Staffordshire & Stoke-on-Trent Economic Bulletin

Issue 32 – April 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** 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 910 to a total of 15,715 claimants**.
- **The claimant rate for Staffordshire increased from 2.8% to 3.0%.** 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 5.0% and lower than the average for England of 3.8% of the working age population.
- Contributing to this overall increase in claimants this month, the **youth claimant count in Staffordshire saw an increase of 165 to a total of 2,920 young people**. The proportion of young people in Staffordshire aged 18-24 that are claiming work-related Universal Credit has increased this month from 4.4% to 4.7%, although this remains lower than the national rate of 5% which increased from 4.8% this month.
- These increases are in part due to **continued seasonal effects and jobs created over the festive period ending**. We are also seeing a **decline in job vacancies with economic pressures meaning companies are delaying the recruitment of new staff.** This in turn means there are fewer job vacancies for those that are unemployed to move into. **Demand for labour and skills however remains high across the local economy** and therefore priorities continue to be centred around supporting those that unfortunately find themselves unemployed, to transition into

work.

- **The total number of Universal Credit (UC) claimants in Staffordshire is now 30% or 3,665 higher than the level seen in March 2020 (pre-COVID)**, which is now slightly above the 28% increase seen nationally and in the region.
- 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 3.0% of the working age population in March compared to 5.0% regionally and 3.8% nationally. In Stoke-on-Trent, the Claimant Count remains above both the regional and national averages at 5.6%.**
- In terms of job vacancies, **Staffordshire saw a 2% decrease in the number of available job vacancies between February and March to a total of 19,000, which continues to remain higher than the number of work-related benefit claimants. Stoke-on-Trent saw a 1% decline in vacancies to a total of 8,200 which is below the number of claimants.**
- As reported in previous briefings, this will be reflective of the comparison with the significant rise in job vacancies seen in January following the seasonal effects 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 continue to remain high with **'Care Workers and Home Carers' being the highest in demand occupations**.
- The following occupations **'Administrative,' 'Sales Related,' 'Nurses' and 'Customer Service' occupations continue to also have strong demand.**
- In the Hospitality sector, **'Kitchen and Catering Assistants' remain the roles most in demand.**
- The Logistics sector continues to have high demand for **'Elementary Storage Occupations' and 'Van Drivers.'**
- In the Education sector there is particularly high demand for **'Teaching Assistants,' 'Secondary Education Teaching Professionals,' 'Teaching and Other Educational Professionals.'**
- In the Manufacturing sector **'Engineering Technicians,' 'Science, Engineering and Production Technicians'** are most in demand.
- In Healthcare, there continues to be high demand for **'Nursing Auxiliaries and Assistants.'**
- There is also continuing high demand for **'Cleaners and Domestics.'**
- There is **strong demand for 'Bookkeepers, Payroll Managers and Wages Clerks,' 'Human Resources and Industrial Relations Officers,' 'Chartered and Certified Accountants,' 'Marketing Associate Professionals'** across business sectors to support business in their recovery, survival, and new methods of working.
- There continues to be high demand for digital roles, particularly, '**Programmers**

and Software Development Professionals.'

- It is in these areas of the economy where job vacancies remain particularly high and where we are hearing the most reports of **labour and skills shortages** with a mismatch of 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. 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 there continues to be an extremely 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 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 potential applicants to access the opportunities available. 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 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 the West Midlands Freight Interchange which will create 8,500 new jobs. Also **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 where jobs will be very much needed and Pets At Home in Stafford creating over 750 new jobs.

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.
- More than 260 small businesses in Staffordshire were supported through a ten-month pilot scheme coordinated by the county council.
- Nearly £1.5million was secured by the county council from the Government's UK **Community Renewal Fund**, which supported new approaches and investment in skills, small businesses, people gaining new employment and using innovation in renewable energy to cut carbon emissions locally.
- Staffordshire's funding, which was part of a £220million national total, enabled three projects to support 261 businesses and 224 people into education.
- Staffordshire County Council's own Staffordshire Means Back to Business programme is a package of schemes including backing for start-ups, financial support so businesses can thrive, carbon literacy, apprenticeship support and training. The programme was allocated £737,000 form UKCRF
- 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 is already home to 15 companies across a range of sectors**, 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**.

National Context

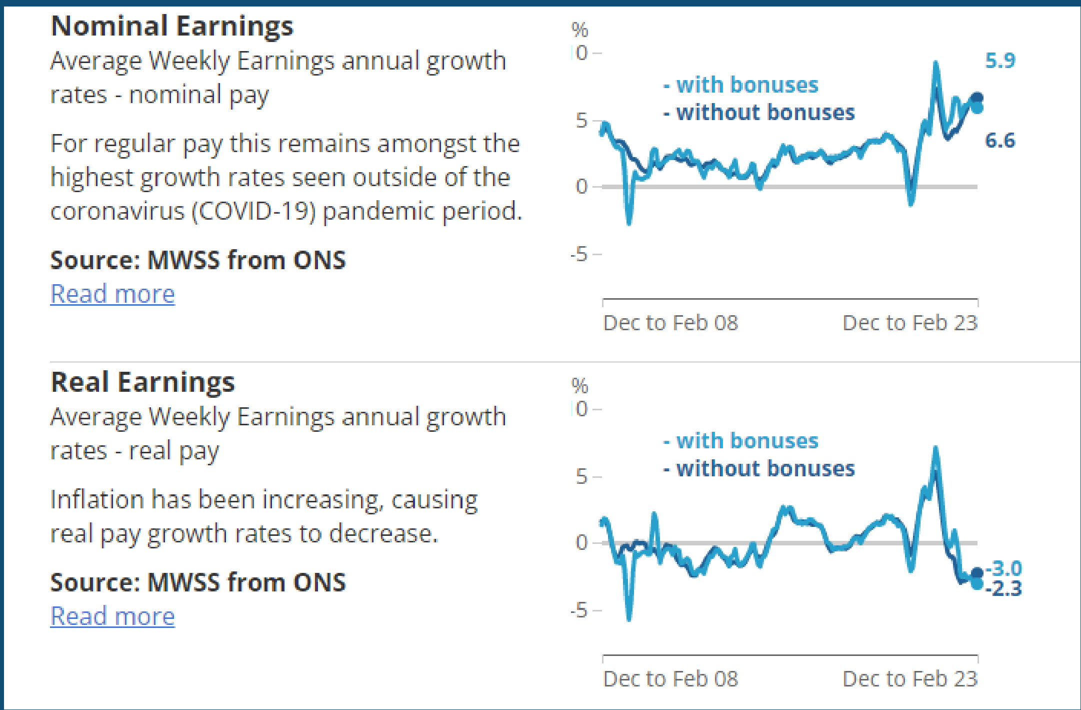
- This month we have seen **further signs of improvement** with inflation easing and the UK economy performing better than previously estimated at the end of last year avoiding recession. However, food prices are still rising sharply impacting cost of living and business conditions remain challenging.

Cost of Living Crisis, Inflation and the War in Ukraine

- Positively, **UK inflation** eased last month, falling to 10.1 per cent in the year to March from 10.4 per cent in February, although it was widely expected to fall below 10 per cent.
- One of the main factors behind the slowing annual inflation rate was a **drop in the price of motor fuels**, which fell by 5.9% in the year to March 2023, compared with a rise of 4.6% in February.
- Despite the slowing of the overall annual rate, **food and non-alcoholic drink prices still rose by 19.2% in the year to March 2023, up from 18.2% in February**. The latest figure is the highest increase observed for over 45 years.
- **Electricity and gas prices also rose by 66.7% and 129.4%**, respectively, in the year to March 2023. These prices were also among the main drivers of inflation.
- It is **expected that inflation will continue to fall over the coming months**, particularly as we are now seeing a **drop in the cost of wholesale food prices globally** which should start to translate into lower food prices domestically. This is echoed by the **British Retail Consortium** which has stated that "As food production costs peaked in October 2022, we expect consumer food prices to start coming down over the next few months". The easing of food prices is particularly important to poorer households as they spend a greater proportion of their income on groceries.
- While the cost-of-living remains high for many, the **Department for Work and Pensions has said low-income households will receive the next set of cost-of-living payments between 25 April and 17 May**.
- This extra support is particularly welcomed at a time when there are rises in a number of essential bills, adding pressure to household budgets, but the lowest earners are also receiving better pay. The start of April marks the point at which **council tax, water bills and some mobile costs rise**, while **nearly two million people will receive £10.42 an hour from now, a 92p rise and the biggest cash increase in the 24-year history of the minimum wage**.
- These **continuing essential cost pressures have led to many consumers cutting back on discretionary spending**. Research by **KPMG** shows that more than half of UK consumers have cut back on discretional spending since the start of the year, with nearly two-thirds choosing to reduce the amount they spend on eating out impacting the hospitality sector. The survey of 3,000 consumers also found that 49 per cent plan to spend less on non-essentials now that energy bill support payments

have come to an end, while 30 per cent will use their savings to cope.

