants in January, with the rate increasing from 5.2% to 5.3%.
- These increases come at a time when some seasonal jobs are coming to an end and during a period when there is a traditional lull in recruitment demand meaning there

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

are fewer job vacancies for those that are unemployed to move into. However, demand for labour and skills remains high across the local economy and therefore it is about supporting those that unfortunately find themselves unemployed to transition into work.

- The total number of Universal Credit (UC) claimants is now 22.0% or 2,650 higher than the level seen in March 2020 (pre-COVID), which is below the 23.5% increase seen nationally.



- 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 2.8% of the working age population in January compared to 4.8% regionally and 3.7% nationally. In Stoke-on-Trent the Claimant Count rate remains above both the regional and national averages at 5.3%.

- This month the majority of Staffordshire Districts with the exception of Stafford and Tamworth have seen an increase in the number of claimants. South Staffordshire saw the largest increase with a 70 rise in claimants, while Tamworth saw the largest decline of 25 claimants.

- Cannock Chase and Tamworth 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

- Contributing to the overall increase in claimants this month, the youth claimant count in Staffordshire saw a slight increase of 45 to a total of 2,685 young people.

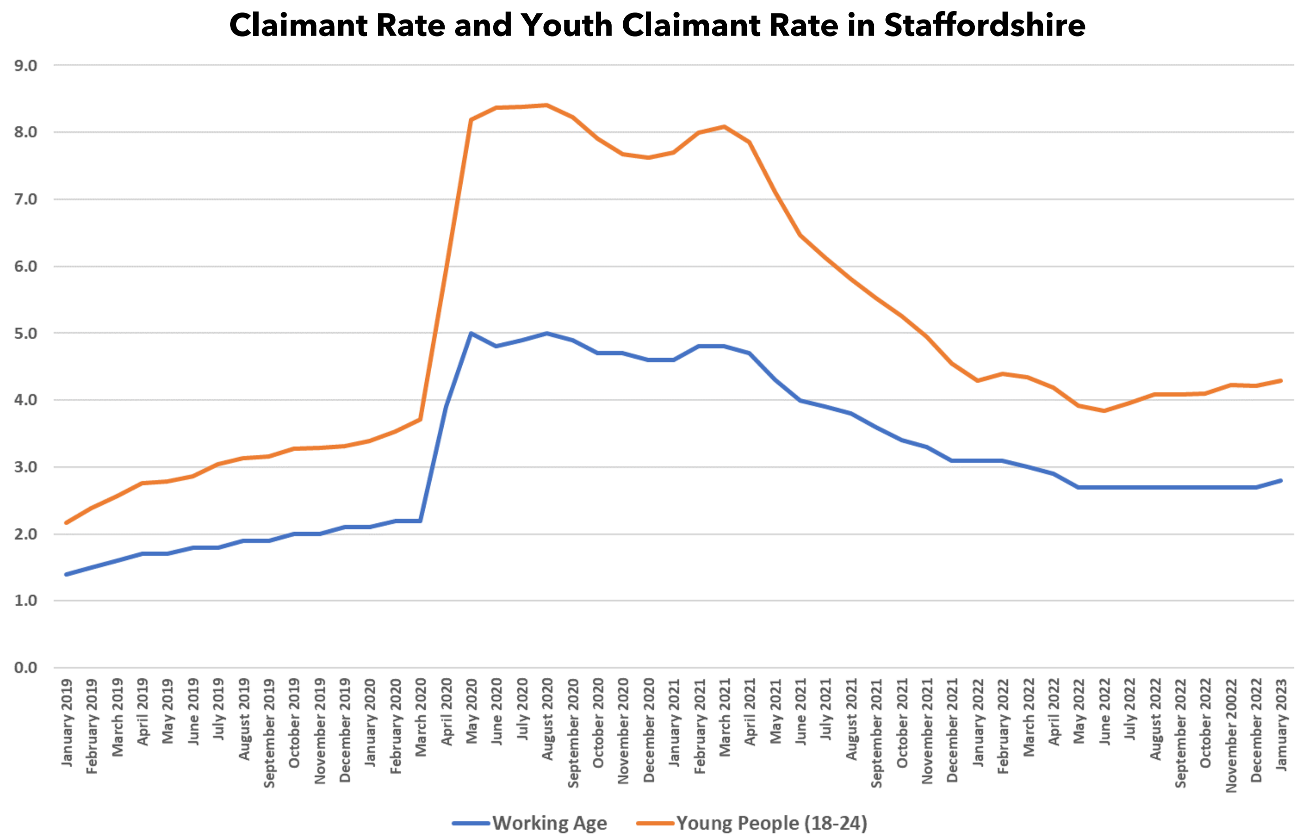
- The proportion of young people in Staffordshire aged 18-24 that are claiming work-related Universal Credit has increased this month from 4.2% to 4.3%, although this remains lower than the unchanged national rate of 4.7%.

