Staffordshire & Stoke-on-Trent Economic Bulletin

Issue 33 – May 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 easing and is expected to fall quickly this year. It is **positive news that the UK is expected to avoid a recession this year and the Bank of England is 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 545 to a total of 16,045 claimants**.
- **The claimant rate for Staffordshire increased from 2.9% 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 5.1% and lower than the average for England of 3.9% of the working age population.
- Contributing to this overall increase in claimants this month, the **youth claimant count in Staffordshire saw an increase of 60 to a total of 2,935 young people**. The proportion of young people in Staffordshire aged 18-24 that are claiming work-related Universal Credit has increased this month from 4.6% to 4.7%, although this remains lower than the national rate of 5.0% which increased from 4.9% this month and is far lower than the regional rate of 6.7%.
- These **increases are due to a combination of factors including some businesses becoming insolvent or having to lay off workers due to the challenging economic climate, but also residents including students, carers and some retired people moving from being economically inactive to unemployed and looking for work**.
- This **coincides with a time when some businesses are facing increased cost**

pressures resulting in companies delaying 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, with there currently being 1.1 jobs available for every claimant within the county**, and therefore our focus continues to be to support those that unfortunately find themselves unemployed, to transition into work.

- **The total number of Universal Credit (UC) claimants in Staffordshire is now 33% or 3,995 higher than the level seen in March 2020 (pre-COVID)**, which is now slightly above the 30% 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 April compared to 5.1% regionally and 3.9% nationally.**
- In terms of job vacancies, **Staffordshire saw a 6% decrease in the number of available job vacancies between March and April to a total of 18,200, which continues to remain higher than the number of work-related benefit claimants. Stoke-on-Trent saw a 2% decline in vacancies to a total of 8,200 which is below the number of claimants. Across the region in the last month there was a 6% decrease, whilst nationally there was a 5% decrease.**
- 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.**
- There is also continuing high demand for **'Cleaners and Domestics.'**
- 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.'**
- 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.

- 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 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. The 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**.

- Staffordshire County Council and all eight of the county's district and borough councils came together at the national **UKREiiF conference** under the collective 'We Are Staffordshire' banner. It was a great opportunity to showcase our county's business, economic and educational opportunities and the £160 million of planned investment in our towns, and much more, as part of our clear vision for economic growth.
- **Are you an employer based in Staffordshire looking to recruit and enhance the skill-base of your workforce and become a more attractive employer?** Armed forces personnel, veterans and their families make an enormous contribution to Staffordshire's economy and society. Staffordshire County Council collaborates with many partners to ensure we recognise, promote, and support the entire armed forces community given the unique role they play and some of the challenges they face. Could you take on former service personnel to boost your workforce? Find out about the benefits of supporting our Armed Forces community: **Event: WEDNESDAY 21ST JUNE, 9am-11am, Shire Hall Enterprise Centre, Stafford** Learn about the skills and invaluable contribution former service personnel and their families can bring to businesses in Staffordshire. Learn about the Armed Forces Covenant, how you can sign up and what is involved. For more information about the Armed Forces Covenant - email amanda.dawson-blower@staffordshire.gov.uk.
- **Help steer the workplace skills Staffordshire needs - have your say.** Businesses across the county have the opportunity to play a crucial part in developing a new strategy that will guide the development of people's skills in Staffordshire until 2030. The county council and partners have drafted a **new Employment and Skills Strategy for Staffordshire** and are asking for your thoughts on the draft priorities in a consultation lasting until Friday 2nd June. There's more need than ever to support people of all ages into work, to progress or change career, and to make sure that you as a business can access the skills and talent you need to diversify and grow. It's about ensuring that Staffordshire is a place where everyone can thrive; harnessing and growing the existing skill base to help you and all Staffordshire residents make the best of future opportunities. Do you agree with these priorities?
    - Providing inspirational careers advice
    - Creating an aspirational and active workforce
    - Developing technical skills to drive productivity and growth
    - Support entrepreneurial and innovation skills to help more residents to start-up and grow their business
    - Supporting life-long learning in the workforce to support upskilling, retraining and progression to better jobs
    - Developing the green skills needed to achieve net zero by 2050
    - Developing digital skills and approaches to support all of these priorities.