- Data for the **Office for National Statistics** also shows that over **one in five adults are borrowing more money or using more credit**, leading to concerns over long-term debt.
- As well as continuing cost pressures, the **real value of pay continues to fall**.
- Total pay (including bonuses) for employees rose by 5.9% in December 2022 to February 2023, compared with the previous year. Regular pay growth (excluding bonuses) was 6.6%.
- However, after adjusting for rising prices, **real terms pay fell by 3.0% year-on-year for total pay and by 2.3% for regular pay**.



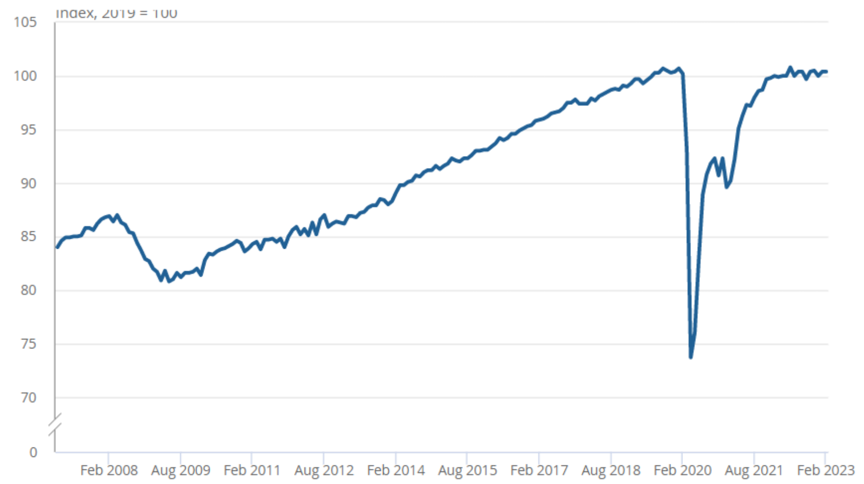
- Disputes over pay and terms and conditions mean that **strikes are set to continue for teachers, junior doctors, nurses, passport workers, airport workers, tube drivers, university staff and civil servants. In February 2023 there were 348,000 working days lost to labour disputes.**

Economy

- Revised official figures show that the **UK economy performed better than previously estimated at the end of last year**. It was previously thought the economy had not grown between October and December, but new data shows it grew by 0.1 per cent and avoided falling into recession.
- The latest **monthly GDP data for February shows that the UK economy saw no growth**, where falls in services and production were offset by growth in construction. This follows growth of 0.4% in January, revised up from growth of 0.3%.
- The **services sector** fell by 0.1% in February 2023, after growing by 0.7% in January 2023, revised up from 0.5%.

- The largest contributions to the fall in services output in February 2023 came from education and public administration and defence; compulsory social security, industrial action took place in both of these industries in February 2023.
- Output in **consumer-facing services** grew by 0.4% in February 2023, this follows growth of 0.3% in January 2023; the largest contributor to this growth came from retail trade, except for motor vehicles and motorcycles.
- **Production** output fell by 0.2% in February 2023, following a fall of 0.5% in January 2023, revised from a fall of 0.3%.
- The **construction** sector grew by 2.4% in February 2023, after falling by 1.7% in January 2023.

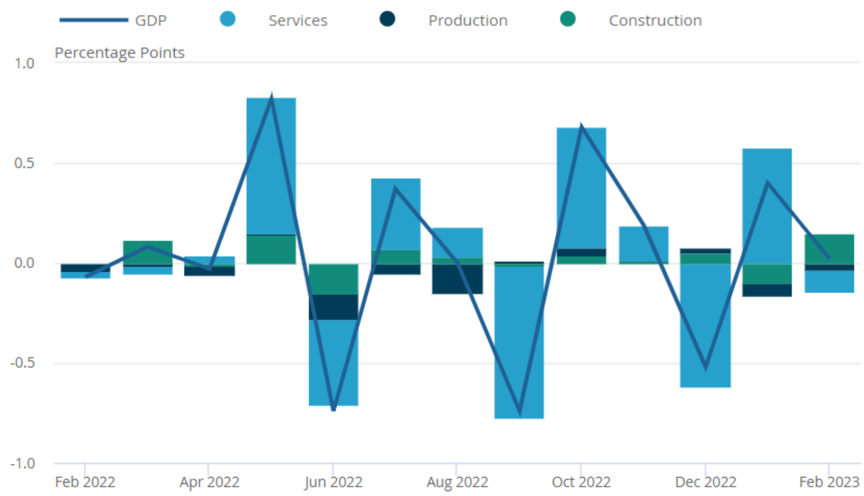
GDP Monthly index, January 2007 to February 2023, UK



Source: GDP monthly estimate from the Office for National Statistics

Figure 2: Growth in the construction sector offset falls in services and production in February 2023

Contributions to monthly GDP growth, February 2022 to February 2023, UK



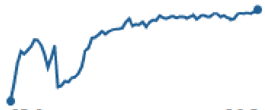
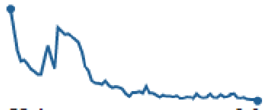
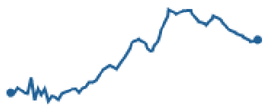
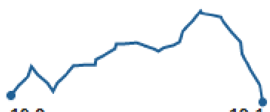
Source: GDP monthly estimate from the Office for National Statistics

- Although the UK economy has fared better than previously feared, there are warnings that this year could be particularly challenging, with the **International Monetary Fund (IMF) forecasting that the UK is set to be one of the worst performing major economies in the world this year**. The IMF predicts that UK economy's performance in 2023 will be the worst among the 20 biggest economies, known as the G20, which includes sanctions-hit Russia.
- The IMF had already forecast that the UK would experience a downturn this year and be bottom of the pile of the G7 - a group of the world's seven largest so-called "advanced" economies, which dominate global trade and the international financial system. The UK topped the group in 2022 during the pandemic rebound. It now expects the UK economy to shrink by 0.3% in 2023 and then grow by 1% next year. Although the UK is forecast to have the worst economic performance this year, the IMF's latest prediction is slightly better than its previous expectation of a 0.6% contraction, made in January.
- It also warned of a "**rocky road" for the global financial system**. This follows the collapse of two US banks last month, closely followed by a rushed takeover of Swiss banking giant Credit Suisse by its rival UBS, which sparked fears of another financial crisis.

Business Conditions

- Although business conditions clearly remain challenging with **high energy costs, increased commodity costs, wage pressures and supply-chain constraints** and persistent **labour market challenges,** we are seeing some **signs of emerging "green shoots" of improving business conditions and confidence.**
- A recent poll from the **Confederation of British Industry** showed that **businesses were expecting a return to growth in the next three months**. However, the fresh CBI data showed that activity across the UK private sector contracted by around 4% over the three months to March. It is the eight consecutive quarter of decline but the mildest drop since July 2022. The drop was largely driven by weakness in the service sector, amid an 11% drop in consumer services volumes, according to the survey.
- The **UK's car production also rose by over 13 per cent last month**, according to the **Society of Motor Manufacturers and Traders**.
- The following charts show the latest results from Wave 80 of the **Business Insights and Conditions Survey (BICS)**, which was live from 3rd to 16th April 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	0.7▲	2.6▲	 **65.9** 15/06/2020 **96.3** 16/04/2023
Trading status Temporarily closed or paused trading Units	-0.4▼	-1.6▼	 **33.4** 15/06/2020 **2.6** 16/04/2023
Prices Prices bought increased Units	0.8▲	-12.3▼	 **16.3** 01/06/2020 **37.8** 31/03/2023
Prices Prices sold increased Units	1.2▲	-7.1▼	 **4.9** 01/06/2020 **16.4** 31/03/2023
Financial performance Turnover increased Units	3.0▲	5.8▲	 **13.6** 01/03/2022 **19.4** 31/03/2023
Financial performance Turnover stayed the same Units	2.8▲	-1.8▼	 **54.6** 01/03/2022 **52.8** 31/03/2023
Financial performance Turnover decreased Units	-5.9▼	-0.8▼	 **19.9** 01/03/2022 **19.1** 31/03/2023

Source: Business Insights and Conditions Survey from the Office for National Statistics

- 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 a smaller proportion of businesses 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.