- While in Stoke-on-Trent the rate has increased from 7.0% to 7.2% in January following an increase of 40 youth claimants.

Youth Claimant Count (Universal Credit) Statistics: January 2023

Area	Youth Claimant Count Rate (Jan 2022)	Youth Claimant Count Rate (Dec 2022)	Youth Claimant Count Rate[1] (Jan 2023)	Number of Youth Claimants (Jan 2023)	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	5.1	4.7	4.7	221,690	845	0.4%	23,960	12.1%
West Midlands	6.4	6.2	6.3	31,630	120	0.4%	3,725	13.3%
SSLEP	5.1	5.0	5.1	4,310	85	2.0%	490	12.8%
Wolverhampton	9.5	10.0	10.0	2,145	15	0.7%	235	12.3%
Sandwell	8.7	8.8	8.7	2,485	-15	-0.6%	370	17.5%
Walsall	9.3	8.2	8.4	1,890	40	2.2%	-25	-1.3%
Birmingham	8.3	8.3	8.3	10,810	30	0.3%	1,705	18.7%
Dudley	7.7	7.4	7.3	1,730	-20	-1.1%	-20	-1.1%
Stoke-on-Trent	**7.2**	**7.0**	**7.2**	**1,625**	**40**	**2.5%**	**220**	**15.7%**
Telford and Wrekin	6.1	5.7	5.7	845	-5	-0.6%	85	11.2%
Solihull	6.0	5.0	4.9	735	-15	-2.0%	-90	-10.9%
Coventry	4.5	4.7	4.6	1,985	-25	-1.2%	450	29.3%
Worcestershire	4.5	4.6	4.6	1,905	-40	-2.1%	310	19.4%
Staffordshire	**4.3**	**4.2**	**4.3**	**2,685**	**45**	**1.7%**	**270**	**11.2%**
Warwickshire	3.9	3.6	3.6	1,615	25	1.6%	280	21.0%
Herefordshire, County of	3.6	3.3	3.6	415	30	7.8%	0	0.0%
Shropshire	3.7	3.4	3.4	755	10	1.3%	-70	-8.5%
Cannock Chase	5.7	5.9	5.7	400	-15	-3.6%	35	9.6%
Tamworth	6.3	5.8	5.6	320	-10	-3.0%	25	8.5%
South Staffordshire	4.8	4.6	4.6	345	5	1.5%	95	38.0%
East Staffordshire	4.0	4.0	4.3	380	20	5.6%	60	18.8%
Stafford	3.9	4.3	4.2	365	-5	-1.4%	50	15.9%
Lichfield	3.9	3.8	3.9	280	10	3.7%	10	3.7%
Newcastle-under-Lyme	3.6	3.4	3.6	425	20	4.9%	0	0.0%
Staffordshire Moorlands	3.0	2.5	2.8	165	15	10.0%	-10	-5.7%

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



- The majority of Staffordshire Districts have seen an increases in youth claimants this month. East Staffordshire and Newcastle-under-Lyme both saw the largest increase of 20 youth claimants while Cannock Chase saw the largest decline of 15 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

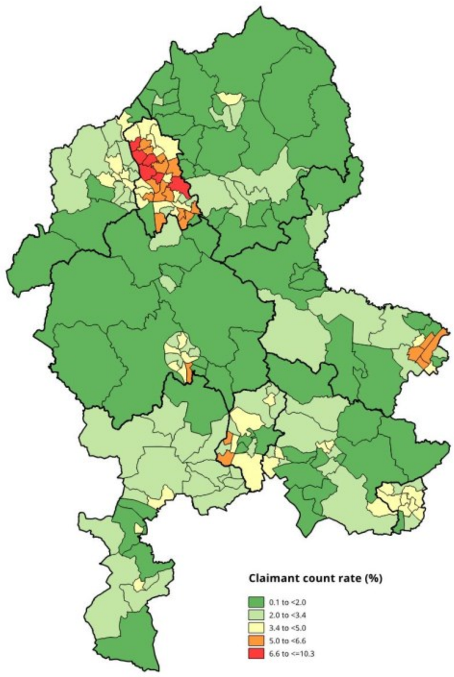
The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

Claimant Count Rate January 2023

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 61 were above the England average of 3.7% for the number of claimants as a proportion of the working age population.