- It takes just 10 mins to have your say to shape this important strategy before it is finalised. The deadline is midnight on Friday 2nd June. **HAVE YOUR SAY ON SKILLS DEVELOPMENT PLANS IN STAFFORDSHIRE**
- **Fully funded workshops to help local SME businesses understand and integrate digital technologies are now available to book. Keele University** is offering the workshops on 15th and 16th June, which includes hands-on opportunities to equip you with a toolkit of techniques, resources and content bespoke to your business.
    - **Day one**- how to find customers and grow your markets digitally, including creating a digital marketing strategy
    - **Day two** - how to align people, systems, and processes to grow your business, and how to address digital skills needs.

RESERVE YOUR PLACE

National Context

- This month we witnessed the **coronation of King Charles III** with millions celebrating the historic event over the bank holiday and taking part in Big Help Out community events across the UK.
- We also saw the **local elections take place on the 4th May** with the overall results showing the Conservatives lost 1061 councillors and control of 48 councils with Labour gaining 536 councillors and control of 22 councils. The Liberal Democrats gained an additional 405 councillors and control of 12 councils and the Greens gained majority control of 1 council as well as an additional 241 councillors.
- The **economic picture has continued to improve** with inflation easing and the UK economy now expected to avoid recession this year. However, rising interest rates and high food prices continue to impact peoples cost of living and business conditions remain challenging.

Cost of Living Crisis, Inflation, and the War in Ukraine

- Positively, the **rate of inflation has continued to ease** with a drop to 8.7 per cent in the largest recorded fall since the cost-of-living crisis began and now below double digits for the first time since August 2022. This downward trend is expected to continue over the coming months.
- However, to help control inflation the **Bank of England has raised interest rates** to 4.5 per cent and has warned that inflation would be higher this year than it previously anticipated due to being surprised by the rate at which food prices are rising. This is the 12th successive time that interest rates have been raised.
- This further rate rise is a concern for millions of **homeowners facing significant increases in their mortgages**, with the think tank **Resolution Foundation** estimating that annual payments could rise by £2,300 on average or higher if interest rates continue to rise.
- In better news eight million means-tested benefits claimants, including people on Universal Credit, should have received the latest **cost of living support payment** of £301 before the 17 May.
- This further Government support is very much needed at a time when the **Financial Conduct Authority** has stated that nearly 11 million **people are struggling to pay their bills and debts** showing an increase of 3.1 million people in financial difficulties between January and May.
- Similarly, **Which?** has estimated that 700,000 households **missed or defaulted on a rent or mortgage payment** last month, with missed housing payments particularly high among renters affecting one in 20 tenants surveyed. Given that private rents continue to increase at record pace the situation could potentially worsen until overall inflation returns to the Bank of England target of 2 per cent.
- **Food prices continue to increase** despite a drop in wholesale costs. Based on data from the **Office for National Statistics** the inflation rate for food and non-alcoholic

beverages eases slightly to 19.1% in April 2023, compared with 19.2% in March 2023. The **British Retail Consortium** has said the cost of a food shop "should start" to come down in the next few months.