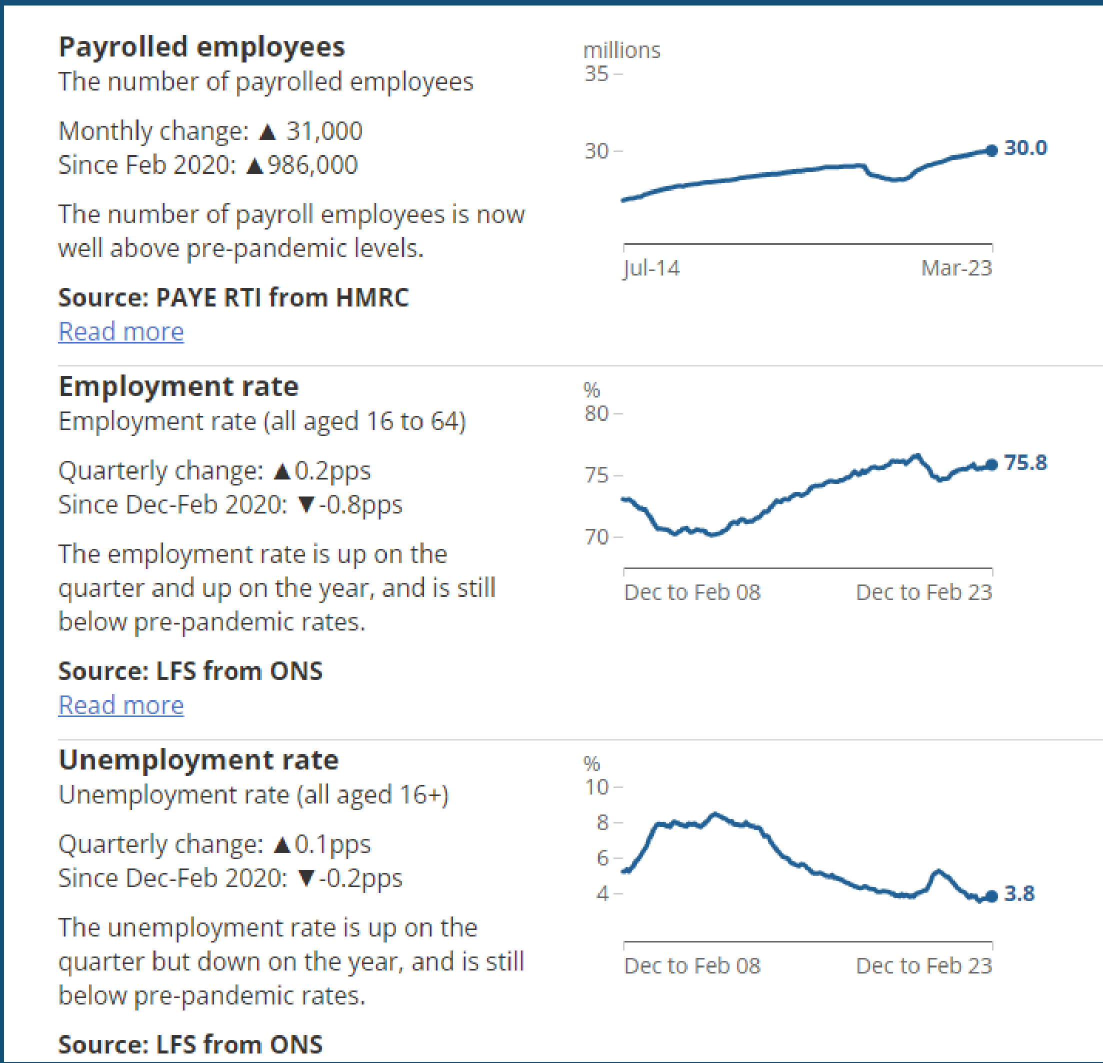
- The proportion of businesses reporting that their **turnover** had increased compared with the previous calendar month continued to climb in March 2023, with nearly one in five (19%) trading businesses reporting this compared with 16% in February 2023.
- Almost two in five (38%) trading businesses reported an **increase in the prices of goods or services bought** in March 2023 compared with February 2023; however, the proportion of businesses reporting higher prices compared with the previous month has steadily fallen from a peak of 48% in September 2022.
- Approximately one in six (16%) trading businesses reported an **increase in the prices of goods or services sold** in March 2023 compared with February 2023; in comparison, 62% of businesses reported prices stayed the same.
- When asked in early April 2023, nearly a quarter (23%) of trading businesses reported they **expect to raise their prices in May 2023**, while more than half (53%) expect the prices of goods or services they sell to stay the same.
- More than half (53%) of businesses with 10 or more employees reported their **staffing costs** had increased in the last three months to early April 2023; in comparison, 58% reported they expect their staffing costs to increase over the next three months, higher than the 52% of businesses that expected higher costs when asked in early January 2023.
- Although we are seeing some overall signs of improvement it is clear that some businesses continue to struggle. **In March 2023 there were a total of 2,457 company insolvencies in England and Wales, 16% higher than the number registered in the previous year (2,120 in March 2022), and 99% higher than the number registered three years previously (pre-pandemic: 1,233 in March 2020).** The main concern around company and individual insolvencies are associated issues such as mental health and homelessness.

Labour Market

- Positively, there are **more people looking for work with those economic inactive declining**, leading to an increase in people in employment and more people that are unemployed and searching for work. Although this comes at a time when **job vacancies are falling** and so it is likely to be more challenging for those returning to the jobs market.
- This rise in economic activity is reflected in a recent survey of recruiters by the **Recruitment and Employment Confederation (REC) and KPMG** which shows that the **overall supply of candidates for jobs has increased for the first time in more than two years**. While the rise in the availability of workers in March was "modest", it marks the first such upturn in the UK since February 2021.
- Following on from the budget announcements last month which were focused on strengthening the workforce and addressing ongoing labour and skills shortages, the **Government has written to councils giving them the green light to spend their Shared Prosperity Fund (SPF) allocations on job schemes from April**. However, there are **concerns on the timing and capacity to put such schemes in**

place with Cllr Kevin Bentley, Chairman of the LGA's People and Places Board saying "Given this announcement comes so close to the new April 2023 date within which provision can be delivered, and many areas will have committed most of their funds for this year already, it may be a challenge to maximise the impact of this new flexibility."

- The following charts shows the latest **labour market position** and the latest Office for National Statistics data for December 2022 to February 2023:



Inactivity rate

Economic inactivity rate (all aged 16 to 64)

Quarterly change: ▼-0.4pps
Since Dec-Feb 2020: ▲0.9pps

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

Source: LFS from ONS

Read more

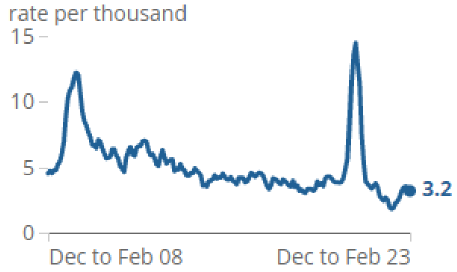
Redundancy rate

Redundancy rate (per 1000 employees)

Quarterly change: ▼-0.3 people per thousand
Since Dec-Feb 2020: ▼-0.7 people per thousand

The redundancy rate decreased on the quarter.

Source: LFS from ONS



Hours worked

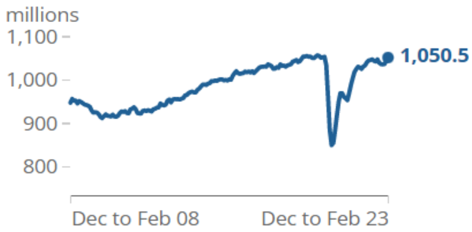
Total actual weekly hours worked

Quarterly change: ▲15.8 million
Since Dec-Feb 2020: ▼-1.7 million

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

Source: LFS from ONS

Read more



Job vacancies

Number of job vacancies

Quarterly change: ▼-47,000
Since Jan-Mar 2020: ▲304,000

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

Source: Vacancy Survey from ONS

- The UK **employment rate** was estimated at 75.8% in December 2022 to February 2023, 0.2 percentage points higher than September to November 2022. The increase in employment over the latest three-month period was driven by part-time employees and self-employed workers. **Employment remains 123,000 below pre-pandemic levels.**
- **Payrolled employees** for March 2023 shows another monthly increase, up 31,000 on the revised February 2023 figures, to 30.0 million.
- The **unemployment rate** for December 2022 to February 2023 increased by 0.1 percentage points on the quarter to 3.8%. The increase in unemployment was driven by people unemployed for up to six months. **Unemployment is 71,000 down on pre-pandemic levels.**

- The **economic inactivity rate** decreased by 0.4 percentage points on the quarter, to 21.1% in December 2022 to February 2023. The decrease in economic inactivity during the latest three-month period was largely driven by people aged 16 to 24 years. Looking at economic inactivity by reason, the quarterly decrease was largely driven by people inactive because they are students. **Those economically inactive are 422,000 above pre-pandemic levels.**
- In January to March 2023, the estimated number of **vacancies** fell by 47,000 on the quarter to 1,105,000. Vacancies fell on the quarter for the ninth consecutive period and reflect uncertainty across industries, as survey respondents continue to cite economic pressures as a factor in holding back on recruitment.

