Staffordshire & Stoke-on-Trent Economic Bulletin

Issue 31 – March 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 continuing to face challenges as a result 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**. However, we are starting to see small signs of positive improvement with **turnover starting to pick up in some businesses and price inflation for some goods and services starting to ease,** although it is too early to know if this is the start of a longer-term change in conditions.
- Overall, **inflation still remains a concern** following the unexpected rise in February but is expected to fall quickly this year. It is **positive news that the UK avoided a recession at the end of last year and the Bank of England are more positive about the future**. However, **economic recovery remains fragile** with the war in Ukraine continuing to overshadow the world economy, generating high uncertainty. It remains clear that we will **need to continue to support our communities and businesses through these challenging times**.
- Looking at the local data in more details, 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 550 to a total of 15,000 claimants**.
- **The claimant rate for Staffordshire increased from 2.7% to 2.8%.** However, the rate in Staffordshire continues to be one of the lowest rates in the West Midlands and is far lower than the average for the region 4.8% and also lower than the average for England at 3.7% of the working age population.
- Contributing to this overall increase in claimants this month, **the youth claimant count in Staffordshire saw an increase of 135 to a total of 2,785 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 4.4%, although this still remains lower than the national rate of 4.8% which has increased from 4.7% this month.
- These increases come at a time when **a number of seasonal jobs are coming to an end but also at a time when some businesses are facing increased pressures on costs due to the challenging economic climate**. We are also seeing a **decline in job vacancies with economic pressures meaning companies are holding back on hiring new staff**, 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 is now 24.5% or 2,950 higher than the level seen in March 2020 (pre-COVID), which is below the 25.2% increase seen nationally.
- It is also important to recognise that although claimant numbers are higher than pre-pandemic levels, given our strong position going into the pandemic, we still perform comparatively well given **Staffordshire's claimant rate stood at 2.8% of the working age population in February compared to 4.8% regionally and 3.7% nationally**.
- In terms of job vacancies, **Staffordshire saw a 12% decrease in the number of available job vacancies between January and February to a total of 19,300, which remains higher than the number of work-related benefit claimants. Stoke-on-Trent saw a 7% decline in vacancies to a total of 8,100 which is just below the number of claimants.**
- As reported in last month's briefing, this will be largely reflective of comparison with the significant rise in job vacancies seen in January following the 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.
- Considering the **top 20 job vacancy occupations in Stoke-on-Trent and Staffordshire**, demand for roles in social care including **'care workers and home carers'** remain by far the strongest of all occupations.
- This is followed by high demand for **'administrative occupations', 'nurses', 'sales related occupations' and 'customer service occupations'.**
- In logistics there is high demand for roles including '**elementary storage occupations' and 'van drivers'.**
- While in hospitality '**kitchen and catering assistants'** remain the roles in most demand.
- There is high demand for **'cleaners and domestics'**.
- In education there remains demand for **'teaching assistants'.**
- There is also high demand for **'book-keepers, payroll managers and wages clerks', 'chartered and certified accountants', and 'human resources and industrial relations officers'** to support business in their recovery/survival and new ways of working.
- In manufacturing **'engineering technicians' and 'science, engineering and production technicians'** are most in demand.
- Alongside nurses, there is also high demand in health for **'nursing auxiliaries and assistants'**.
- There is high demand for digital roles in particular **'programmers and software development professionals'**.
- While in marketing and sales there is high demand for **'sales and retail assistants',**

'marketing and sales directors', and 'marketing associate professionals'.

- 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 to help prevent labour shortages.
- 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 labour shortages and skills gaps.
- **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.

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.
- Businesses in Staffordshire are 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?**
- **Save up to 15% off your energy costs.** Sub-metering monitoring systems are a cost-effective way for Staffordshire businesses to manage and reduce their energy use. Sub-metering monitoring use a combination of hardware and software to collect and analyse data about energy performance. SBEN (Staffordshire Business Environment Network), through Staffordshire County Council, is providing businesses with a sub-metering monitoring grant of up to £5000 (50% match funded) to get everything set up. Find out more and apply
- **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**.
- **We need to hear what skills your business needs now and in the future.** Have your say in the Local Skills Improvement Plan (LSIP) Employer Survey to shape your future workforce. The **Stoke-on-Trent and Staffordshire Local Skills Improvement Plan** is bringing together business and training providers in the region to identifying the local skills gaps and shortages that impact the growth of the local economy. It's all about putting together a roadmap to improve the skills of the local workforce. This is a great opportunity to be at the heart of supporting the growth of your business in the future. **Find out more and take part**
- **A50/A500 Growth Corridor lobbying - our Economic Strategy 2023-2033 at work.** The A50/A500 isn't just a road, it has the potential to be transformed into one of the primary locations for sustainable growth and investment in the UK. Following the county council's recognition of the potential of the corridor in 2019 though the completion of a new junction at Uttoxeter, 2022 saw Midlands Connect publish report outlining a series of improvements along the 90km corridor to reduce congestion, boost the economy by £12 billion and create over 12,000 jobs. The county council and Midlands Connect have been lobbying government ever since, because, if properly funded, the Growth Corridor wouldn't just save hours of travel time for businesses every week, but open them up to the world. Read what we've been doing around the A50/A500 Growth Corridor and our ambitions for Staffordshire's economy as a whole in our 2023-2033 Economic Strategy
- An **additional £30m is to be invested in maintaining and improving Staffordshire highways over the next two years**. The boost, on top of the £50m annual spend, will fund:
    - Five major road reconstruction schemes at key locations into towns
        - £1m Former A5127 Birmingham Road, Lichfield
        - £300,000 A34/A449 Queensway roundabout/part of Wolverhampton Road (part), Stafford
        - £500,000 A5121 Clay Mills, Burton
        - £2.5m A1521 Derby Road, Burton
        - £900,000 A513/B5493 Upper Gungate/Aldergate, Tamworth
    - Resurfacing of nine junctions/roundabouts
    - An extra 275,000 sqm of preventative surface treatment to preserve and extend the life of roads
    - £1m of additional work to repair highway drainage
- The highways boost comes on top of the county council's successful bid to secure £19.8m through the Levelling Up Fund for improvements to roads and bus and cycling routes in the county.
- **Development of plots at i54 South Staffordshire underway**. Work to develop two

plots at a major Midlands business park for new occupiers will soon get under way. One is on the main i54 South Staffordshire site, with the other on the recently completed western extension, which provides a further 60 acres for business development. An access road will first be built for the occupier on the main site, beginning next month, while construction on the western extension plot will start later this month. The i54 South Staffordshire management team is now marketing the final plot on the western extension. Businesses and developers can find out more at www.i54online.com

National Context

- This month we heard the Chancellor, **Jeremy Hunt deliver his first Budget**, with a clear **focus on prompting those who have left their jobs to return to the workforce** and **boosting business investment**.
- The main announcements included:
  - **Energy and Green Economy**
    - Government subsidies limiting typical **household energy bills** to £2,500 a year extended for three months, until the end of June
    - £200m to bring energy charges for **prepayment meters** into line with prices for customers paying by direct debit - affects 4m households
    - £63m to help **leisure centres** with rising swimming pool heating costs, and invest to become more energy efficient
    - Commitment to invest £20bn over next two decades on **low-carbon energy projects, with a focus on carbon capture and storage**
    - **Nuclear energy** to be classed as environmentally sustainable for investment purposes, with promise of more public funding
  - **Employment, Economic Activity and Skills**
    - 30 hours of **free childcare** for working parents in England expanded to cover one and two-year-olds, to be rolled out in stages from April 2024
    - Families on universal credit to receive **childcare support** up front instead of in arrears, with the £646-a-month per child cap raised to £951
    - £600 "incentive payments" for those becoming **childminders**, and relaxed rules in England to let childminders look after more children
    - New **fitness-to-work testing** regime to qualify for health-related benefits
    - **New voluntary employment scheme for disabled people** in England and Wales, called **Universal Support**
    - **Tougher requirements to look for work and increased job support for lead child carers on universal credit**
    - £63m for **programmes to encourage retirees over 50 back to work, "returnerships" and skills boot camps**
    - **Immigration rules to be relaxed for five roles in construction sector, to ease labour shortages**