Of the top 17 wards with the highest claimant count rate all were in Stoke-on-Trent with Joiner's Square (10.3% or 475 claimants), Burslem Central (8.2% or 375) and Etruria and Hanley (8.2% or 445) having the highest rates.

In Staffordshire the wards with the highest claimant count rates were Cannock North in Cannock Chase (5.5% or 260), Burton in East Staffordshire (5.5% or 165), and Shobnall in East Staffordshire (5.5% or 295).

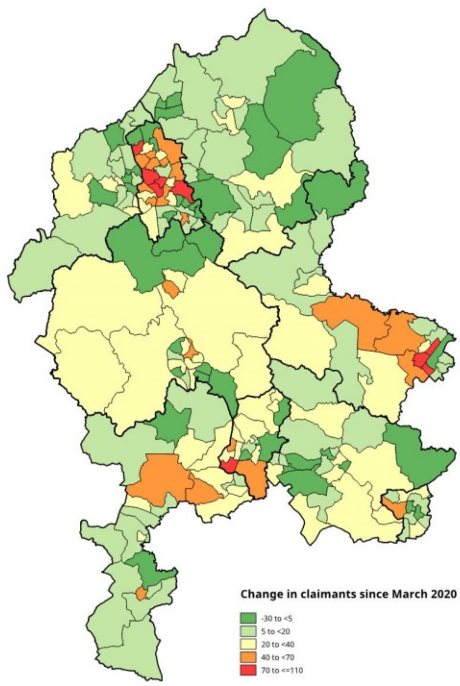


Staffordshire County Council

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 6 in Stoke-on-Trent including Bentilee and Ubberley (110 increase to 510), Hanley Park and Shelton (110 rise to 295), and Joiner's Square (100 increase to 475 claimants in total).

Of the remaining 4 wards in the top 10, 3 were in East Staffordshire including Anglesey with a 90 increase to 280 claimants, Shobnall with an 85 rise to 295 claimants, and Eton Park with an increase of 80 to 260 claimants in total.



Staffordshire County Council

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

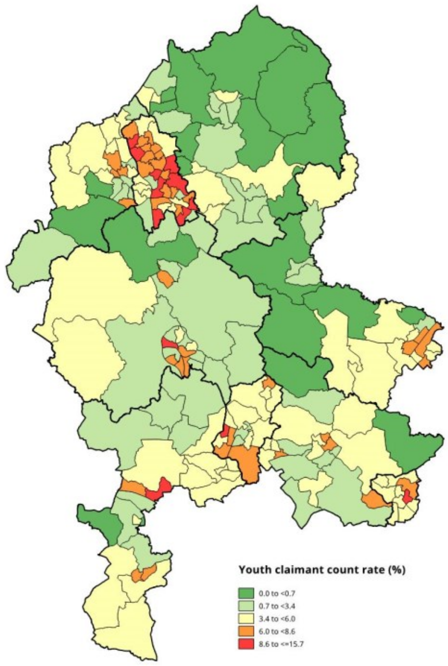
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

Youth Claimant Count Rate January 2023

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 84 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 8 were in Stoke-on-Trent with Joiner's Square (15.7% or 120 claimants), Bentilee and Ubberley (13.3% or 120) and Blurton West and Newstead (11.1% or 65) having the highest rates.

In Staffordshire, the 2 wards with the highest rates were Bilbrook in South Staffordshire with 10.8% or 30 youth claimants and Doxey & Castletown in Stafford with 10.0% or 30 youth claimants.