Green Economy

- The **Government has published its new net zero strategy - "Powering Up Britain"** to reduce carbon emissions and energy costs. The document was drawn up after the High Court ruled the government's existing plans were not sufficient to meet its climate targets. A central plank of the strategy is to store CO2 under the North Sea. However, many scientists have said that even this plan will not move the UK closer towards meeting its legally-binding carbon commitments. Ministers have said it also aims to lower people's energy bills, although this will not be achieved in the short term.
- The **cost of heat pumps** is unlikely to fall enough to meet the Government's net zero goals, according to a study by the **UK Energy research Centre**. Price reductions of 25 to 50 per cent are reportedly key to the Government's target of installing 600,000 heat pumps by 2028, but the average cost is now around £10,000 and has not reduced in the past 10 years.
- It is also reported that **boiler manufacturers are to be fined if they fail to install enough heat pumps** under new net zero plans. Ministers are planning production quotas for large manufacturers as part of efforts to boost uptake across Britain.
- The **Society of Motor Manufacturers and Traders** has said the **UK does not have a single public electric charger or hydrogen refilling station dedicated to HGV lorries**, with fewer than 12 years until the first ban on diesel engines comes into force.

Conclusion

- In conclusion, although we remain in challenging times with the **impact of the energy and cost-of-living crisis** continuing to be felt by businesses both locally and nationally, we are seeing some **signs of improvement** with inflation slowly easing and the economy performing better than expected.
- Although **businesses conditions remain difficult for many** which continue to face higher costs including energy and wage bills, **business confidence is improving** with increasingly more feeling that they will return to growth over the coming months.

- While **households are still faced with cost pressures** particularly from essentials such as food and energy, these are expected to ease throughout 2023.
- We are also **seeing more people returning to work**, with both young people and older workers becoming economically active and **helping to ease recruitment difficulties and address labour and skills shortages across the economy**.
- **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 March 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 March 2023 there were a total of 2,457 company insolvencies in England and Wales.

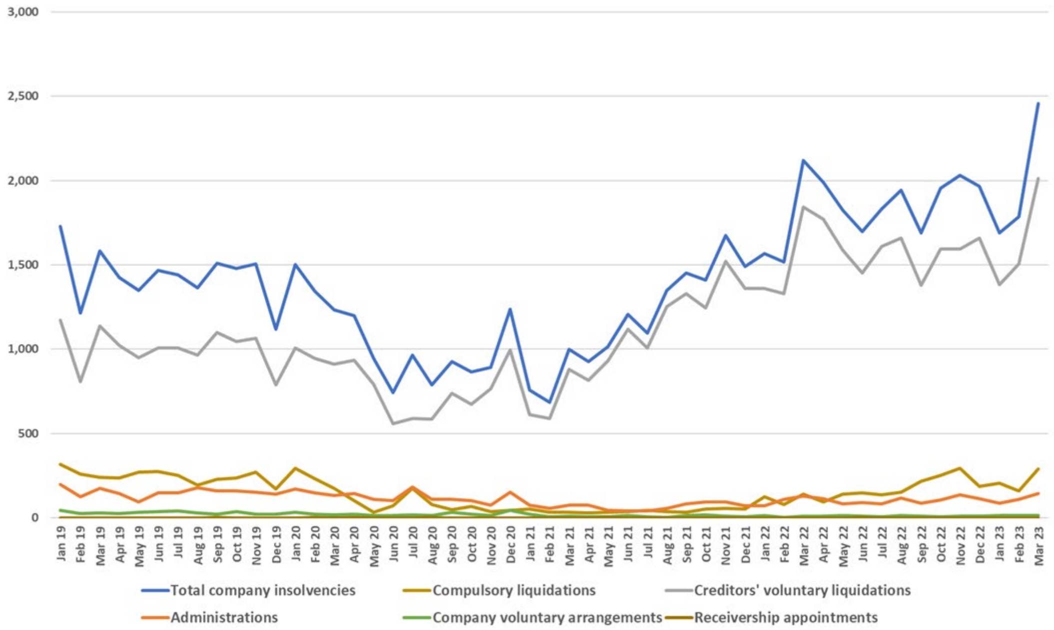
The overall number of **company insolvencies are 16% higher than the number registered in the previous year (2,120 in March 2022), and 99% higher than the number registered three years previously (pre-pandemic: 1,233 in March 2020).** Please note that due to the volatility of the underlying data the insolvency Service recommends comparisons are made with the same month in previous years rather than with the previous month.

There were 288 compulsory liquidations in March 2023, which is more than double the number in March 2022, and 65% higher than in March 2020. Numbers of compulsory liquidations have increased from historical lows seen during the coronavirus (COVID-19) pandemic, partly as a result in the increase of winding-up petitions presented by HMRC.

In March 2023 there were 2,011 Creditors' Voluntary Liquidations (CVLs), 9% higher than in March 2022, and more than double than March 2020. Numbers of administrations have risen above pre pandemic levels and are 11% higher than March 2020, whereas Company Voluntary Arrangements (CVAs) remained lower than before the pandemic at -28%.

Company insolvencies between April 2022 and March 2023 are 36% higher compared to a year earlier, representing 6,000 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, March 2023 GOV.UK (www.gov.uk)

The sectors to have seen the largest number of company insolvencies between March 2022 and February 2023 are the Construction sector (4,156), Wholesale & Retail sector (3,438) and Accommodation & Food Service sector (2,853). Levels exceed those seen for the same period the previous year with the Construction sector 41% higher, Wholesale & retail sector 79% higher, and Accommodation & Food Service sector 52% higher than levels seen a year earlier. This can be attributed to higher commodity costs, lower consumer confidence/demand and the longer-term impact of the pandemic along with the higher cost of living impact and inflation increases.

Individual Insolvencies

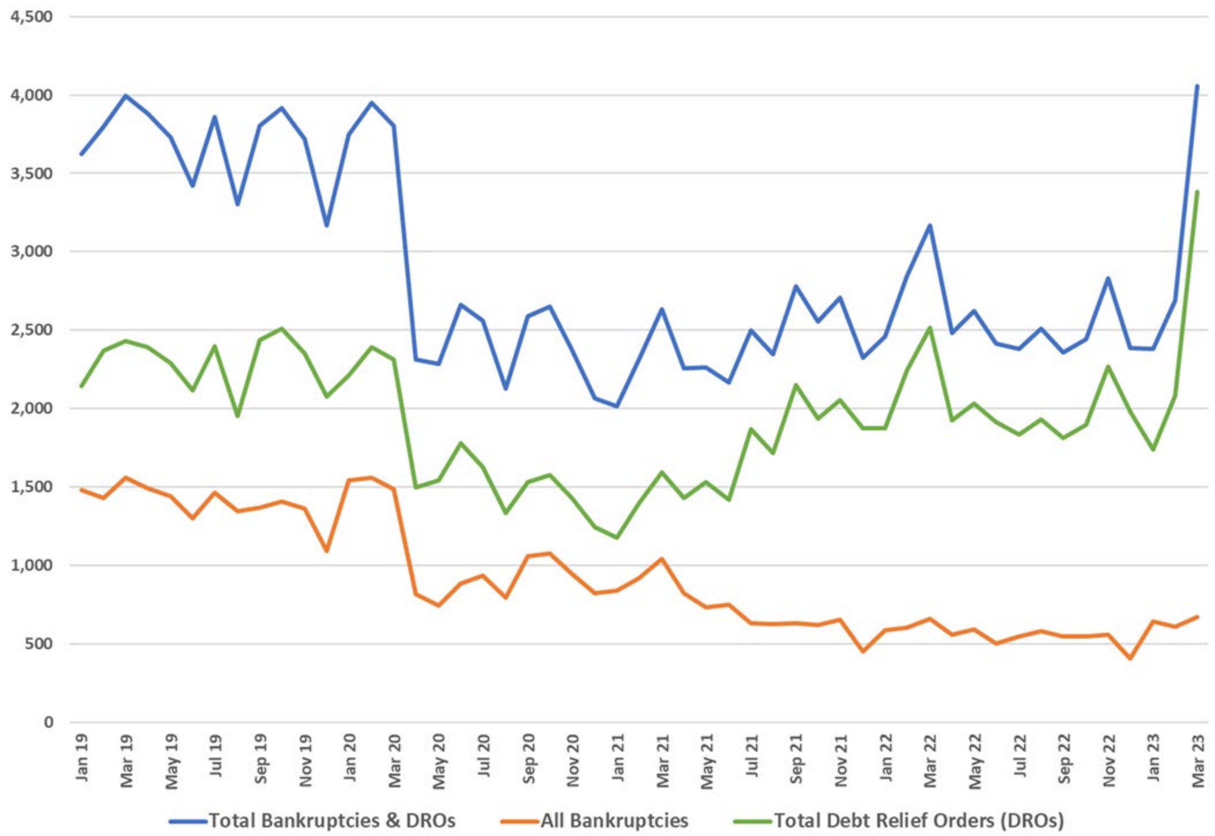
For individuals, **672 bankruptcies were registered in March 2023**, which was 2% higher than in March 2022, but 55% lower than in March 2020.

There were **3,383 Debt Relief Orders (DROs)** in March 2023, which was 35% higher than in March 2022, and 46% higher than in March 2020.