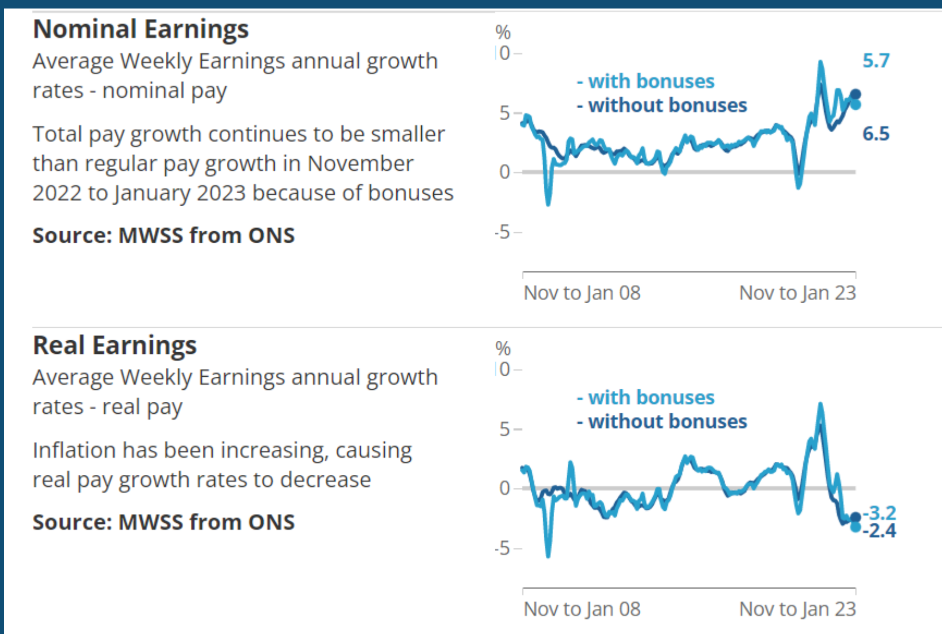
- **Government Debt, Inflation and Economic Growth**
  - **Office for Budget Responsibility (OBR) predicts the UK will avoid recession in 2023, but the economy will shrink by 0.2%**
  - **Growth of 1.8% predicted for next year, with 2.5% in 2025 and 2.1% in 2026**
  - **UK's inflation rate predicted to fall to 2.9% by the end of this year**, down from 10.7% in the last three months of 2022
  - **Underlying debt forecast to be 92.4% of GDP this year, rising to 93.7% in 2024**
- **Corporation tax, Investment Zones and tax breaks**
  - Main rate of **corporation tax**, paid by businesses on taxable profits over £250,000, confirmed to increase from 19% to 25%, companies with profits between £50,000 and £250,000 to pay between 19% and 25%
  - **Companies able to deduct investment in new machinery and technology** to lower their taxable profits
  - Tax breaks and other benefits for 12 new **Investment Zones** across the UK, funded by £80m each over the next five years
  - **Reduced paperwork for international traders**, who will also be given longer to submit customs forms under streamlined rules
- **Fuel, alcohol, pensions and wages**
  - Cap on amount workers can accumulate in **pensions savings** over their lifetime before having to pay extra tax (currently £1.07m) to be abolished
  - **Tax-free yearly allowance for pension pot** to rise from £40,000 to £60,000 - having been frozen for nine years
  - **Fuel duty** frozen - the 5p cut to fuel duty on petrol and diesel, due to end in April, kept for another year
  - **Alcohol taxes** to rise in line with inflation from August, with new reliefs for beer, cider and wine sold in pubs
  - **Tax on tobacco** to increase by 2% above inflation, and 6% above inflation for hand-rolling tobacco
- Other measures
  - £200m this year to help local councils in England repair **potholes**
  - £900m for new super computer facility, to help UK's **AI industry**
  - Long-awaited **trailblazer devolution deals for Greater Manchester and the West Midlands**.

Cost of Living Crisis, Inflation and the War in Ukraine

- Positively, Ofgem has reduced the **energy price cap** from £4,279 to £3,280 from 1 April reflecting the fall in wholesale energy prices and in further good news for households the Government will extend the **Energy Price Guarantee** for another three months keeping the cap on bills at £2,500 until the end of June.
- There was a surprise rise in **inflation** in February with the rate increasing to 10.4 per

cent in the year to February from 10.1 per cent in January. This follows three consecutive months of easing and is thought to be driven by dining out (Valentine's Day) and food price rises due to shortages of items such as salad and vegetables.

- Although **food price inflation** overall reached 17.1 per cent in February with prices rising fastest in markets such as milk, eggs and margarine, and the rise in food costs in the four weeks to February 19 would add a potential £811 to annual shopping bills.
- To help control inflation the Bank of England has raised **interest rates** for an 11th consecutive time, from 4% to 4.25%, with the Bank stating that the UK was no longer heading into an immediate recession and that it was "much more hopeful" for the UK economy.
- The average annual **cost of a full-time nursery place** for a child under two in Great Britain is now £14,836, a report by charity **Coram** has found. The report, which surveyed councils, warned that average costs have risen by 5.9 per cent in the past year while the availability of places has also dropped.
- Positively, the Government has recognised that many parents are struggling with childcare costs and through the Budget will provide more help to stay in work.
- There are concerns that house prices must fall to avoid a mortgage crisis, with prices needing to fall by more than a fifth to restore **mortgage affordability** to last year's level according to **Capital Economics**. Bank of England figures show the average five-year fixed rate mortgage has increased from 2.35 per cent to 4.6 per cent for homeowners with a 25 per cent deposit.
- As well as continuing cost pressures, the **real value of pay continues to fall**.
- Total pay (including bonuses) for employees rose by 5.7% in November 2022 to January 2023, compared with the previous year. Regular pay growth (excluding bonuses) was 6.5%.
- However, after adjusting for rising prices, **real terms pay fell by 3.2% year-on-year for total pay and by 2.4% for regular pay**.

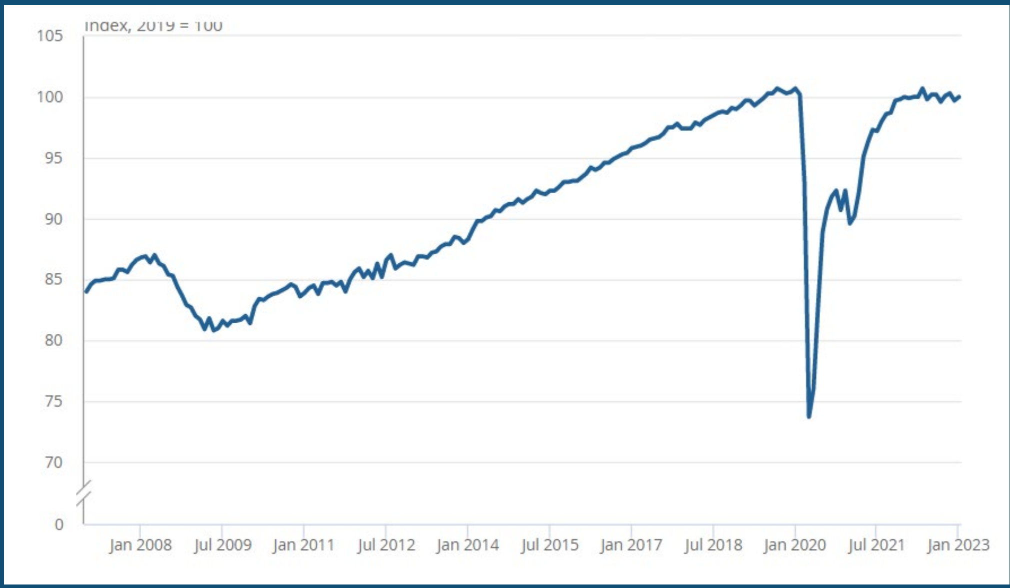


- Although there have been **ongoing strikes** taking place over recent weeks including teachers, university lecturers, civil servants, junior doctors, London Underground drivers and BBC journalists, there are some encouraging signs that at least some of these may be close to a conclusion.
- **RMT union** members at Network Rail have voted to accept a revised pay offer, ending a long-running dispute over jobs, pay and conditions. The new offer is for **Network Rail staff**, including signallers and track maintenance workers, but will not mean a total end to rail strikes because staff working for train companies are part of separate disputes.
- A pay deal has been reached between **NHS unions** and the Government that could see the end of industrial action in England. The offer includes a one-off payment of two per cent of salary, plus a COVID-19 recovery bonus of four per cent and a five per cent pay increase for 2023/24. The deal will apply to NHS key workers including **nurses and paramedics**, but not junior doctors whose separate pay dispute is ongoing.
- **Teachers' unions** and the Government are having "intensive" talks to try to resolve a dispute over pay in England. The **National Education Union** has said it will not announce any more strike dates for the next two weeks, while talks take place.

Economy

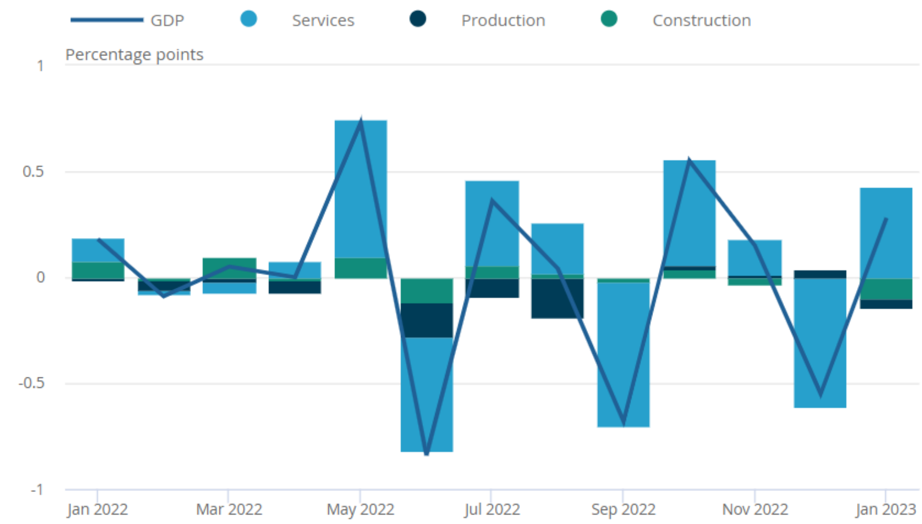
- The **economy rebounded to grow by 0.3 per cent in January**, which reaffirmed that the UK avoided recession at the end of last year. However, the OBR expects the economy to slightly shrink this year by 0.2 per cent and moderate growth over the next three years, with the **war in Ukraine continuing to overshadow the world economy, generating high uncertainty**.
- GDP was flat in the three months to January 2023.
- Looking at the latest monthly GDP data in more detail:
- The **services sector** grew by 0.5% in January 2023, after falling by 0.8% in December 2022, with the largest contributions to growth in January 2023 coming from education, transport and storage, human health activities, and arts, entertainment and recreation activities, all of which have rebounded after falls in December 2022.
- Output in **consumer-facing services** grew by 0.3% in January 2023; this follows a fall of 1.2% in December 2022.
- **Production** output fell by 0.3% in January 2023, following growth of 0.3% in December 2022.
- The **construction sector** fell by 1.7% in January 2023 after being flat in December 2022.