- This continuing rise in food prices alongside other cost pressures has seen a **record number of people relying on food donations.** The **Trussell Trust** said almost three million had been distributed 37 per cent more than the previous year - with 1.1 million of them provided for children.
- **More than half a million people visited community warm rooms during the winter**, according to a survey by the **Warm Welcome campaign**, a UK-wide network of over 4,200 warm spaces. The survey found the greatest impact of warm rooms was in providing a sense of community and tackling loneliness in a safe and welcoming space, including positive improvements in frequent visitors mental health, social wellbeing, and sense of purpose.
- There is positive news regarding energy bills with Ofgem announcing that the **energy price cap** will fall to £2,074 a year for the typical household from July.
- Given that **energy price inflation continues to ease** it is hoped that the need for warm spaces will be reduced this winter. The Office for National Statistics latest data shows that gas price inflation eases to 36.2% in the year to April 2023, while electricity price inflation eases to 17.3% over the same period.
- There is positive news for those needing to use road transport with the **price of motor fuel falling** by 8.9% in the year to April 2023, this compared with a fall of 5.9% in the year to March 2023, and follows eight months in a row of slowing inflation, from a peak of 43.7% in July 2022. Although global oil prices are on the rise again after the OPEC oil producing countries announced they would be making cuts to output.
- While **Citizens Advice** has found that **as many as one million people in the UK may have stopped their broadband due to the cost-of-living crisis**. The charity has accused internet providers of "pricing out" customers, warning that those on universal credit were six times more likely to have cut off their internet services in the last 12 months, compared with those who had not received the benefit.
- As well as continuing cost pressures, the **real value of pay continues to fall**.
- **Total pay (including bonuses) was 5.8% and growth in regular pay (excluding bonuses) was 6.7% among employees in January to March 2023**. Average regular pay growth for the private sector was 7.0% and for the public sector was 5.6% in January to March 2023.
- However, after adjusting for inflation, **real terms total pay fell by 3.0% and by 2.0% for regular pay.**

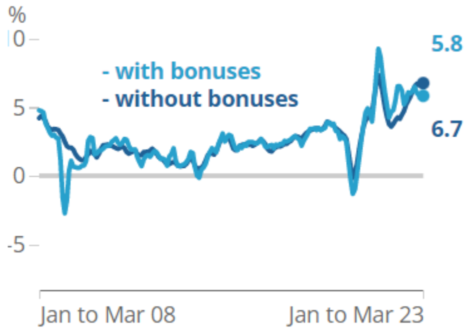
Nominal Earnings

Average Weekly Earnings annual growth rates - nominal pay

For regular pay this remains amongst the highest growth rates seen outside of the coronavirus (COVID-19) pandemic period.

Source: MWSS from ONS

Read more



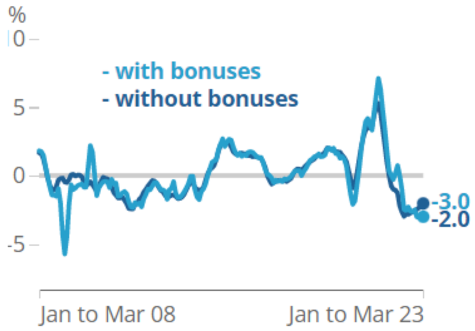
Real Earnings

Average Weekly Earnings annual growth rates - real pay

Inflation has been increasing, causing real pay growth rates to decrease.

Source: MWSS from ONS

Read more



- While the cost-of-living crisis continues there are also **ongoing strikes for teachers, passport workers, junior doctors, nurses, airport workers, train and tube drivers, university staff and civil servants.** There were 556,000 working days lost to labour disputes in March 2023, up from 332,000 in February 2023.
- There was some good news with the majority of NHS workers accepting a pay deal from Government including a rise of at least 5 per cent and a lump sum bonus this summer.