There were, on average, **6,100 Individual Voluntary Arrangements (IVAs)** registered per month in the three-month period ending March 2023, which is 14% lower than the three-month period ending March 2022, but 19% higher than the three-month period ending March 2020.

Total Bankruptcies and DROs between April 2022 and March 2023 are 4% higher than the same period a year earlier, representing an increase of 1,190.

Bankruptcies and Debt Relief Orders in England and Wales



Sources: Insolvency Service

There were 8,282 Breathing Space registrations in March 2023, which is 32% higher than the number registered in March 2022. 8,110 were Standard Breathing Space registrations, which is 32% higher than in March 2022, and 172 were Mental Health Breathing Space registrations, which is 41% higher than the number in March 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. For individuals, numbers of bankruptcies remain lower but debt relief orders are now higher than pre-pandemic levels.

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: March 2023

Area	Claimant Count Rate (March 2022)	Claimant Count Rate (Feb 2023)	Claimant Count Rate[1] (March 2023)	Number of Claimants (March 2023)	Monthly Change in Claimants (Numbers)	Monthly Change in Claimants (%)	Change in Claimants since March 2020 (Numbers)	Change in Claimants since March 2020 (%)
England	4.2	3.7	3.8	1,360,305	43,240	3.3	296,800	28%
West Midlands	5.2	4.8	5.0	183,080	6,880	3.9	38,730	27%
SSLEP	3.7	3.4	3.6	24,730	1,355	5.8	5,360	28%
Birmingham	8.9	8.2	8.5	62,675	2,120	3.5	13,305	27%
Wolverhampton	7.8	7.5	7.8	12,795	485	3.9	2,415	23%
Sandwell	6.7	6.1	6.4	13,860	605	4.6	3,080	29%
Coventry	5.4	5.4	5.7	12,860	720	5.9	4,860	61%
Walsall	6.2	5.5	5.7	9,925	425	4.5	1,320	15%
Stoke-on-Trent	5.8	5.3	5.6	9,020	450	5.3	1,700	23%
Dudley	5.2	4.7	4.8	9,365	190	2.1	850	10%
Telford and Wrekin	4.0	3.4	3.5	4,025	30	0.8	595	17%
Solihull	3.8	3.1	3.3	4,215	180	4.5	565	15%
Worcestershire	3.4	3.1	3.1	11,255	205	1.9	2,950	36%
Staffordshire	**3.0**	**2.8**	**3.0**	**15,715**	**910**	**6.1**	**3,665**	**30%**
Warwickshire	3.0	2.6	2.7	9,960	310	3.2	2,130	27%
Herefordshire, County of	2.7	2.4	2.5	2,750	140	5.4	640	30%
Shropshire	2.7	2.4	2.5	4,675	110	2.4	665	17%
Tamworth	3.9	3.4	3.7	1,795	140	8.5	305	20%
Cannock Chase	3.4	3.3	3.5	2,215	135	6.5	560	34%
East Staffordshire	3.1	3.0	3.2	2,510	195	8.4	790	46%
Newcastle-under-Lyme	3.2	3.0	3.2	2,415	130	5.7	435	22%
South Staffordshire	3.0	2.7	2.8	1,845	85	4.8	535	41%
Stafford	2.7	2.5	2.6	2,140	70	3.4	485	29%
Lichfield	2.6	2.4	2.5	1,595	65	4.2	275	21%
Staffordshire Moorlands	2.2	2.0	2.1	1,195	90	8.1	275	30%

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

- The claimant count in Staffordshire saw an **increase of 910 claimants** over the last month, with the **total number of claimants in the county now standing at 15,715**.
- Over the last month, the **claimant rate for Staffordshire increased from 2.8% to 3.0%.**
- 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 of 5.0%, and lower than the average for England at 3.8%** of the working age population.
- Stoke-on-Trent saw an **increase of 450 claimants** over the same period with **a total of 9,020 claimants in March**, with the **rate increasing from 5.3% to 5.6%.**
- These increases are in part due to **continued seasonal effects and jobs created over the festive period ending**. We are also seeing a **decline in job vacancies with economic pressures meaning companies are delaying the recruitment of new staff.**

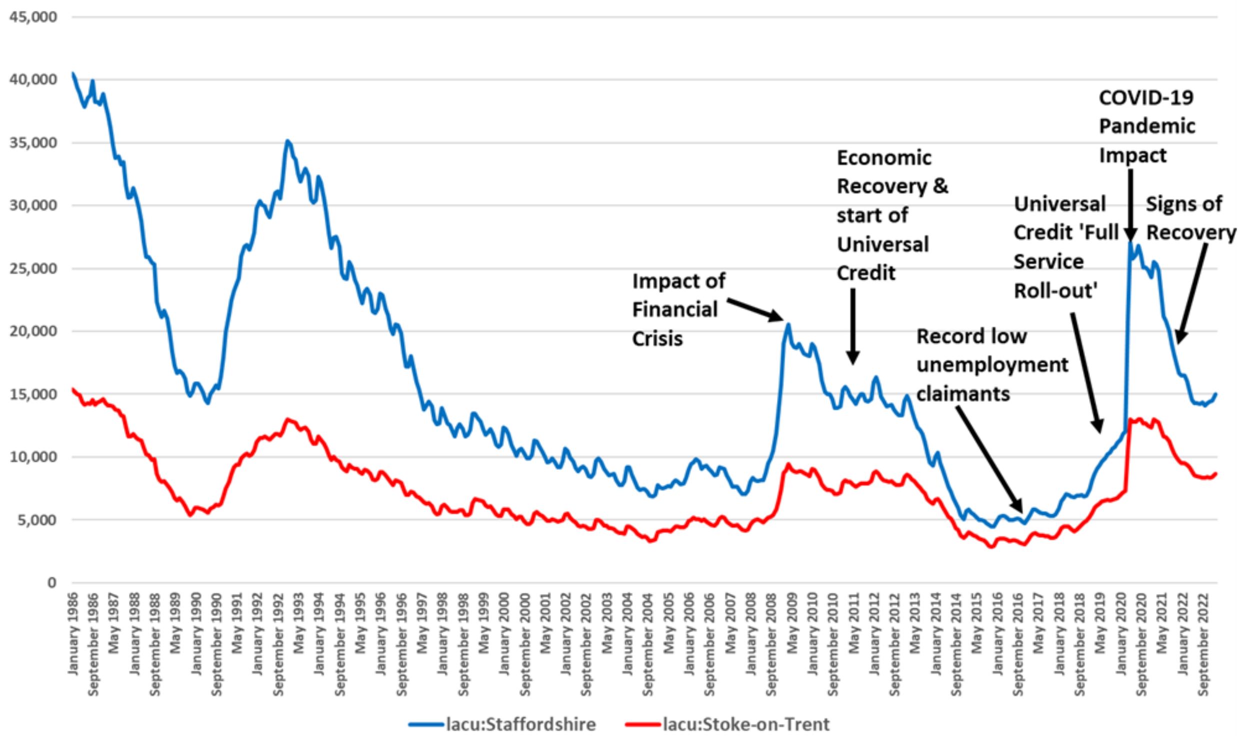
[2] Source: https://www.nomisweb.co.uk/

This in turn means 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 priorities continue to be centred around supporting those that unfortunately find themselves unemployed, to transition into work.

- **The total number of Universal Credit (UC) claimants in Staffordshire is now 30% or 3,665 higher than the level seen in March 2020 (pre-COVID)**, which is now slightly above the 28% increase seen nationally and in the region.

Staffordshire and Stoke-on-Trent Claimant Count



- However, it is important to note that not all claimants 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 certain people on low incomes to claim whilst in work. Therefore, there will be **a proportion of claimants currently that will still be in work but claiming Universal Credit because they are on a low income or have seen reduced hours (under-employment)**, although from the data released by 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 3% of the working age population in March compared to 5% regionally and 3.8% nationally. In Stoke-on-Trent, the Claimant Count remains above both the regional and national averages at 5.6%.**

- In March, all the Staffordshire districts saw an increase in the number of claimants. Tamworth saw the highest rise of 140 claimants over the last month.

- East Staffordshire and Newcastle-under-Lyme have the highest number of claimants with 2,510 and 2,415 respectively, whilst Staffordshire Moorlands has the lowest number at 1,195. Tamworth and Cannock Chase have the highest claimant rates of the districts at 3.7% and 3.5% respectively, and Staffordshire Moorlands has the lowest rate at 2.1%. 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 165 to a total of 2,920 young people**.