GDP Monthly index, January 2007 to January 2023, UK



The services sector was the main contributor to the growth in GDP in January 2023

Contributions to monthly gross domestic product (GDP) growth, January 2022 to January 2023, UK



Source: GDP monthly estimate from the Office for National Statistics

- To boost economic growth the budget announced almost **£1 billion in extra funding** as part of a range of measures to boost business investment in the regions. The Chancellor made the pledge to create **12 new investment zones** "to drive business investment and level up" the country, each backed with £80 million of government funding, with eight existing and proposed combined authority areas across England shortlisted to host the zones.
- Although this is a significantly scaled-back version of the former Prime Minister, Liz Truss's policy of creating as many as 200 low-tax, low regulation sites across the country as part of the Government's levelling up agenda.

- The Government's **Levelling Up department is set to spend 25 per cent – or nearly £2.5 billion – less on regeneration projects this year than planned**, blaming housing market turmoil and delays in delivery. New figures provided to MPs show almost all of the unspent cash relates to capital spending on housing or housing-related projects, such as cleaning up industrial land for development and providing loans to developers or potential homeowners, including £1 billion originally intended for new affordable homes this year.
- The **Birmingham to Crewe leg of high-speed railway HS2 will be delayed by two years to cut costs**. Transport Secretary Mark Harper said soaring prices was behind the delay and but stressed the Government remains committed to the line linking London, the Midlands and North of England.

Business Conditions

- Lingering **business issues including high energy costs, increased commodity costs, wage pressures and supply-chain constraints** and persistent **labour market challenges** are causing continuing **weakened structural business conditions and confidence.**
- The following charts show the latest results from Wave 78 of the **Business Insights and Conditions Survey (BICS)**, which was live from 6th to 19th March 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	-0.3▼	1.3▲	65.9 15/06/2020 – 94.9 19/03/2023
Trading status - Temporarily closed or paused trading Units	-0.1▼	-1.6▼	33.4 15/06/2020 – 3.0 19/03/2023
Prices - Prices bought increased Units	-1.9▼	-2▼	16.3 01/06/2020 – 37.0 28/02/2023
Prices - Prices sold increased Units	-4.8▼	-1.3▼	4.9 01/06/2020 – 15.2 28/02/2023

Workforce status - Using a hybrid model of working Units	-0.3▼	2.2▲	17.0 04/10/2021 – 21.3 28/02/2023
Workforce status - Working from home Units	-0.3▼	-3.4▼	13.0 04/10/2021 – 7.5 28/02/2023
Workforce status - Working from a designated workspace Units	1.0▲	1.4▲	59.8 04/10/2021 – 63.5 28/02/2023

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

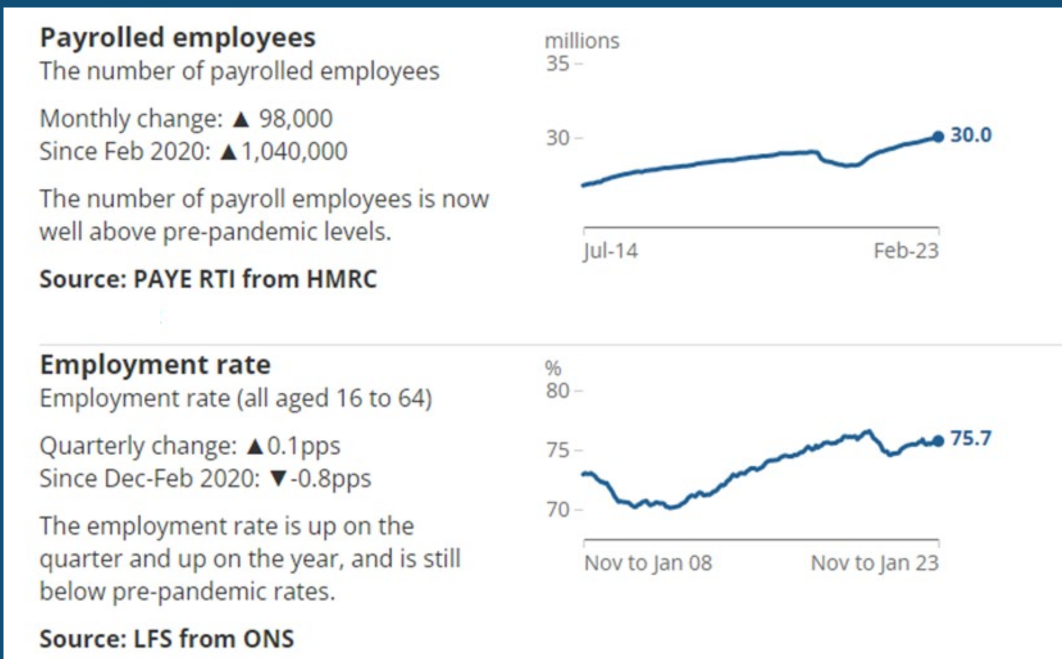
- Latest results suggest **business conditions remain challenging**, but estimates show **small signs of positive improvement** for some measures; examples include, a smaller proportion of businesses reporting lower turnover and reporting higher prices for goods or services bought, however, it is too early to know if this is the start of a longer-term change in conditions.
- In February 2023, a quarter (25%) of trading businesses reported their **turnover** was lower compared with January 2023, while 16% reported their turnover was higher; therefore, a net 9% of businesses reported their turnover decreased, this is up from a negative net position of 13% in January 2023.
- More than one in five (22%) trading businesses expect turnover to increase in April 2023, while 12% of businesses expect turnover to decrease; the net 9% of businesses expecting turnover to increase is the highest net position since the question was first asked in April 2022.
- More than a third (37%) of trading businesses reported an **increase in the prices of goods or services** bought in February 2023 compared with January 2023; this proportion has been falling since the first time the question was asked in March 2022 (50%).
- Just over half (54%) of trading businesses expect the prices of goods or services they sell to stay the same in April 2023, while nearly a quarter (24%) of trading businesses expect to raise their prices.
- Over two-thirds (68%) of trading businesses reported their **overall performance** had stayed the same or improved in February 2023 compared with February 2022; 18% of those reported their performance had increased.
- Positively, Britain's **manufacturers** are seeing a rebound in activity in the first quarter of the year as the domestic and global markets have improved, easing fears of a significant recession for industry this year according to a survey by **Make UK** and accountancy and business advisory firm BDO. Most notably, the improvement is

being largely driven by strong demand in the electronics and mechanical equipment sectors, with the balance of orders in the electronics sector in particular (+64%) extremely strong. According to Make UK and BDO this could be due to several factors, including companies investing in digitalisation and extra capacity to counter labour shortages or, to take advantage of the final period of the super deduction scheme which ends this month. Demand for electronics goods is especially strong from overseas (+67%), in particular the EU.

- However, some businesses continue to struggle. **In February 2023 there were a total of 1,783 company insolvencies in England and Wales, 17% higher than in the same month in the previous year (1,518 in February 2022), and 33% higher than the number registered three years previously (pre-pandemic; 1,345 in February 2020).** The main concern with company and individual insolvencies are associated issues such as mental health and homelessness.
- **Visitors to the UK's leading attractions are still down almost 25 per cent compared to before the pandemic**, as a result of COVID-19, energy prices and the wider financial crisis, according to the **Association of Leading Visitor Attractions**. Figures show that while the number of visits to sites rose by 69 per cent in 2022 compared with the previous year, this was still 23 per cent lower than in 2019.

Labour Market

- The **budget had a clear focus on the workforce and addressing ongoing labour shortages**, with funding for childcare help, new health checks for those on out-of-work benefits and strengthened job support for those looking for work. While there is also the relaxation of immigration rules to ease labour shortages in key sectors such as construction and further skills bootcamps funding.
- The following charts shows the latest **labour market position** and the latest Office for National Statistics data for November 2022 to January 2023:

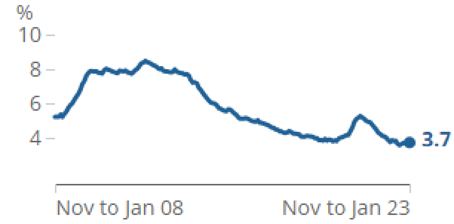


Unemployment rate
Unemployment rate (all aged 16+)

Quarterly change: ◀▶ 0.0pps
Since Dec-Feb 2020: ▼-0.3pps

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

Source: LFS from ONS



Inactivity rate
Economic inactivity rate (all aged 16 to 64)

Quarterly change: ▼-0.2pps
Since Dec-Feb 2020: ▲1.1pps

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

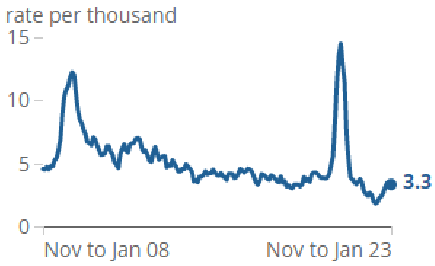
Source: LFS from ONS

Redundancy rate
Redundancy rate (per 1000 employees)

Quarterly change: ▲0.2 people per thousand
Since Dec-Feb 2020: ▼-0.5 people per thousand

The redundancy rate increased on the quarter and has returned to levels similar to those seen prior to the pandemic.