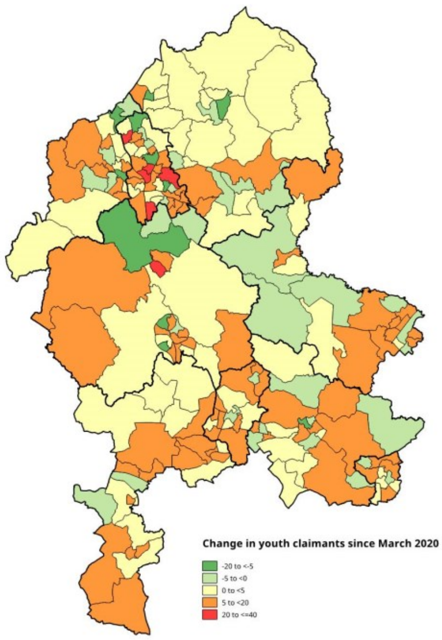


Staffordshire County Council

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 7 were in Stoke-on-Trent including Hanley Park and Shelton (40 rise to 70 youth claimants), Bentilee and Ubberley (30 increase to 120), and Blurton West and Newstead (30 rise to 65) with the highest increases since March 2020.

In Staffordshire, the highest increase was seen in Walton in Stafford with a rise of 20 to 30 youth claimants.



Staffordshire County Council

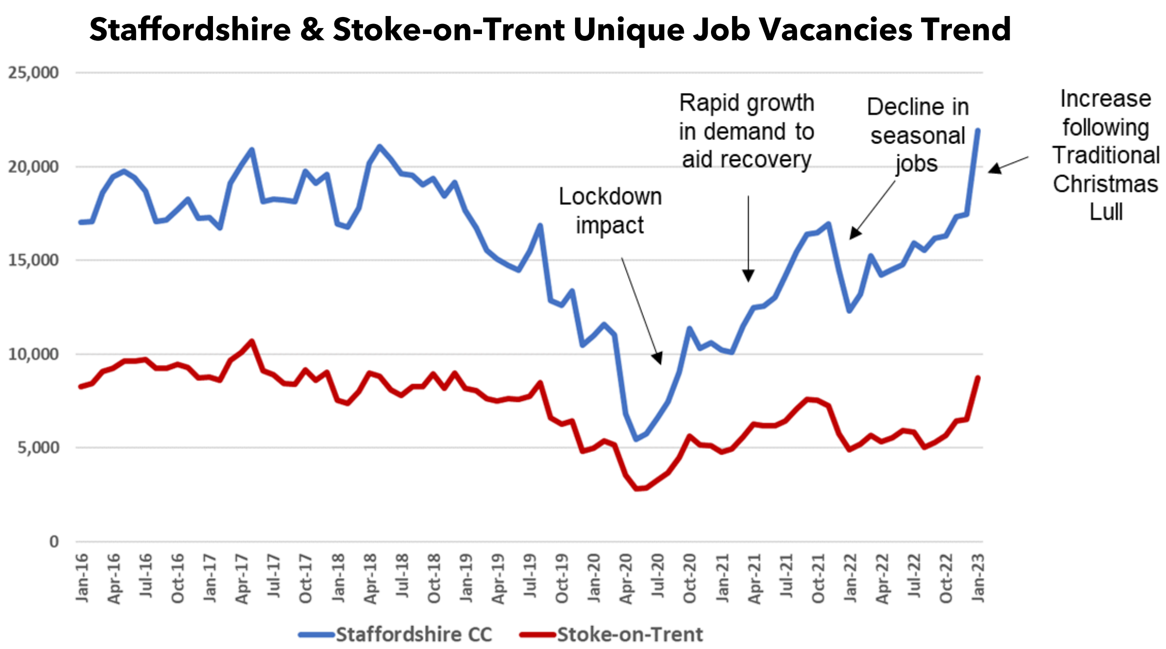
Job Vacancies[3]

- **Staffordshire saw a 26% increase in the number of available job vacancies between December and January to a total of 21,900, which is far higher than the number of work-related benefit claimants.**

- **Stoke-on-Trent saw a 34% rise in vacancies to a total of nearly 8,700 which is just above the number of claimants.**

- This is largely reflective of the traditional Christmas lull in the number of job adverts being posted, but it also clearly shows that overall recruitment demand remains strong with new job postings higher than a year before and pre-pandemic levels.

- However, given current high inflation, energy prices and wage levels and a potential recession in 2023, many economists see the potential for a decline in recruitment demand alongside some redundancies over the coming months.