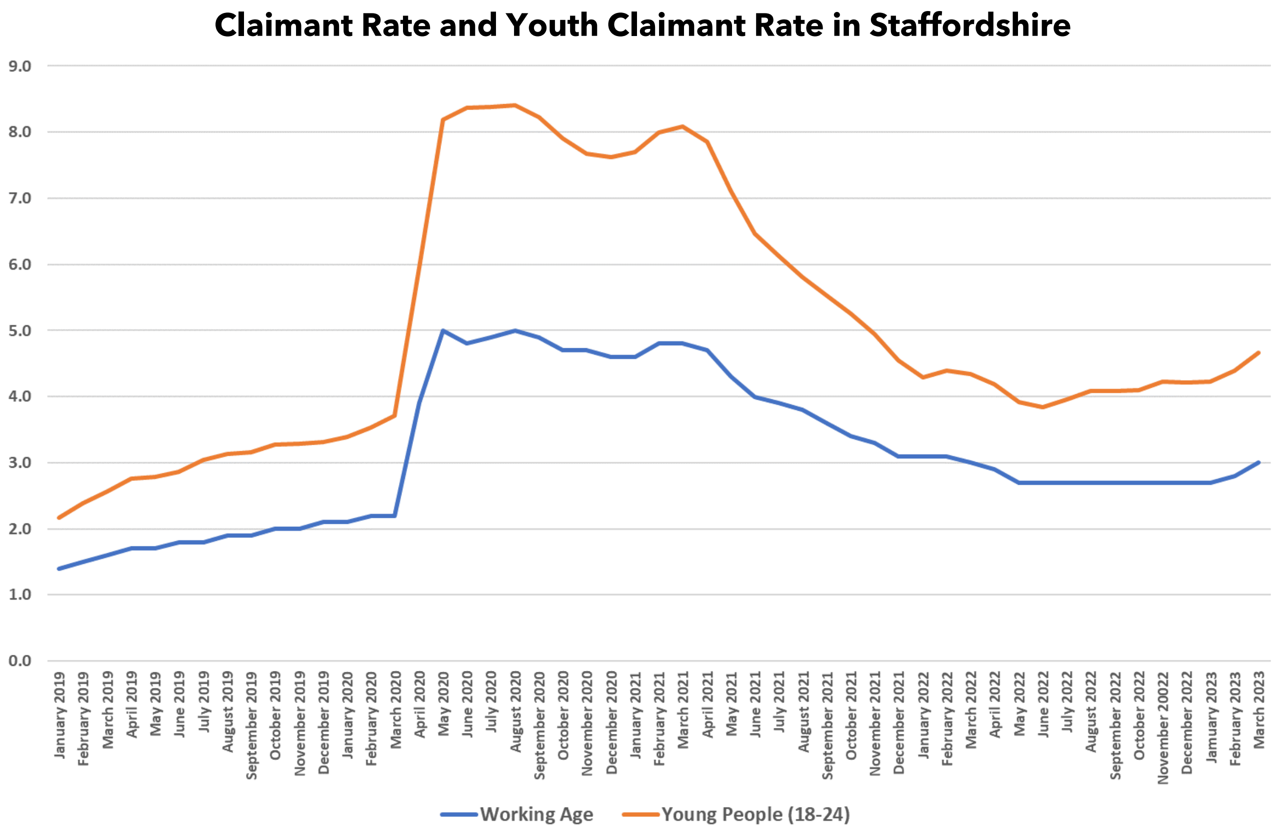
- **The proportion of young people in Staffordshire aged 18-24 that are claiming work-related Universal Credit has increased this month from 4.4% to 4.7%,** although this remains lower than the national rate of 5.0% which increased from 4.8% this month.

- In March, **Stoke-on-Trent saw an increase of 60 claimants to a total of 1,715 with the rate increasing from 7.3% to 7.6%.**

Youth Claimant Count (Universal Credit) Statistics: March 2023

Area	Youth Claimant Count Rate (Mar 2022)	Youth Claimant Count Rate (Feb 2023)	Youth Claimant Count Rate[1] (Mar 2023)	Number of Youth Claimants (Mar 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	4.9	4.8	5.0	232,720	7,345	3.3%	34,990	18%
West Midlands	6.4	6.4	6.6	33,400	1,195	3.7%	5,495	20%
SSLEP	5.1	5.2	5.4	4,630	220	5.0%	810	21%
Wolverhampton	9.6	10.3	10.7	2,280	85	3.9%	370	19%
Sandwell	8.6	8.6	9.0	2,580	115	4.7%	465	22%
Birmingham	8.4	8.5	8.7	11,335	330	3.0%	2,230	24%
Walsall	8.9	8.4	8.9	2,005	115	6.1%	90	5%
Dudley	7.5	7.4	7.6	1,800	45	2.6%	50	3%
Stoke-on-Trent	7.3	7.3	7.6	1,715	60	3.6%	310	22%
Telford and Wrekin	6.1	5.8	5.7	850	-10	-1.2%	90	12%
Solihull	6.0	5.0	5.3	795	40	5.3%	-30	-4%
Coventry	4.7	4.9	5.1	2,195	110	5.3%	660	43%
Worcestershire	4.6	4.7	4.8	1,990	40	2.1%	395	25%
Staffordshire	**4.3**	**4.4**	**4.7**	**2,920**	**165**	**6.0%**	**505**	**21%**
Herefordshire, County of	3.7	3.8	4.0	470	25	5.6%	55	13%
Warwickshire	3.8	3.7	3.8	1,700	50	3.0%	365	27%
Shropshire	3.4	3.4	3.6	780	40	5.4%	-45	-5%
Tamworth	6.5	5.9	6.6	375	40	11.9%	80	27%
Cannock Chase	5.6	5.7	6.3	445	40	9.9%	80	22%
South Staffordshire	4.6	4.8	5.0	370	15	4.2%	120	48%
East Staffordshire	4.3	4.5	4.9	440	35	8.6%	120	38%
Stafford	4.2	4.3	4.3	375	0	0.0%	60	19%
Newcastle-under-Lyme	3.6	3.8	4.0	470	25	5.6%	45	11%
Lichfield	3.8	3.7	3.9	280	20	7.7%	10	4%
Staffordshire Moorlands	2.8	2.9	2.8	165	-5	-2.9%	-10	-6%

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



- This month has seen an increase in the youth claimant count across the region in all the districts in Staffordshire except Staffordshire Moorlands which saw a small decline of 5 youth claimants and Stafford which saw no change.

- Tamworth and Cannock Chase continue to have the highest rate at 6.6% and 6.3% respectively, whilst Staffordshire moorlands has the lowest rate at 2.8%. Newcastle-under-Lyme has the highest number of youth claimants at 470 whilst Staffordshire Moorlands has the lowest number of youth claimants at 165.

- 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

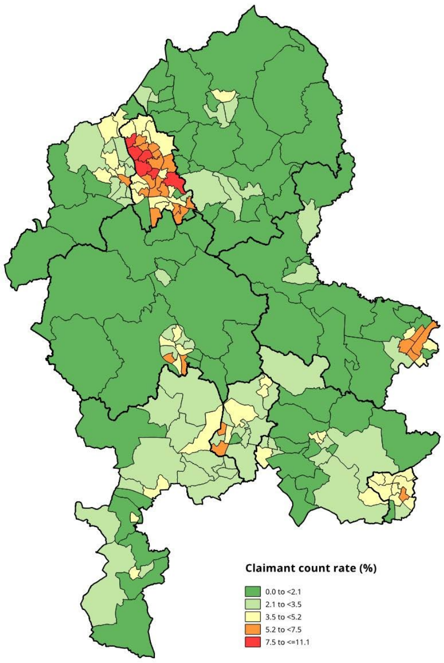
The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

Claimant Count Rate March 2023

Of the 201 wards in Staffordshire & Stoke-on-Trent, 65 were above the England average of 3.8% for the number of claimants as a proportion of the working age population.

Within the twenty highest claimant count rate wards, sixteen were in Stoke-on-Trent with Joiner's Square: 11.1%/510; Moorcroft: 9.3%/345; Etruria and Hanley: 8.7%/470 total claimants.

In Staffordshire, the four wards with the highest claimant count rates were Burton (East Staffordshire) 6.6%/200 total claimants; Shobnall (East Staffordshire): 6.4%/345; Eton Park (East Staffordshire): 6.1%/300; Cannock North (Cannock Chase): 5.9%/275.

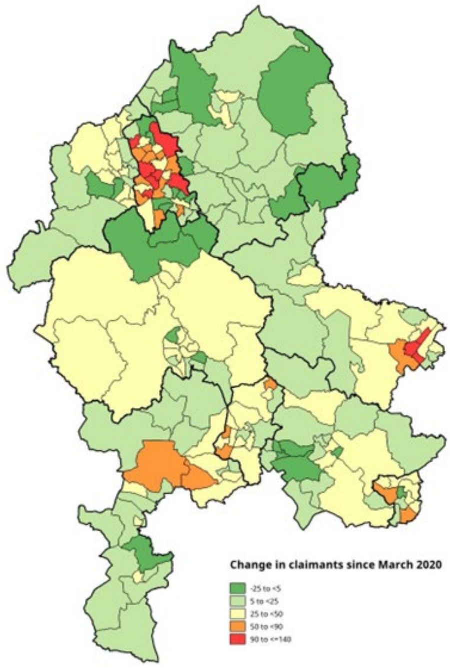


Staffordshire County Council

Change in Claimant Count since March 2020

Of the top ten wards in Staffordshire with the highest change in the number of claimants since March 2020 there were seven in Stoke-on-Trent including Hanley Park and Shelton (140 increase to 325); Joiner's Square (135 increase to 510); Bentilee and Ubberley (120 increase to 520); Etruria and Hanley (115 increase to 470); Tunstall (100 increase to 350); Baddeley, Milton and Norton (95 increase to 425); Boothen and Oak Hill (90 increase to 275).