Source: LFS from ONS

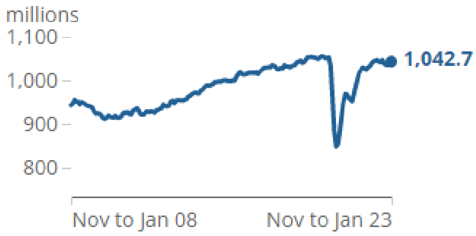


Hours worked
Total actual weekly hours worked

Quarterly change: ▲7.3 million
Since Dec-Feb 2020: ▼-9.5 million

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

Source: LFS from ONS

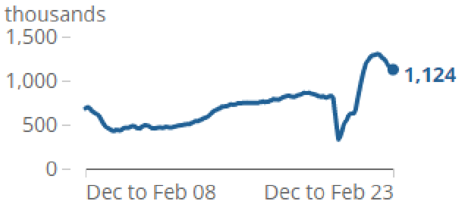


Job vacancies
Number of job vacancies

Quarterly change: ▼-51,000
Since Jan-Mar 2020: ▲328,000

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

Source: Vacancy Survey from ONS



- The UK **employment rate** was estimated at 75.7% in November 2022 to January 2023, 0.1 percentage points higher than the previous three-month period. The increase in employment over the latest three-month period was driven by part-time employees and self-employed workers. **Employment remains 234,000 below pre-pandemic levels.**

- **Payrolled employees** estimates for February 2023 shows another monthly increase, up 98,000 on the revised January 2023 figures, to 30.0 million.
- The **unemployment rate** for November 2022 to January 2023 was largely unchanged on the quarter at 3.7%. The number of people unemployed for over 12 months increased slightly in the latest three-month period. **Unemployment is 112,000 down on pre-pandemic levels.**
- The **economic inactivity rate** decreased by 0.2 percentage points on the quarter, to 21.3% in November 2022 to January 2023. 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 people inactive because they are students or retired. **Those economically inactive are 488,000 above pre-pandemic levels.**
- In December 2022 to February 2023, the estimated number of **vacancies** fell by 51,000 on the quarter to 1,124,000. Vacancies fell on the quarter for the eighth consecutive period and reflects uncertainty across industries, as survey respondents continue to cite economic pressures as a factor in holding back on recruitment.
- However, vacancies remain high where in December 2022 to February 2023, total vacancies were down by 162,000 from the level of a year ago but remained 328,000 above their pre-pandemic January to March 2020 levels.
- In December 2022, **workforce jobs** rose by 211,000 on the quarter to a new record high of 36.4 million, with 6 of the 20 industry sectors at record high levels.
- There are continuing report of **social care recruitment difficulties** with an estimated 165,000 vacancies in adult social care nationally, an increase of 52 per cent in a year and more than in the whole of the NHS, with the shortage of care workers driven by factors such as low pay and underfunding. Raising questions about how to attract people to the industry and at the same time retain those already working in social care, at a time when there is increasing demand.
- At the Care England conference **Helen Whately, Minister for Social Care** said providers should "spread the word", "give it a go" and **hire foreign workers for care homes** and that she has been working with the Home Office "to facilitate more international recruitment".

Green Economy

- The report by the **All-Party Parliamentary Group on the Green New Deal** has recommended the **UK will need to embrace innovative, community-based solutions to environmental and energy problems if it is to have any chance of meeting looming net-zero deadlines**. The report argues for a combination of robust, top-down policies on green issues including localised power generation, food and transport schemes, with recommendations including a mortgage penalty for landlords who let energy-inefficient homes.
- Analysis by the E3G thinktank has shown **a third of funding pledged by the Government for insulation and installing heat pumps has not yet been spent**.

Around £2.1 billion remains unspent of the £6.6 billion that was supposed to be used between 2020 and 2025 on making buildings more energy efficient and decarbonising heat.

- This comes after more than **20 organisations called on the Government to use the Budget to set aside at least £6 billion a year over the next decade to support an acceleration in insulating home and installations of heat pumps**. Organisations including National Energy Action, Age UK and Greenpeace UK have written to the Chancellor urging him to take greater action to tackle ageing housing stock.
- Research by the **New Economics Foundation** has shown that **households hoping to cut energy bills by adding insulation, solar panels, double glazing or heat pumps face years-long waits to upgrade because of a shortfall of 200,000 installation workers.**
- **Electric vehicle drivers could find themselves struggling to get their vehicles repaired, as a skills gap means thousands more mechanics with specialist skills are needed in the coming years**. Industry leaders have said ministers should be doing more to support the 35,000 independent garages through the transition to electric vehicles.
- **Tethering electric vehicles, heat pumps and other devices to the UK's electricity grid could save up to £4.7 billion a year by the end of this decade, energy regulator Ofgem have predicted**. The regulator estimates it could save households between £3.2 billon and £4.7 billion a year compared to the alternative, which is keeping gas power plants running.

Housing

- An analysis by the **Home Builders Federation** has warned **housebuilding in England is due to fall to its lowest level since the Second World War**. The study estimates the supply of new housing is likely to fall below 120,000 homes annually over the coming years – less than half of the Government's target – due to changes to planning policy and what developers say is over-strict enforcement of environmental regulations.
- The **Office for Budget Responsibility (OBR) have predicted that house prices will fall by 10 per cent this year because of a collapse in sales after mortgage rate rises and the squeeze on incomes**. The OBR predicted that price falls would increase by more than expected, reaching £262,700 for an average home in the third quarter of 2024, which is lower than its previous prediction of £263,600.

Conclusion

- In conclusion, unfortunately we **continue to see the impact of the energy and cost-of-living crisis on businesses both locally and nationally**, with trade and profitability both suffering. However, whilst we clearly remain in challenging times, there are **some positive signs with inflation expected to ease this year and**

return to the Bank of England target of 2% early in 2024. This easing of inflation will be aided by **increasingly more economically inactive young people returning to the workforce** helping labour and skills supply to better match areas of high demand in the economy. Overall, it looks **like we may avoid a further recession.**

- **In Staffordshire we have a confident, diverse and robust economy,** demonstrated by the improvement and recovery witnessed since the last lockdown due to Covid. 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. A key part of this being the recently **established 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 February 2023, which show the number of new companies and individuals who are unable to pay debts and enter a formal insolvency procedure.

Company Insolvencies

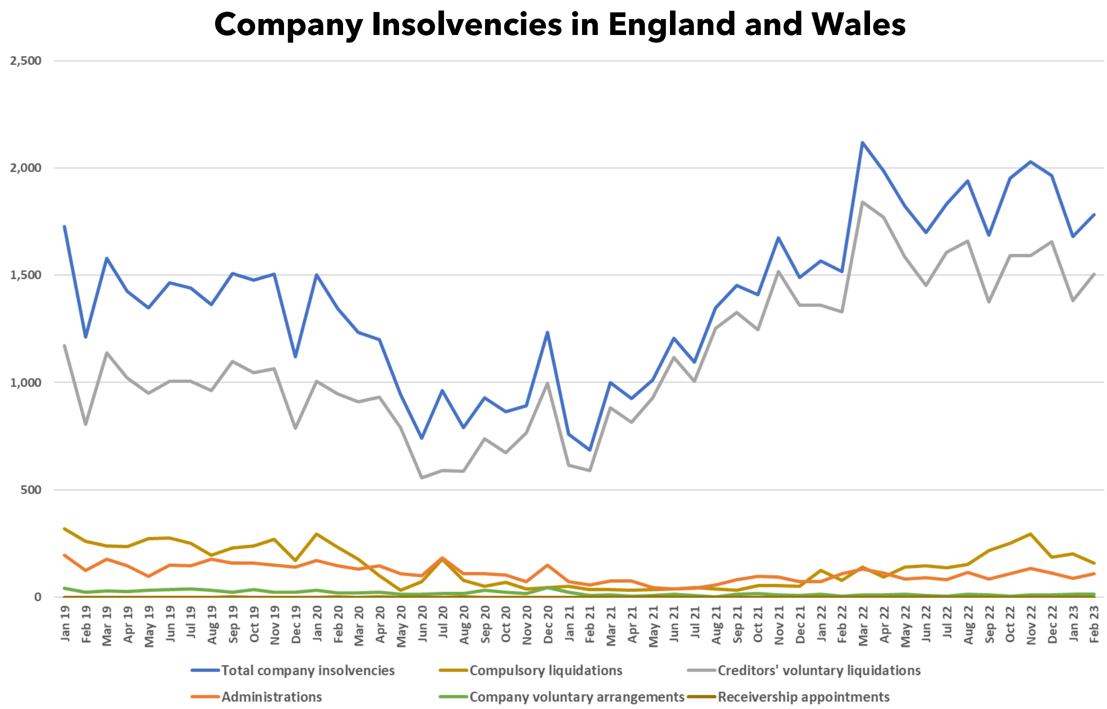
In February 2023 there were a total of 1,783 company insolvencies in England and Wales.