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

- All occupational groups saw an increase in vacancies during January with the largest increases seen in 'Administrative and Secretarial Occupations' with a 39% rise and 'Caring, Leisure and Other Service Occupations' with a 33% increase.

- The occupations to see the most significant increases during January include roles in sectors in parts of the economy experiencing ongoing recruitment difficulties such as **social care (care workers and home carers), hospitality (kitchen and catering assistants), logistics (van drivers and elementary storage occupations), manufacturing (science, engineering and production technicians), health (nurses and nursing auxiliaries and assistants) and education (teaching assistants).**

Annual Trends in job vacancies

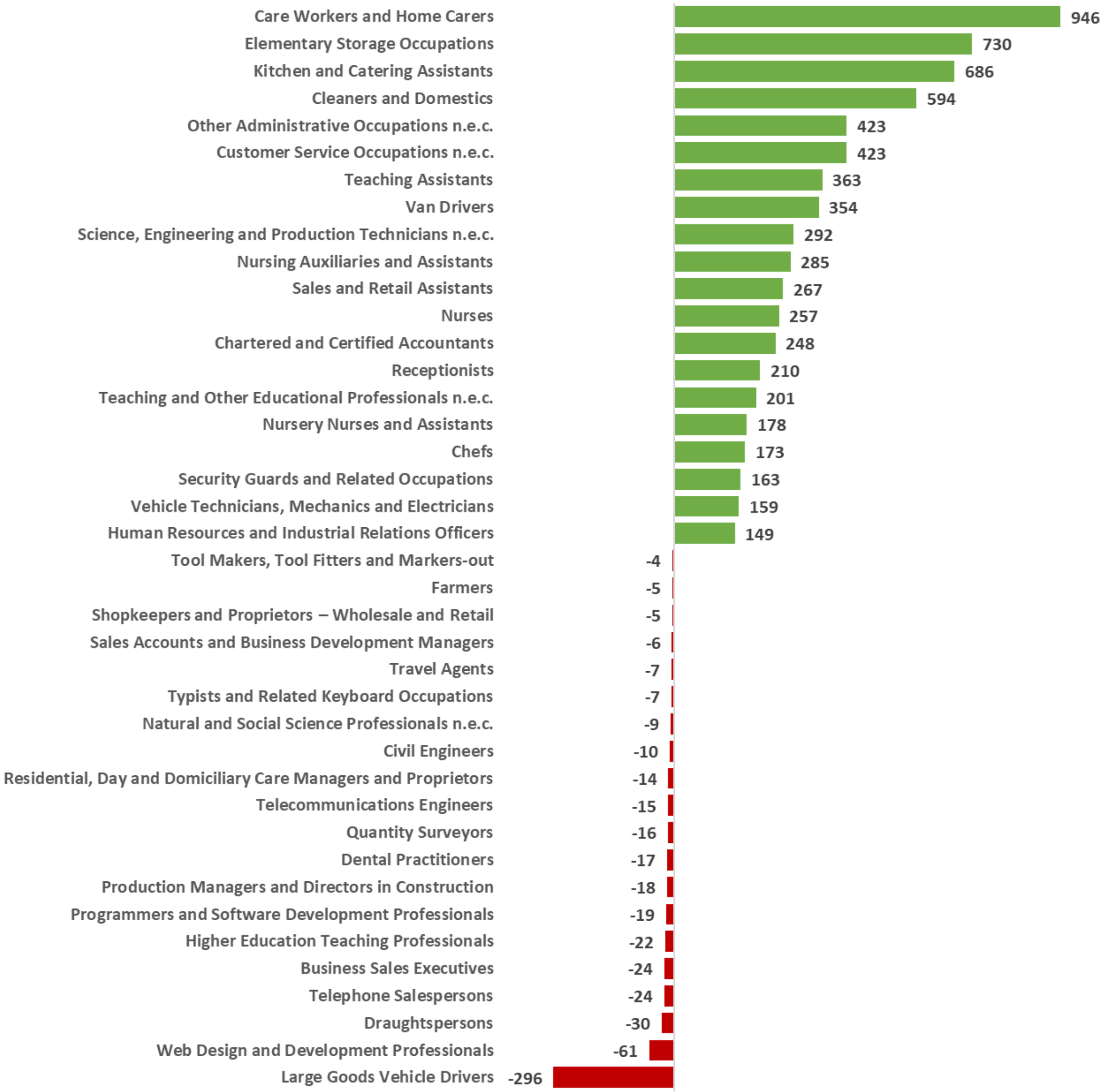
- The occupations to see the largest year-on-year increases have been in social care (care workers and home carers), hospitality (kitchen and catering assistants), logistics (elementary storage occupations and van drivers), education (teaching assistants), and manufacturing (engineering technicians and science, engineering and production technicians) and cross-cutting business roles (administrative occupations; customer service occupations; sales related occupations; chartered and certified accountants; and book-keepers, payroll managers and wages clerks).