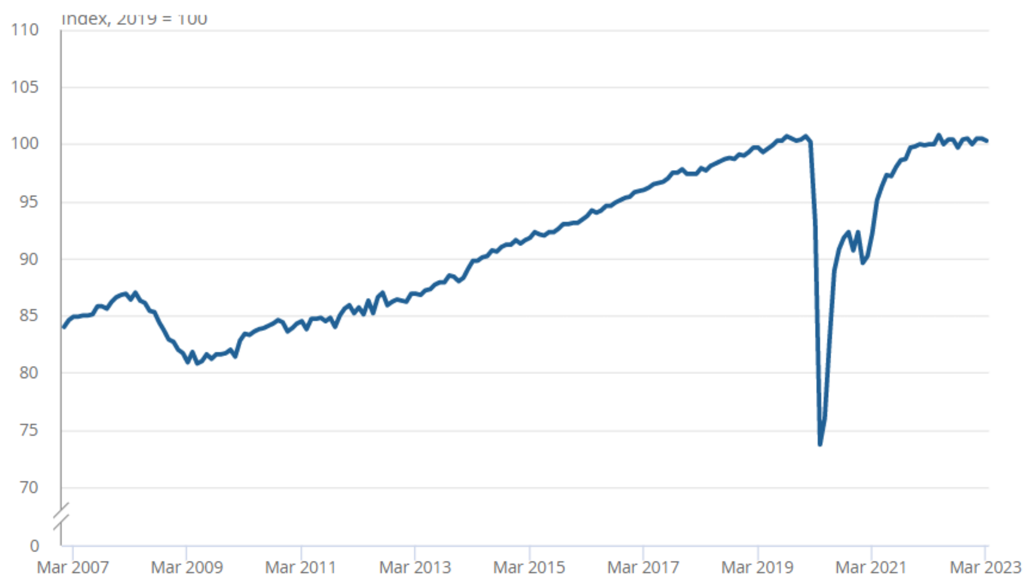
Economy

- Following the positive news last month that the economy performed better towards the end of last year than previously estimated, there is further good news in that the **UK economy is no longer predicted to be heading for recession this year**.
- The **International Monetary Fund (IMF)** now forecast the country's gross domestic product to grow by 0.4 per cent this year, up from its April estimate of a 0.3 per cent contraction, with growth helped by "resilient demand" and falling energy prices. But warned that tax cuts could still fuel inflation and result in a long period of high interest rates. The IMF still expect the economy to grow at the same modest pace of 1% in 2024 (no longer bottom of the G7 or G20 league tables), before rising to 2% in 2025 and 2026. While inflation is expected to fall back to 5% by the end of the year and below 2% by the summer of 2024, mainly in response to falling energy prices.
- Similarly, the **Bank of England** also now forecasts **no recession this year, upgrading its economic growth forecasts by more than any of its previous reports.** This is a dramatic change from only a few months ago, when it was predicting the longest-lived recession in modern British history. However, it still only results in relatively lacklustre economic growth this year and next. The Bank is now

forecasting that inflation will be around 5% at the end of this year, rather than the 4% level it previously forecast.

- Looking at the latest GDP data from the ONS, the **UK economy saw weak growth of only 0.1 per cent in the first three months of the year and shrank during March as the economy was affected by strike action.**
- **Monthly GDP is estimated to have fallen by 0.3% in March 2023**, after showing no growth in February 2023.
- The **services sector** fell by 0.5% in March 2023, after a fall of 0.1% in February 2023, and was the main contributor to the fall in monthly GDP.
- Output in **consumer facing services** fell by 0.8% in March 2023, after growth of 0.4% in February.
- **Production** output grew by 0.7% in March 2023, which was its strongest monthly growth since May 2021, following a fall of 0.1% in February 2023.
- The **construction** sector grew by 0.2% in March 2023 after growth of 2.6% in February 2023.

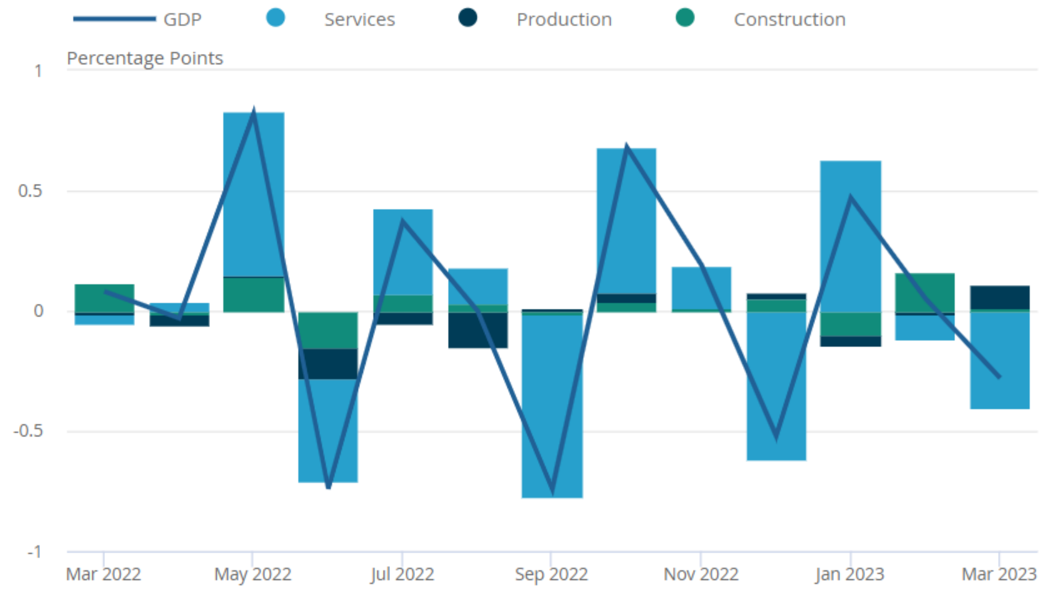
GDP Monthly index, January 2007 to March 2023, UK