The overall number of **company insolvencies are 17% higher than in the same month in the previous year (1,518 in February 2022), and 33% higher than the number registered three years previously (pre-pandemic; 1,345 in February 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 158 compulsory liquidations in February 2023, which is more than twice the number in February 2022, but 32% lower than in February 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 February 2023 there were 1,505 Creditors' Voluntary Liquidations (CVLs), 13% higher than in February 2022 and 59% higher than February 2020. Numbers of administrations and Company Voluntary Arrangements (CVAs) remained lower than before the pandemic.

Company insolvencies between March 2022 and February 2023 are 43% higher compared to a year earlier, representing 6,800 more businesses.



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

[1] Source: The Insolvency Service – Monthly Insolvency Statistics, February 2023 - GOV.UK (www.gov.uk)

The sectors to have seen the largest number of company insolvencies between February 2022 and January 2023 are construction (4,135), wholesale and retail (3,340) and accommodation and food (2,778). Levels exceed those seen for the same period the previous year with construction 49% higher, wholesale and retail 81% higher, and accommodation and food 58% 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

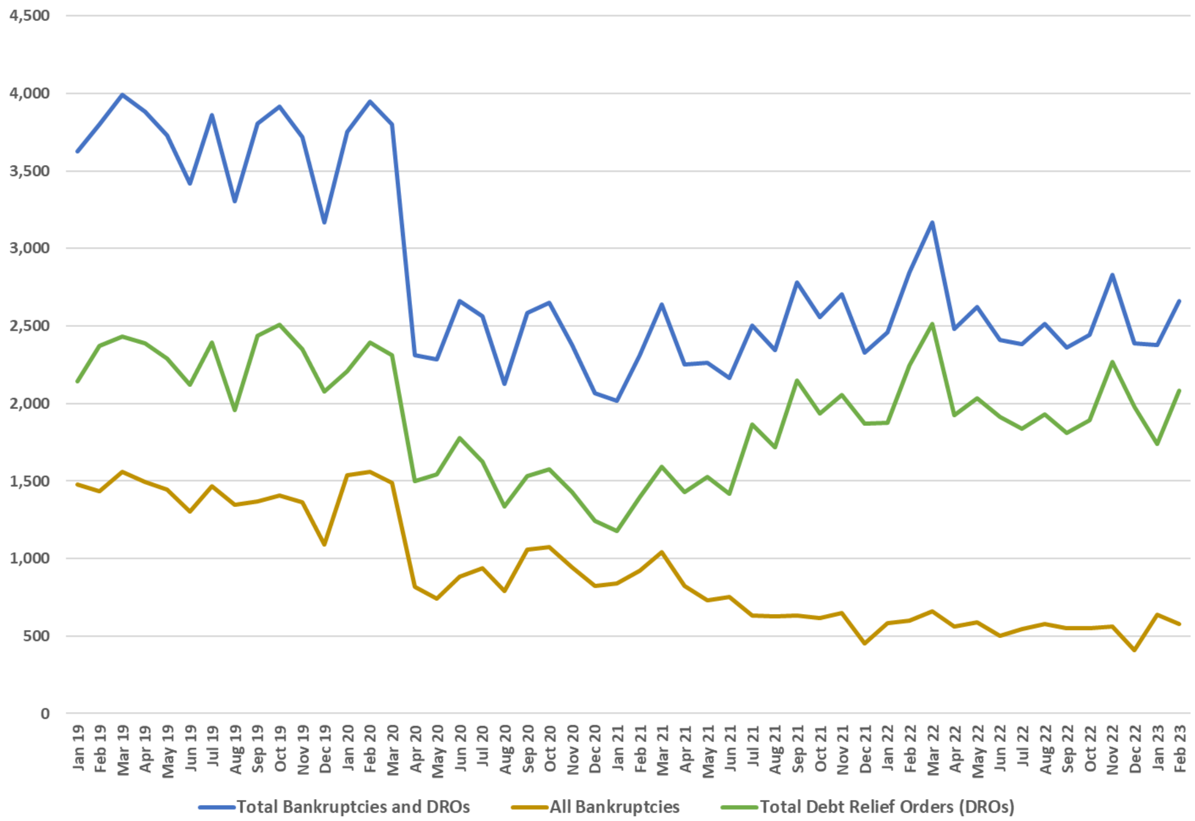
For individuals, **580 bankruptcies were registered in February 2023**, which was 3% lower than in February 2022, and 63% lower than February 2020.

There were **2,083 Debt Relief Orders (DROs)** in in February 2023, which was 7% lower than February 2022 and 13% lower than the pre-pandemic comparison month (February 2020).

There were, on average, **5,627 Individual Voluntary Arrangements (IVAs)** registered per month in the three-month period ending February 2023, which is 12% lower than the three-month period ending February 2022, but similar to the three-month period ending February 2020.

Total bankruptcies and DROs between March 2022 and February 2023 are 3% higher than the same period a year earlier, representing 805 more.

Bankruptcies and Debt Relief Orders in England and Wales



Sources: Insolvency Service

There were 7,312 Breathing Space registrations in February 2023, which is 26% higher than the number registered in February 2022. 7,173 were Standard breathing space registrations, which is 26% higher than in February 2022, and 139 were Mental Health breathing space registrations, which is 58% higher than the number in February 2022.

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: February 2023

Area	Claimant Count Rate (Feb 2022)	Claimant Count Rate (Jan 2023)	Claimant Count Rate[1] (Feb 2023)	Number of Claimants (Feb 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	3.6	3.7	1,331,680	35,055	2.7	268,175	25.2%
West Midlands	5.3	4.7	4.8	178,355	4,525	2.6	34,005	23.6%
SSLEP	3.7	3.3	3.4	23,695	845	3.7	4,325	22.3%
Birmingham	9.1	8.1	8.3	61,395	1,620	2.7	12,025	24.4%
Wolverhampton	7.9	7.3	7.6	12,465	335	2.8	2,085	20.1%
Sandwell	6.7	6.1	6.2	13,510	300	2.3	2,730	25.3%
Walsall	6.3	5.5	5.6	9,645	135	1.4	1,040	12.1%
Coventry	5.6	5.2	5.5	12,345	620	5.3	4,345	54.3%
Stoke-on-Trent	5.9	5.2	5.4	8,695	300	3.6	1,375	18.8%
Dudley	5.3	4.6	4.7	9,260	125	1.4	745	8.7%
Telford and Wrekin	4.1	3.4	3.5	4,030	80	2.0	600	17.5%
Solihull	3.8	3.1	3.2	4,100	115	2.9	450	12.3%
Worcestershire	3.5	3.0	3.1	11,045	115	1.1	2,740	33.0%
Staffordshire	3.1	2.7	2.8	15,000	550	3.8	2,950	24.5%
Warwickshire	3.0	2.6	2.6	9,655	125	1.3	1,825	23.3%
Herefordshire, County of	2.7	2.4	2.4	2,625	60	2.3	515	24.4%
Shropshire	2.9	2.4	2.4	4,590	55	1.2	580	14.5%
Cannock Chase	3.5	3.2	3.4	2,115	75	3.7	460	27.8%
Tamworth	4.0	3.3	3.4	1,680	85	5.3	190	12.8%
East Staffordshire	3.2	2.9	3.0	2,345	105	4.7	625	36.3%
Newcastle-under-Lyme	3.3	2.9	3.0	2,310	135	6.2	330	16.7%
South Staffordshire	3.1	2.6	2.7	1,770	30	1.7	460	35.1%
Stafford	2.8	2.4	2.5	2,100	95	4.7	445	26.9%
Lichfield	2.7	2.5	2.4	1,545	-10	-0.6	225	17.0%
Staffordshire Moorlands	2.3	2.0	2.0	1,130	35	3.2	210	22.8%