Of the remaining three wards in the top ten, all were in East Staffordshire including Shobnall with a 135 increase to 345 claimants; Anglesey with a 125 increase to 315 claimants; Eton Park with a 120 increase to 300 claimants.



Staffordshire County Council

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

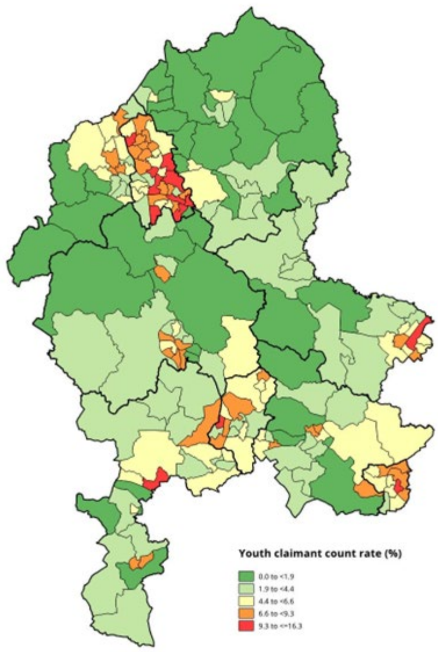
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

Youth Claimant Count Rate March 2023

Of the 201 wards in Staffordshire & Stoke-on-Trent, 91 wards (an increase of six wards over the last month) were above the England average of 5% for the number of claimants aged 18-24 as a proportion of the 18-24 population.

Of the top ten wards with the highest youth claimant count rate, six were in Stoke-on-Trent with Joiner's Square: 16.3%/125; Bentilee and Ubberley: 12.7%/115; Blurton West and Newstead: 11.1%/65; Meir South: 10.8%/60 total youth claimants.

In Staffordshire, the four wards with the highest claimant count rates were Burton (East Staffordshire): 11.7%.45; Bilbrook (South Staffordshire): 10.8%/30; Glascote (Tamworth): 10.4%/60; Cannock North (Cannock Chase): 10.3%/55 total youth claimants.

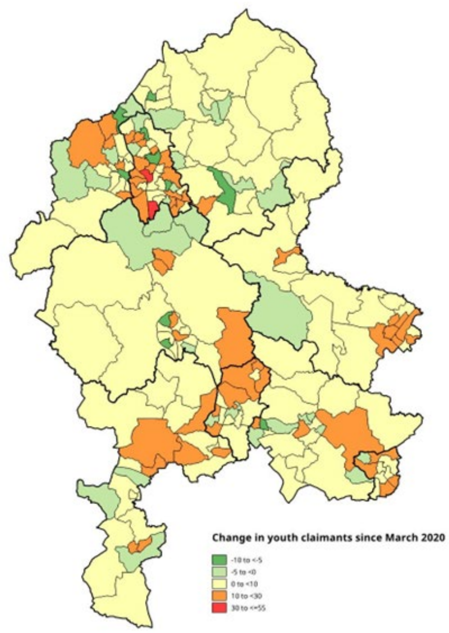


Staffordshire County Council

Change in Youth Claimant Count since March 2020

Of the top ten wards in Staffordshire with the highest change in the number of youth claimants since March 2020, there were six in Stoke-on-Trent including Hanley Park and Shelton (55 increase to 85); Blurton West and Newstead (30 increase to 65); Joiner's Square (25 increase to 125); Bentilee and Ubberley (-10 decrease to 115); Broadway and Longton East (20 increase to 35); Tunstall (20 increase to 60).

In Staffordshire, the remaining four wards with the highest change in the number of youth claimants since March 2020, were Western Springs (Cannock Chase) with a rise of 20 to 40; Spital (Tamworth) with a rise of 20 to 40; Shobnall (East Staffordshire) with a rise of 20 to 55; Huntington & Hatherton (South Staffordshire) with a rise of 20 to 35 total youth claimants.



Staffordshire County Council

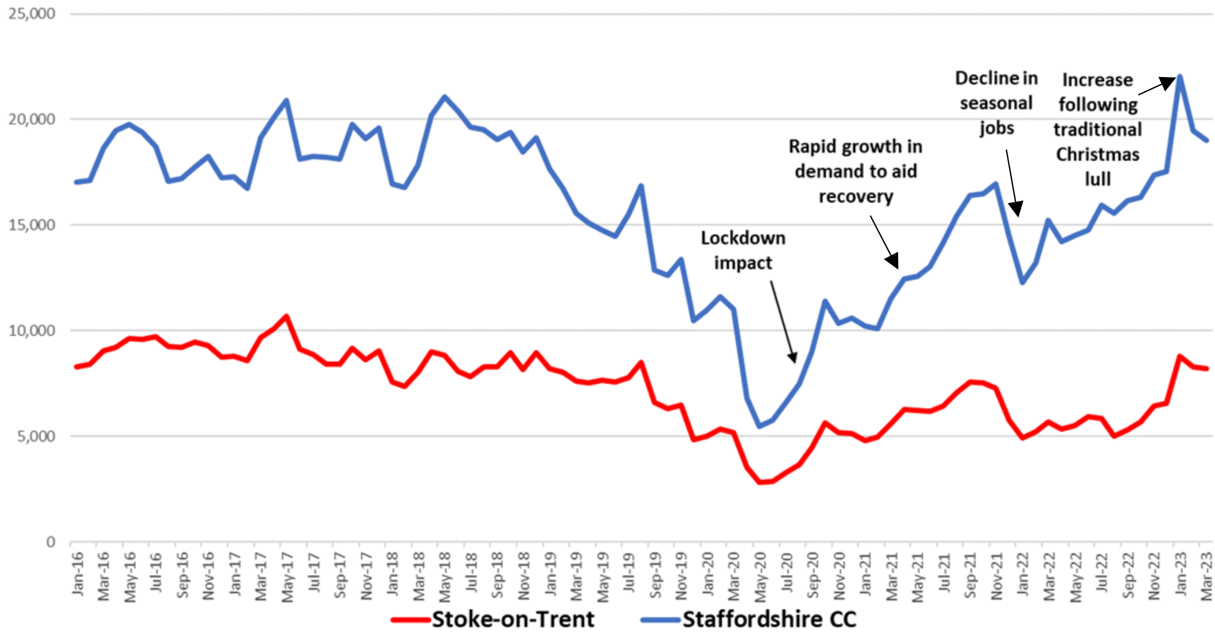
Job Vacancies[3]

- **Staffordshire saw a 2% decrease in the number of available job vacancies between February and March to a total of 19,000, which continues to remain higher than the number of work-related benefit claimants.**

- **Stoke-on-Trent saw a 1% decline in vacancies to a total of 8,200 which is below the number of claimants.**

- As reported in previous briefings, this will be reflective of the comparison with the significant rise in job vacancies seen in January following the seasonal effects 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

- Most occupational groups saw a decrease in vacancies during March, with 'Caring, Leisure and Other Service' (-8%), 'Elementary Occupations' (-8%), and 'Process, Plant and Machine Operatives' (-6%) occupations seeing the largest decreases. Whereas, 'Administrative and Secretarial' (+4%), 'Skilled Trades' (+4%) and 'Sales and Customer Service' (+1%) occupations saw increases.