Source: GDP monthly estimate from the Office for National Statistics

Figure 2: A fall in services was slightly offset by growths in both production and construction

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

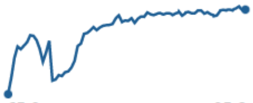


Source: GDP monthly estimate from the Office for National Statistics

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.**
- The following charts show the latest results from Wave 82 of the **Business Insights and Conditions Survey (BICS)**, which was live from 2nd to 14th May 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	0.1▲	1.7▲	 65.9 15/06/2020 — 95.2 14/05/2023
Trading status Temporarily closed or paused trading Units	-0.1▼	-1.2▼	 33.4 15/06/2020 — 3.1 14/05/2023
Prices Prices bought increased Units	-2.4▼	-12.8▼	 16.3 01/06/2020 — 35.4 30/04/2023
Prices Prices sold increased Units	-0.2▼	-7.0▼	 4.9 01/06/2020 — 16.2 30/04/2023
Financial performance Turnover increased Units	-3.6▼	2.4▲	 13.6 01/03/2022 — 15.8 30/04/2023
Financial performance Turnover stayed the same Units	-2.7▼	-2.4▼	 54.6 01/03/2022 — 50.1 30/04/2023
Financial performance Turnover decreased Units	6.4▲	2.1▲	 19.9 01/03/2022 — 25.5 30/04/2023

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

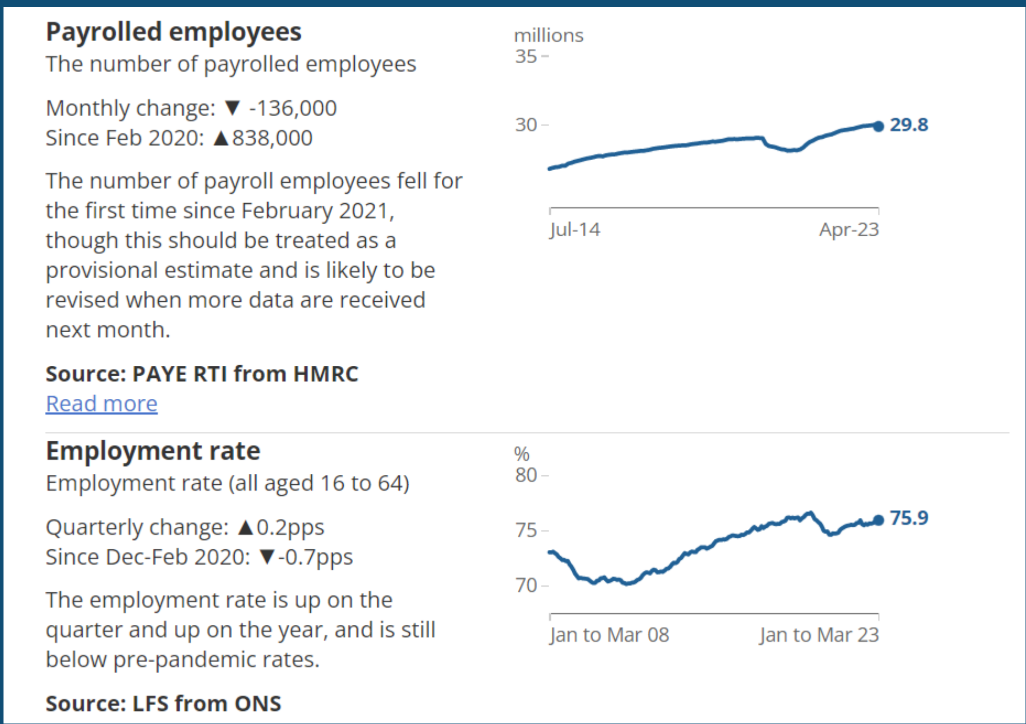
- More than a quarter (26%) of businesses reported their **turnover** was lower in April 2023 compared with the previous month, up from 19% in March 2023; in comparison 16% reported their turnover was higher in April 2023, down from 19% in March 2023.
- When asked in early May 2023, more than one in five (21%) trading businesses **expect turnover to increase** in June 2023, up from 19% for expectations for May 2023.
- More than a third (35%) of trading businesses reported an **increase in the prices of goods or services bought** in April 2023 compared with March 2023; down from