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

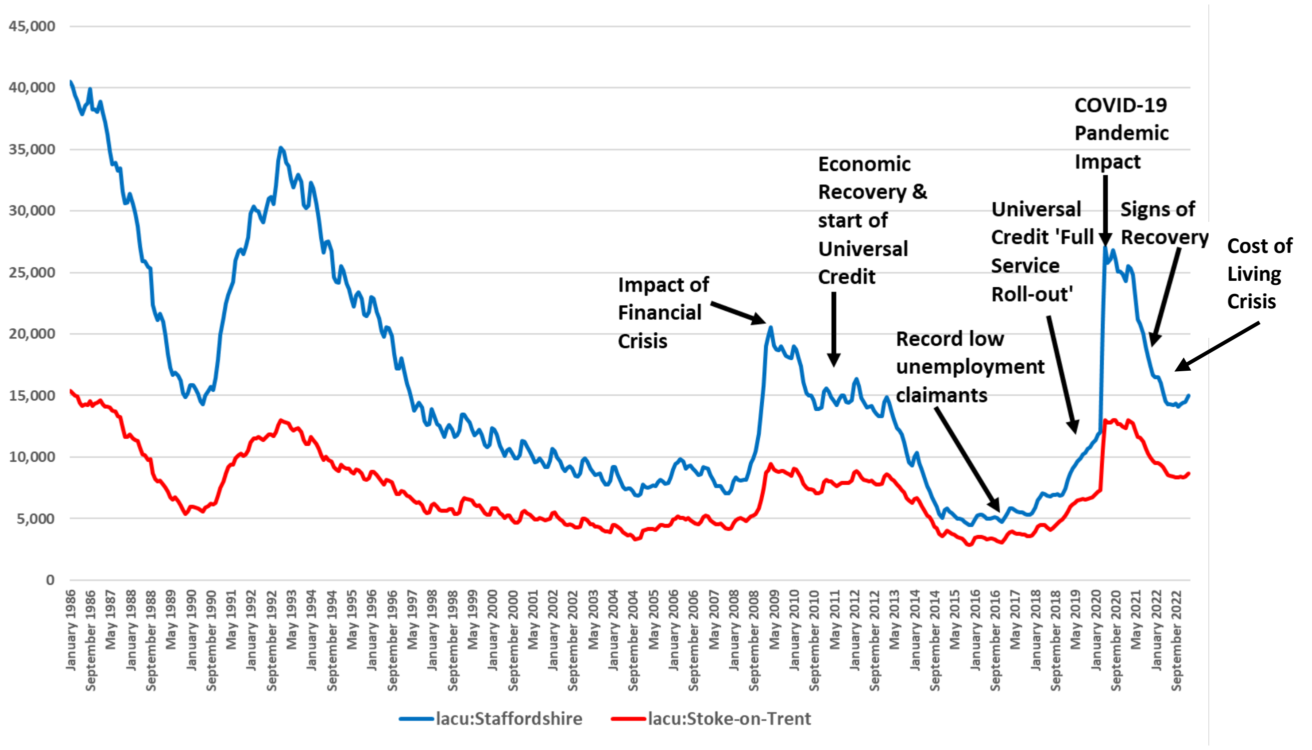
- The claimant count in Staffordshire saw a further increase of 550 claimants over the last month, with the total number of claimants in the county now standing at 15,000.
- Over the last month, the claimant rate for Staffordshire increased from 2.7% to 2.8%.
- The rate in Staffordshire continues to be one of the lowest rates in the West Midlands and is far lower than the average for the region 4.8% and lower than the average for England at 3.7% of the working age population.
- Stoke-on-Trent saw an increase of 300 over the same period with a total of 8,695 claimants in February, with the rate increasing from 5.2% to 5.4%.
- These increases come at a time when seasonal jobs are ending but also at a time when some businesses are facing increased pressures on costs due to the challenging economic climate. We are also seeing a decline in job vacancies with economic pressures meaning companies are holding back on hiring new staff, meaning there are fewer job vacancies for those that are unemployed to move into.

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

- 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 24.5% or 2,950 higher than the level seen in March 2020 (pre-COVID), which is below the 25.2% increase seen nationally.

Staffordshire and Stoke-on-Trent Claimant Count



- However, it is important to note that not all will be out of work. The increases seen since COVID-19 struck in March need to be viewed in the context of the move to Universal Credit. Before Universal Credit, the Claimant Count was based upon Jobseeker's Allowance claimants - people out of work but looking for a job. However, in response to COVID-19 the Government changed the criteria for Universal Credit to allow some people on low income to claim whilst in work. Therefore, there will be a proportion of claimants currently that will still be in work but claiming Universal Credit because they are on a low income or have seen reduced hours (under-employment). However, from the data released by the Government it is not currently possible to quantify the proportion of people that are indeed unemployed or employed but on a low income.

- It is also important to recognise that although claimant numbers are higher than pre-pandemic levels, given our strong position going into the pandemic, we still perform comparatively well given Staffordshire's claimant rate stood at 2.8% of the working age population in February 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 5.4%.

- In February all the Staffordshire districts saw an increase in the number of claimants except for Lichfield which saw a slight decrease of -10 claimants. Newcastle-under-Lyme saw the highest rise of 135 claimants over the last month.

- East Staffordshire and Newcastle-under-Lyme have the highest number of claimants with 2,345 and 2,310 respectively, whilst Staffordshire Moorlands has the lowest number at 1,130. Cannock Chase and Tamworth have the highest claimant rates of the districts both at 3.4% and Staffordshire Moorlands has the lowest rate at 2%. Importantly, all the Districts and Boroughs of Staffordshire remain lower than national and regional rates.

Youth Claimant Count

- Contributing to this overall increase in claimants this month, the youth claimant count in Staffordshire saw an increase of 135 to a total of 2,785 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 4.4%, although this remains lower than the national rate of 4.8% which has increased from 4.7% this month.

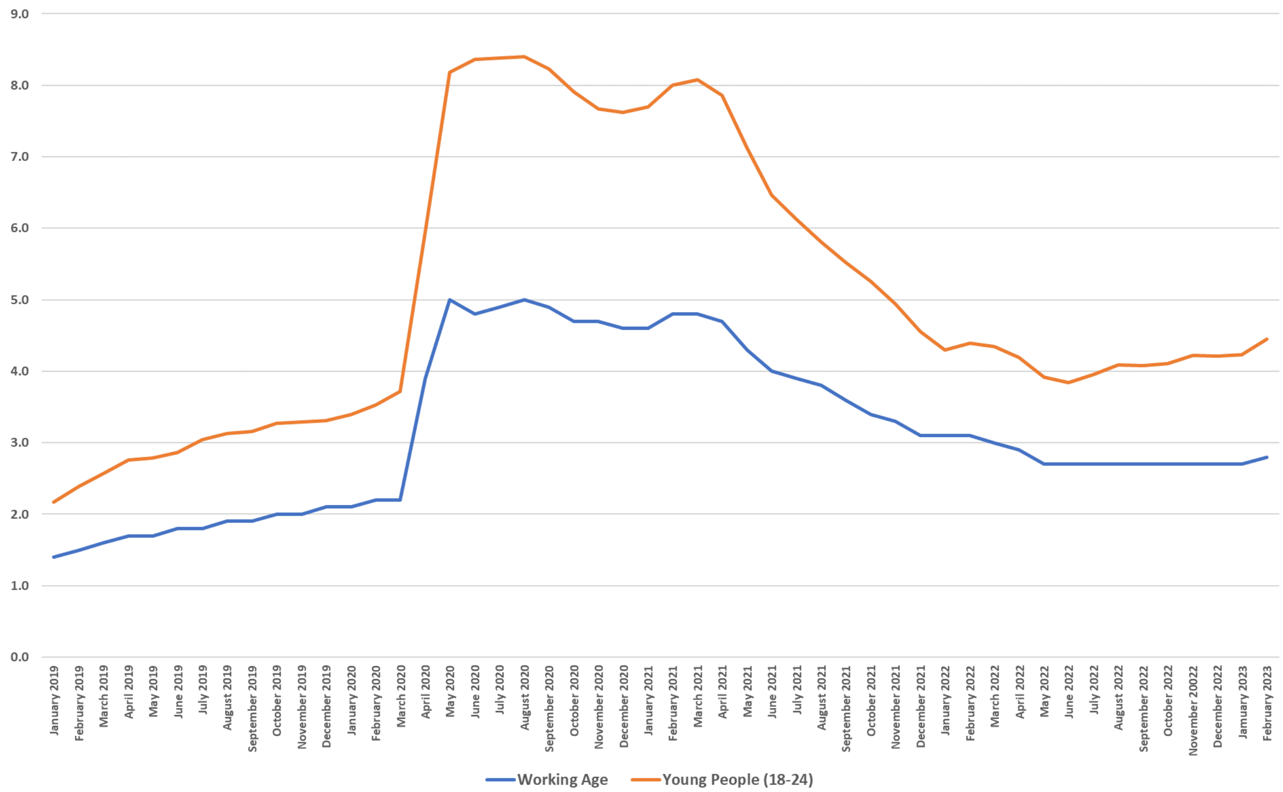
- In February, Stoke-on-Trent saw an increase of 80 claimants to a total of 1,670 with the rate increasing from 7.0% to 7.4%.

Youth Claimant Count (Universal Credit) Statistics: February 2023

Area	Youth Claimant Count Rate (Feb 2022)	Youth Claimant Count Rate (Jan 2023)	Youth Claimant Count Rate[1] (Feb 2023)	Number of Youth Claimants (Feb 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	4.8	227,075	7,740	3.5%	29,345	14.8%
West Midlands	6.5	6.2	6.4	32,470	1,230	3.9%	4,565	16.4%
SSLEP	5.2	5.0	5.2	4,455	215	5.1%	635	16.6%
Wolverhampton	9.7	9.9	10.3	2,205	85	4.0%	295	15.4%
Sandwell	8.7	8.6	8.7	2,495	50	2.0%	380	18.0%
Birmingham	8.5	8.2	8.6	11,120	460	4.3%	2,015	22.1%
Walsall	9.0	8.3	8.5	1,915	45	2.4%	0	0.0%
Dudley	7.7	7.2	7.5	1,765	60	3.5%	15	0.9%
Stoke-on-Trent	7.3	7.0	7.4	1,670	80	5.0%	265	18.9%
Telford and Wrekin	6.3	5.6	5.8	870	30	3.6%	110	14.5%
Solihull	5.9	4.8	5.0	755	35	4.9%	-70	-8.5%
Coventry	4.6	4.6	4.9	2,095	125	6.3%	560	36.5%
Worcestershire	4.7	4.6	4.7	1,950	40	2.1%	355	22.3%
Staffordshire	4.4	4.2	4.4	2,785	135	5.1%	370	15.3%
Herefordshire, County of	3.8	3.6	3.8	445	30	7.2%	30	7.2%
Warwickshire	3.9	3.6	3.7	1,650	55	3.4%	315	23.6%
Shropshire	3.7	3.4	3.4	750	0	0.0%	-75	-9.1%
Tamworth	6.5	5.6	5.9	340	20	6.3%	45	15.3%
Cannock Chase	5.7	5.5	5.8	410	20	5.1%	45	12.3%
South Staffordshire	4.7	4.6	4.9	365	25	7.4%	115	46.0%
East Staffordshire	4.2	4.2	4.5	405	30	8.0%	85	26.6%
Stafford	4.1	4.2	4.3	375	15	4.2%	60	19.0%
Newcastle-under-Lyme	3.8	3.6	3.9	455	30	7.1%	30	7.1%
Lichfield	3.9	3.9	3.7	260	-20	-7.1%	-10	-3.7%
Staffordshire Moorlands	3.1	2.7	2.9	170	10	6.3%	-5	-2.9%

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

Claimant Rate and Youth Claimant Rate in Staffordshire



- This month has seen an increase in the youth claimant count across the region and in all the districts in Staffordshire except Lichfield which saw a small decline of -20 youth claimants. East Staffordshire and Newcastle-under-Lyme saw the highest increase of the districts both with 30 claimants increase over the last month.