- The occupations to see the most significant decreases during March include roles in **Health and Social Care (Care Workers and Home Carers; Nurses; Nursing Auxiliaries and Assistants), Logistics (Elementary Storage occupations; Van Drivers; Elementary Process Plant occupations), ICT (IT User Support Technicians; Programmers & Software Development Professionals; IT & Telecommunications occupations) and Hospitality (Chefs).**

Annual Trends in job vacancies

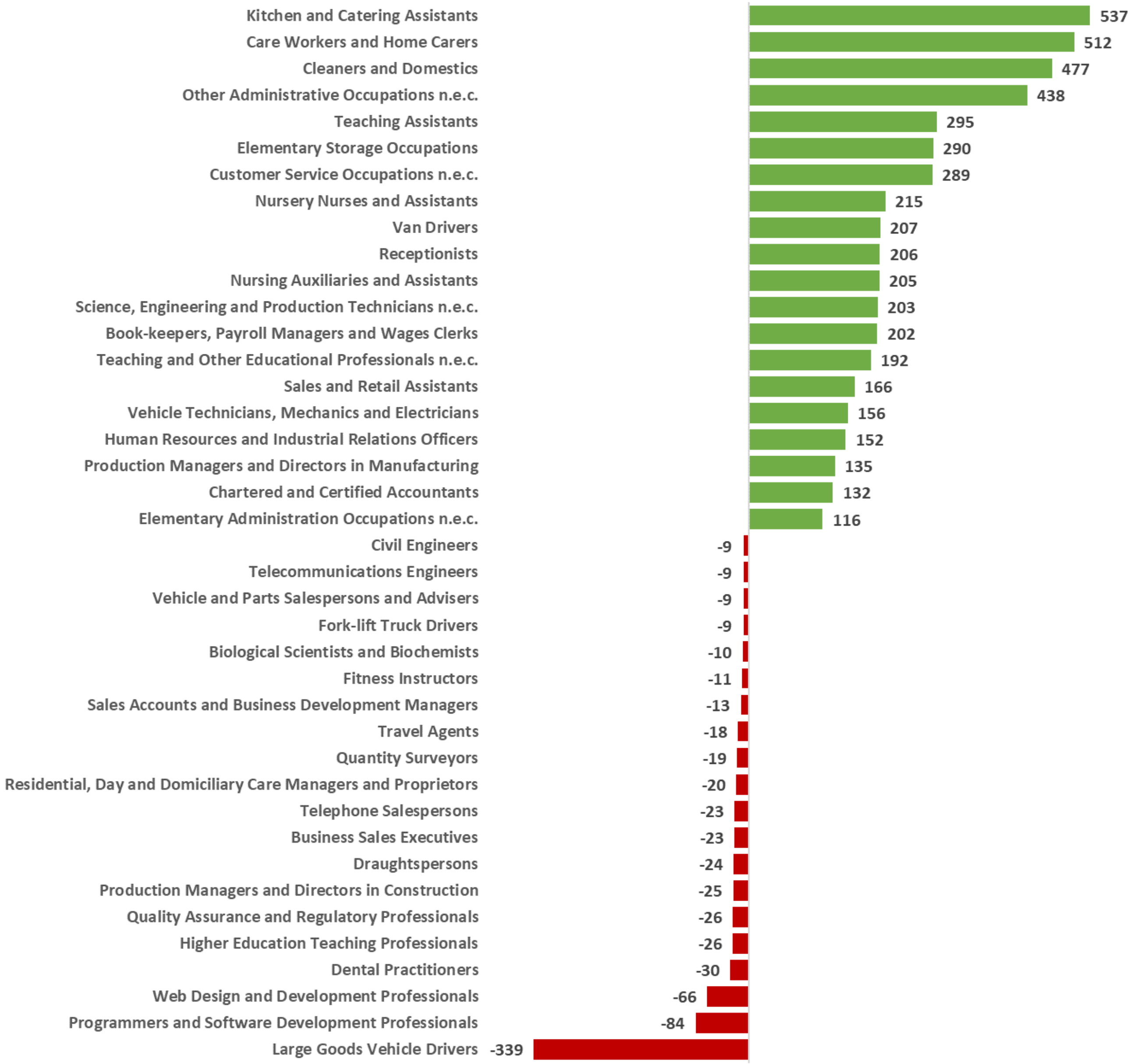
- The occupations to see the largest year-on-year increases include cross sector business roles (Administrative occupations; Sales Related occupations; Bookkeepers, Payroll Managers and Wages Clerks; Chartered & Certified Accountants; Marketing Associate Professionals; Marketing and Sales Directors); Housekeepers & related occupations (Cleaners & Domestics); Hospitality sector (Kitchen and Catering Assistants); Education (Secondary Education Teaching Professionals; Teaching Assistants; Teaching & Other Educational Professionals); Childcare (Nursery Nurses & Assistants); Health and Social Care (Nursing Auxiliaries and Assistants, Care Workers and Home Carers), Logistics (Van Drivers), and Manufacturing (Metal Machining Setters and Setter operators).

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:
  - **Hospitality** (Kitchen and Catering Assistants)
  - **Health and Social Care** (Care Workers and Home Carers; Nursing Auxiliaries and Assistants)
  - **Cross sector business roles** (Administrative occupations; Customer Service occupations; Receptionists; Bookkeepers, Payroll Managers and Wages Clerks; Chartered & Certified Accountants; Human Resources & Industrial Relations Officers)
  - **Education** (Teaching Assistants; Teaching Assistants; Teaching & Other Educational Professionals)
  - **Logistics** (Elementary Storage occupations; Van Drivers)
  - **Childcare** (Nursery Nurses & Assistants)
  - **Manufacturing** (Science, Engineering & Production Technicians; Production Managers & Directors in Manufacturing)
  - **Retail** (Sales & Retail Assistants)

- 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 March 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 continue to remain high with **'Care Workers and Home Carers' being the highest in demand occupations.**

- The following occupations **'Administrative,' 'Sales Related,' 'Nurses' and 'Customer Service' occupations continue to also have strong demand.**

- In the Hospitality sector, **'Kitchen and Catering Assistants' remain the roles most in demand.**

- The Logistics sector continues to have high demand for **'Elementary Storage Occupations' and 'Van Drivers.'**

- In the Education sector there is particularly high demand for **'Teaching Assistants,' 'Secondary Education Teaching Professionals,' 'Teaching and Other Educational Professionals.'**

- In the Manufacturing sector **'Engineering Technicians,' 'Science, Engineering and Production Technicians'** are most in demand.

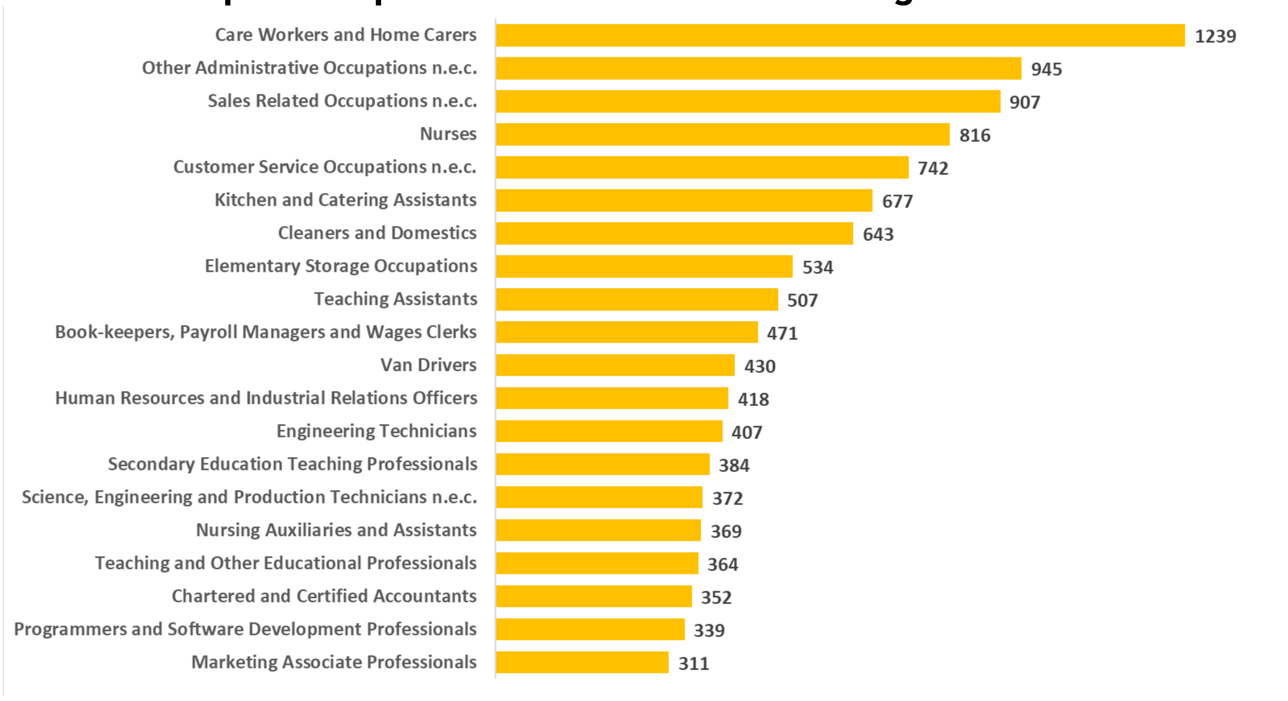
- In Healthcare, there continues to be high demand for **'Nursing Auxiliaries and Assistants.'**

- There is also continuing high demand for **'Cleaners and Domestics.'**

- There is **strong demand for 'Bookkeepers, Payroll Managers and Wages Clerks,' 'Human Resources and Industrial Relations Officers,' 'Chartered and Certified Accountants,' 'Marketing Associate Professionals'** across business sectors to support business in their recovery, survival, and new methods of working.

- There continues to be high demand for digital roles, particularly, **'Programmers and Software Development Professionals.'**

Top 20 occupations in demand in SSLEP during March 2023



- It is in these areas of the economy where job vacancies remain particularly high and where we are hearing the most reports of **labour and skills shortages** with a mismatch of 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. 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 creating over 750 jobs.

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.