38% when comparing March with February 2023.

- When looking ahead, 18% of trading businesses **expect to raise the prices of goods or services they sell** in June 2023, down from 23% for May 2023.
- More than one in six (17%) trading businesses reported their **overall performance** increased in April 2023 compared with the same calendar month last year, down 2 percentage points from March 2023 compared with March 2022.

Labour Market

- Positively, there continue to be **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.
- The following charts shows the latest **labour market position** and the latest Office for National Statistics data for January 2023 to March 2023:



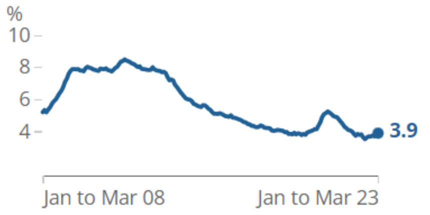
Unemployment rate

Unemployment rate (all aged 16+)

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

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

Source: LFS from ONS
Read more



Inactivity rate

Economic inactivity rate (all aged 16 to 64)

Quarterly change: ▼-0.4pps
Since Dec-Feb 2020: ▲0.8pps

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

Source: LFS from ONS

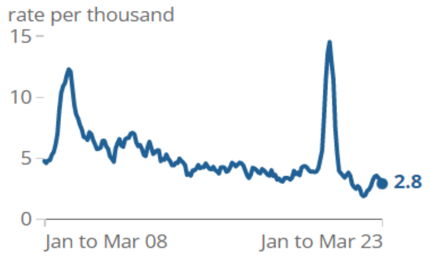
Redundancy rate

Redundancy rate (per 1000 employees)

Quarterly change: ▼-0.7 people per thousand
Since Dec-Feb 2020: ▼-1.0 people per thousand

The redundancy rate decreased on the quarter.

Source: LFS from ONS
Read more



Hours worked

Total actual weekly hours worked

Quarterly change: ▲16.3 million
Since Dec-Feb 2020: ▼-0.2 million

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

Source: LFS from ONS
Read more

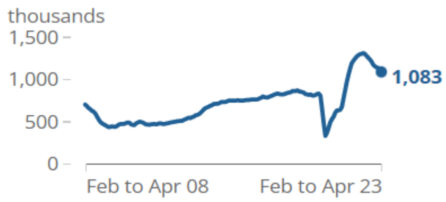
Job vacancies

Number of job vacancies

Quarterly change: ▼-55,000
Since Jan-Mar 2020: ▲282,000

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

Source: Vacancy Survey from ONS



- The UK **employment rate** was estimated at 75.9% in January to March 2023, 0.2 percentage points higher than October to December 2022. The increase in employment over the latest three-month period was driven by part-time employees and self-employed workers. **Employment remains 78,000 below pre-pandemic levels.**
- The more timely estimate of **payrolled employees** for April 2023 shows a monthly

decrease, down 136,000 on the revised March 2023 figures, to 29.8 million. This is the first fall in total payrolled employees since February 2021, though this should be treated as a provisional estimate and is likely to be revised when more data are received next month.