- Tamworth and Cannock Chase continue to have the highest rate at 5.9% and 5.8% respectively whilst Staffordshire Moorlands has the lowest rate at 2.9%. Newcastle-under-Lyme has the highest number of youth claimants with 455 whilst Staffordshire Moorlands has the lowest number of youth claimants at 170.

- 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

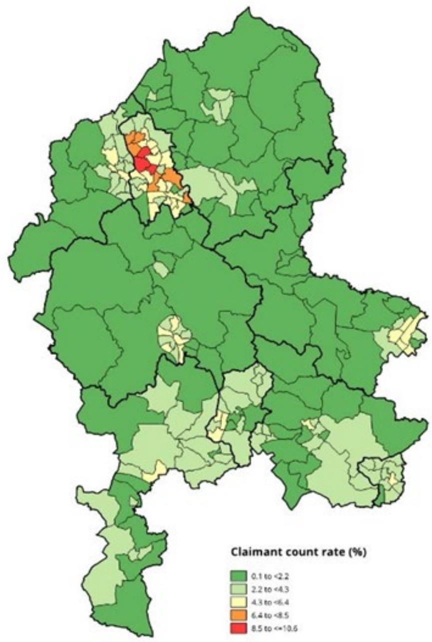
The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

Claimant Count Rate February 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 20 wards with the highest claimant count rate 17 were in Stoke-on-Trent with Joiner’s Square (10.6% or 485 claimants), Moorcroft (8.7% or 325) and Etruria and Hanley (8.5% or 455) having the highest rates.

In Staffordshire the wards with the highest claimant count rates were Shobnall in East Staffordshire (5.9% or 320), Cannock North in Cannock Chase (5.9% or 275), and Burton in East Staffordshire (5.9% or 175 claimants).

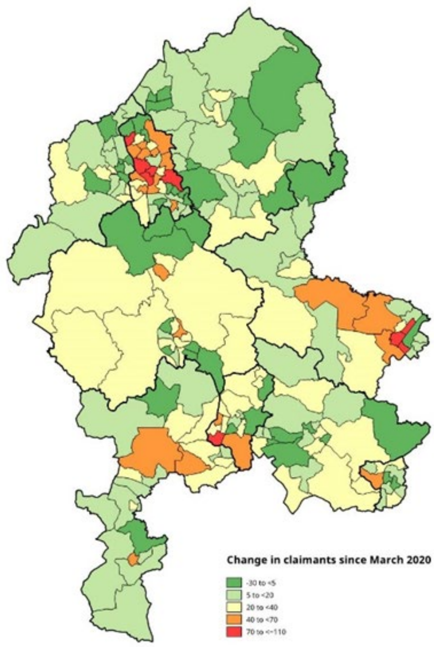


Staffordshire County Council

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 (130 increase to 315); Joiner’s Square (110 increase to 485); and Etruria and Hanley (100 increase to 455 claimants in total).

Of the remaining 3 wards in the top 10, all 3 were in East Staffordshire including Shobnall with a 110 rise to 320 claimants, Anglesey with a 105 increase to 295 claimants, and Eton Park with a rise of 95 to 275 claimants in total.



Staffordshire County Council

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

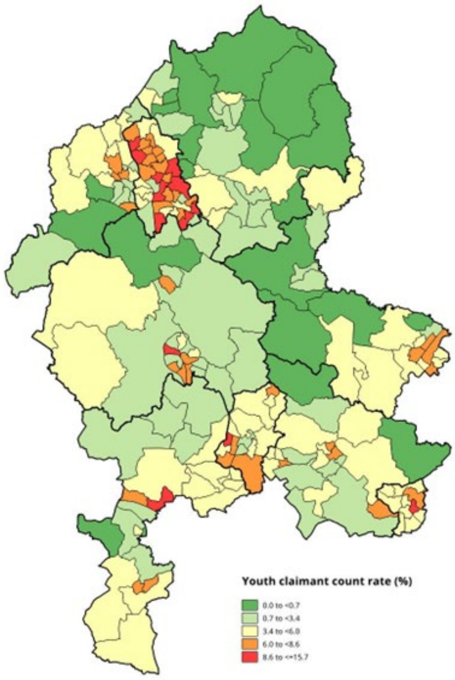
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

Youth Claimant Count Rate February 2023

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 90 were above the England average of 4.8% 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 (13.9% or 125) and Meir North (11.7% or 65) having the highest rates.

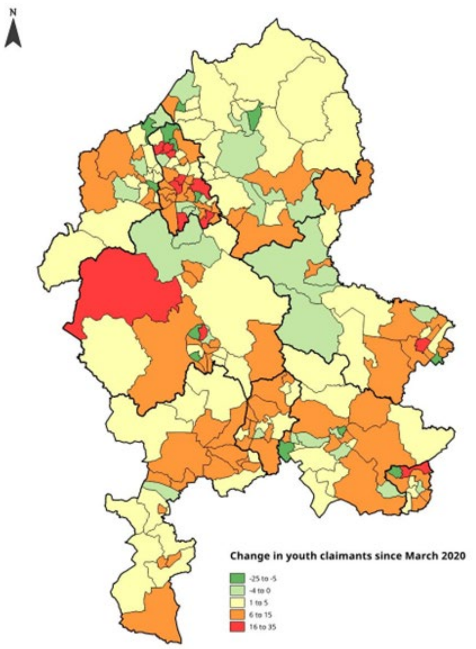
In Staffordshire, the 2 wards with the highest rates were Bilbrook in South Staffordshire with 10.8% or 30 youth claimants and Glascote in Tamworth with 10.4% or 60 youth claimants.



Change in Youth Claimant Count since March 2020

Out of the top 10 wards with the highest change in the number of youth claimants since March 2020 8 were in Stoke-on-Trent including Hanley Park and Shelton (45 rise to 75 youth claimants), Bentilee and Ubberley (35 increase to 125), 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.



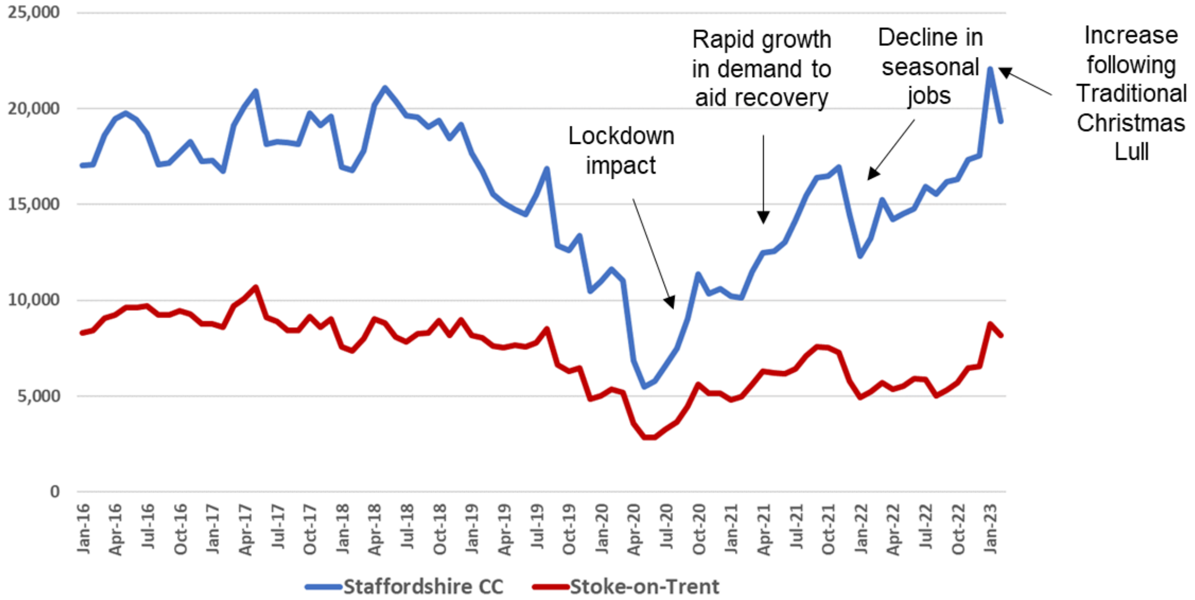
Job Vacancies[3]

- **Staffordshire saw a 12% decrease in the number of available job vacancies between January and February to a total of 19,300, which remains higher than the number of work-related benefit claimants.**

- **Stoke-on-Trent saw a 7% decline in vacancies to a total of 8,100 which is just below the number of claimants.**

- As reported in last month's bulletin, this will be largely reflective of comparison with the significant rise in job vacancies seen in January following the 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.