Pre-COVID baseline trends in job vacancies

- It is also found that the main occupations with higher vacancies compared to pre-COVID are mainly found within:
  - **Health and Social Care** including 'care workers and home carers', 'nursing auxiliaries and assistants', and 'nurses'.
  - **Logistics** including 'elementary storage occupations' and 'van drivers'.
  - **Hospitality** including 'kitchen and catering assistants' and 'chefs'.
  - **Education** including 'teaching assistants' and 'teaching and other educational professionals'.
  - **Manufacturing** including 'science, engineering and production technicians'.
  - **Retail** including 'sales and retail assistants'.
  - **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 these sectors.

Top 20 occupations increasing and top 20 declining between February 2020 (Pre-COVID) and January 2023 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 **'administrative occupations', 'customer service occupations', and 'sales related occupations'.**
- While in hospitality '**kitchen and catering assistants'** remain the roles in most demand.

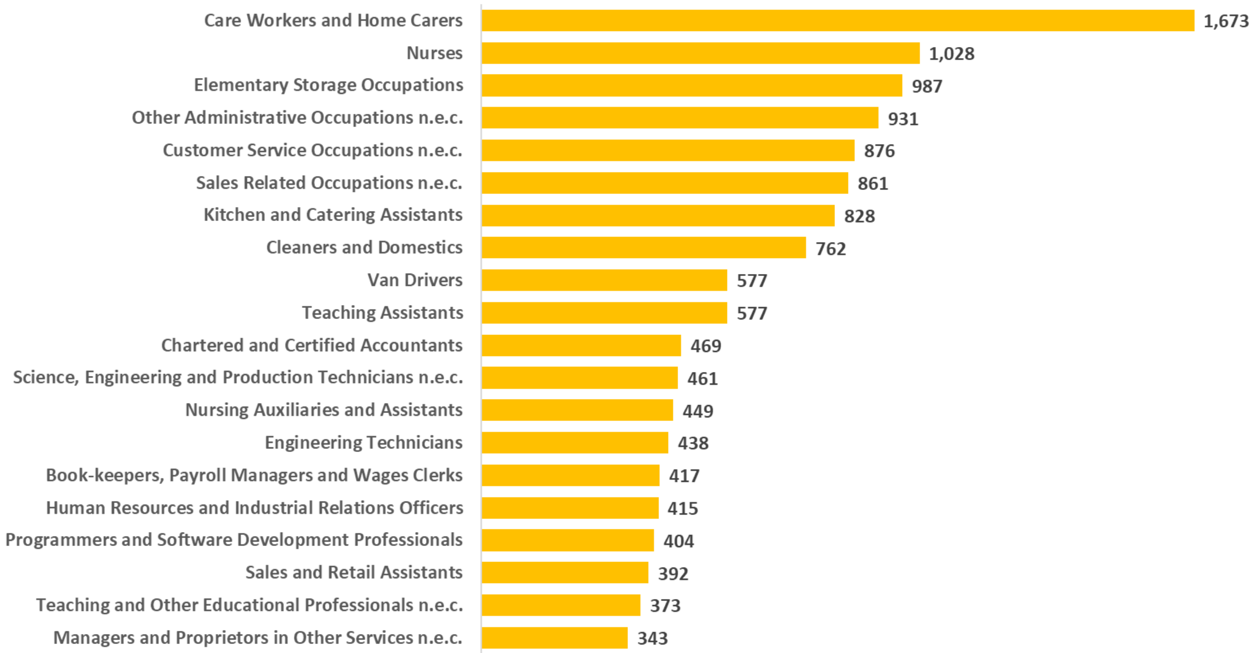
- In education there remains demand for **'teaching assistants' and 'teaching and other educational professionals'.**

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

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

- There is also high demand for **'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 January 2023



- 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.