- The **unemployment rate** for January to March 2023 increased by 0.1 percentage points on the quarter to 3.9%. The increase in unemployment was largely driven by people unemployed for over 12 months. **Unemployment is 35,000 down on pre-pandemic levels.**
- The **economic inactivity rate** decreased by 0.4 percentage points on the quarter, to 21.0% in January to March 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 those inactive because they are students or inactive for other reasons. Meanwhile, those inactive because of long-term sickness increased to a record high, with more than two and a half million are not working due to health problems. **Those economically inactive are 361,000 above pre-pandemic levels.**
- **Flows estimates** show that, between October to December 2022 and January to March 2023, there has been a record high net flow out of economic inactivity. This was driven by people moving from economic inactivity to employment.
- In February to April 2023, the estimated number of **vacancies** fell by 55,000 on the quarter to 1,083,000. Vacancies fell on the quarter for the 10th consecutive period and reflect uncertainty across industries, as survey respondents continue to cite economic pressures as a factor in holding back on recruitment.
- ONS data shows that the number of **working days lost to sickness** in the UK hit a record high last year, with minor illnesses were the main reason for people to take sickness absence, although COVID-19 was still a big factor.
- The **public sector has experienced significant ongoing recruitment issues,** with around two-thirds of education employers said that they were struggling to fill vacancies while 55 per cent of healthcare employers also experienced issues last year. A report by the **Chartered Institute of Personnel and Development** found that there were challenges recruiting new teachers and nurses.
- **Schools are trying to recruit former soldiers to the classroom to fill gaps left by teacher shortages**. The Government is on course to recruit fewer than half of the secondary trainees required for the next academic year, according to forecasts by the **National Foundation for Educational Research**.
- The **UK's reliance on foreign nurses has reached "unsustainable" levels**, the Government has been warned as new analysis reveals that international recruits has accounted for two thirds of the rise in numbers since 2019. The Government pledged to recruit 50,000 extra nurses for England by the end of March 2024 and although it is expected to reach that goal, analysis by the **Nuffield Trust** underlines the extent to which it has used international recruitment to do so.
- Due to nursing shortages **nurses in parts of England are being offered starting**

bonuses of up to £4,500 to work in hard to fill NHS jobs. NHS trusts needing to fill posts have launched schemes to attract and retain recruits.