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

- All occupational groups saw a decrease in vacancies during February with the largest declines seen in 'Elementary Occupations' with a 19% decline and 'Process, Plant and Machine Operatives' with a 17% decline.

- The occupations to see the most significant decreases during February include roles in logistics **(elementary storage occupations and van drivers), social care (care workers and home carers), health (nurses and nursing auxiliaries and assistants), and hospitality (kitchen and catering assistants).**

Annual Trends in job vacancies

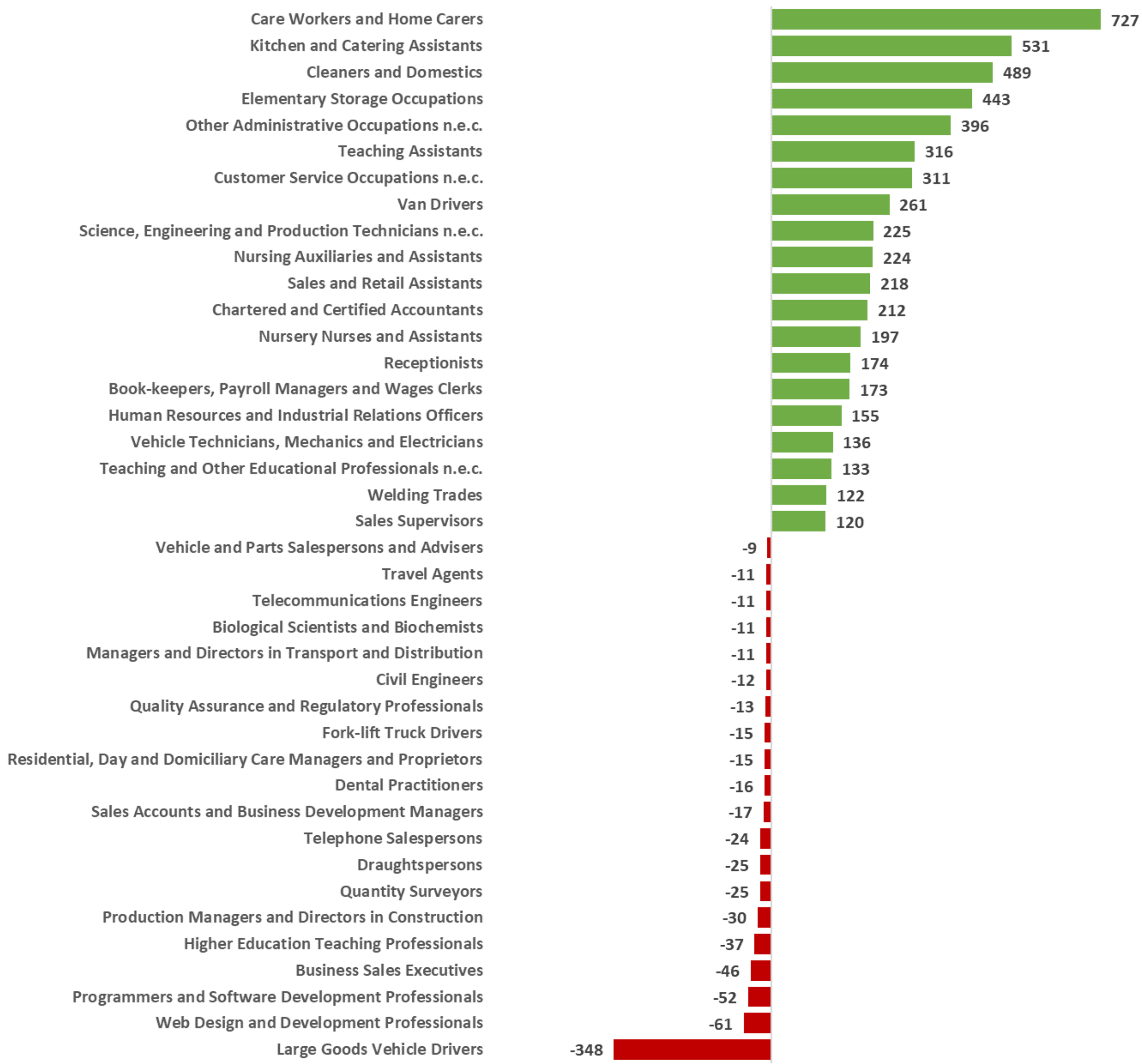
- The occupations to see the largest year-on-year increases have been in social care (care workers and home carers), hospitality (kitchen and catering assistants), education (teaching assistants), logistics (van drivers), and manufacturing (engineering technicians) and cross-cutting business roles (administrative occupations; chartered and certified accountants; sales related occupations; customer service occupations; 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' and 'nursing auxiliaries and assistants'.
    - **Hospitality** including 'kitchen and catering assistants'.
    - **Logistics** including 'elementary storage occupations' and 'van drivers'.
    - **Education** including 'teaching assistants' and 'teaching and other educational professionals'.
    - **Manufacturing** including 'science, engineering and production technicians'.
    - **Retail** including 'sales and retail assistants'.
    - **Childcare** including 'nursery nurses and assistants'.
    - **Wider-business roles** including 'administrative occupations', 'customer service occupations', and 'chartered and certified accountants'.

- 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 February 2023 in SSLEP



Top Occupations in Demand

- Considering the **top 20 job vacancy occupations in Stoke-on-Trent and Staffordshire**, demand for roles in social care including **'care workers and home carers'** remain by far the strongest of all occupations.

- This is followed by high demand for **'administrative occupations', 'nurses', 'sales related occupations' and 'customer service occupations'.**

- In logistics there is high demand for roles including '**elementary storage occupations' and 'van drivers'.**

- While in hospitality '**kitchen and catering assistants'** remain the roles in most demand.

- There is high demand for **'cleaners and domestics'**.

- In education there remains demand for **'teaching assistants'.**

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

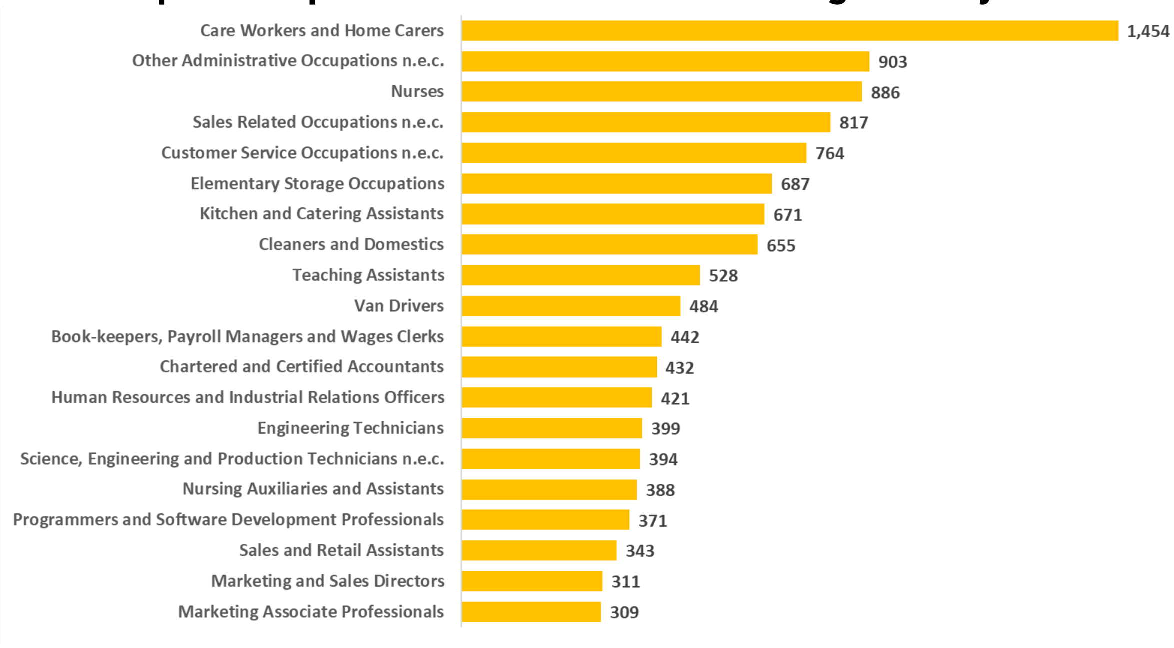
- In manufacturing **'engineering technicians' and 'science, engineering and production technicians'** are most in demand.

- Alongside nurses, there is also high demand in health for **'nursing auxiliaries and assistants'**.

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

- While in marketing and sales there is high demand for **'sales and retail assistants', 'marketing and sales directors', and 'marketing associate professionals'**.

Top 20 occupations in demand in SSLEP during February 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 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 to help prevent labour shortages.

- 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 labour shortages and skills gaps.

- **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.