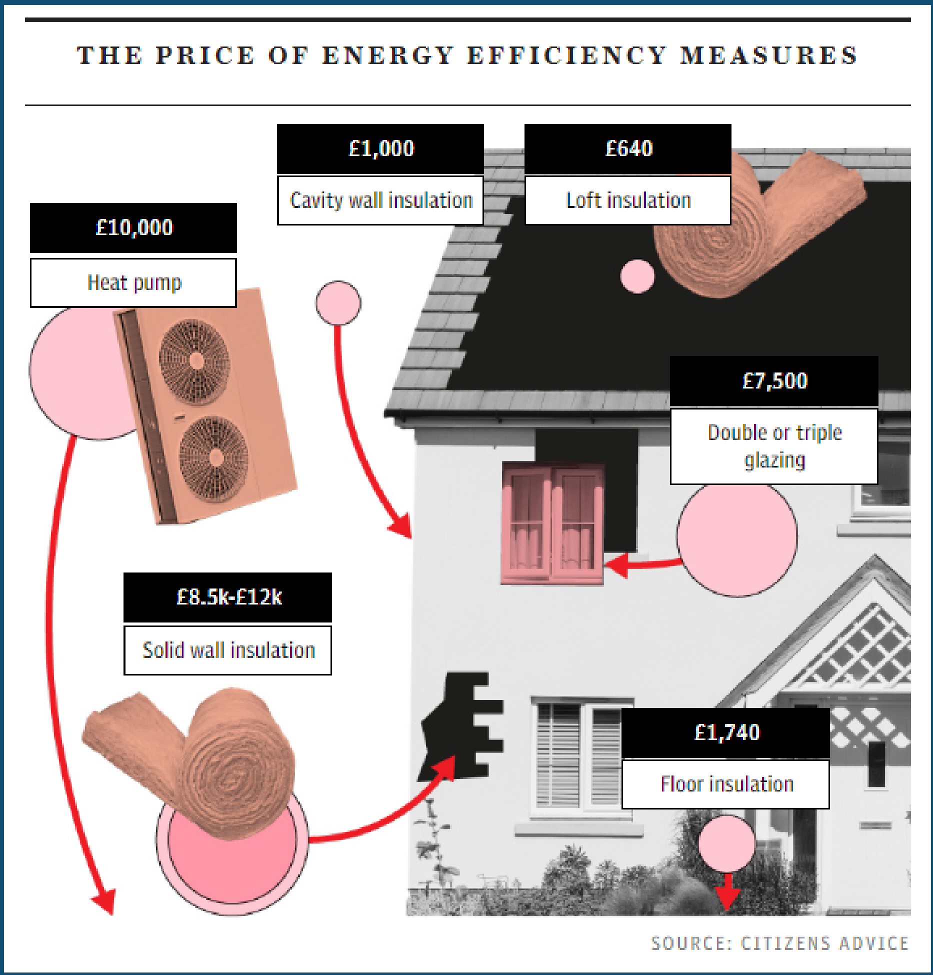
- **Healthcare leaders are warning ministers must set out how to recruit and retain thousands more mental health nurses to plug the profession's biggest staff shortage.** Research by the **NHS Confederation's mental health network** shows mental health nurses account for nearly a third of all nursing vacancies across England.
- The **first UK council trial of four-day week is set to be extended,** South Cambridgeshire District Council has found that the trial was overwhelmingly positive for staff health and wellbeing without affecting performance with improved productivity. Around 450 mainly desk-based employees of South Cambridgeshire District Council embarked on the three-month pilot in January. The district council has also agreed to test a 32-hour working week for 150 refuse loaders and drivers this summer. It follows successful experiments with reduced working hours with office- and laptop-based staff. Workers who investigate fly-tipping, undertake dredging and are council caretakers will also try the new working arrangement.

Green Economy

- The **World Meteorological Organisation** has estimated that **the likelihood of Earth passing the 1.5C global warning threshold between now and 2027, a figure symbolic of global climate change negotiations, is now 66 per cent**. Countries agreed "pursue efforts" to limit global temperature rises to 1.5C under the 2015 Paris agreement.
- Domestically research from **Imperial College London** has shown that **wind is now the main source of UK electricity for the first time**, with a third of the country's electricity came from wind farms in the first three months of the year. National Grid has also confirmed that April saw a record period of solar energy generation.
- **Under the Government's net zero plans household energy bills may rise by nearly £120 a year to fund the development of hydrogen gas**. The low-carbon hydrogen production scheme is expected to cost £3.5 billion a year between 2030 and 2040, the costs for which could be added on to household bills from 2025 on top of subsidies for other green energy such as wind farms, under provisions in the new Energy Bill.
- The **number of car chargers offering free electricity has fallen** from 5,715 a year ago to 3,568, a drop of almost 40 per cent. The figures, from **Zap Map**, have shown that free public charging points are increasingly expensive to run due to rising inflation.
- This comes as **ministers are being urges to speed up electric vehicle chargers, with the Government is likely to miss its target for adding high-speed electric vehicle chargers at motorway services.** In March last year the Department for Transport pledged to "ensure that every motorway service area has at least six rapid chargers by the end of 2023", but new analysis by the **RAC** shows only 27 out of 119

motorway services in England meet the requirement.

- **Citizens Advice** has warned that **retrofit costs will be unmanageable for most homeowners**. The average cost of measures such as loft insulation and heat pumps will be just under £15,000 per household, a figure it says is out of reach for most households.



- A review of **heat pumps** has been launched over concerns they might be too noisy. The **Department for Environment, Food and Rural Affairs** has raised concerns about the noise impact for communities.
- The **Government's flagship energy efficiency saving scheme supported the insulation of 60,000 homes, down from almost half a million in 2013**, according to analysis by the **LGA**. Councils are now calling for a new approach to insulating homes, with failure to match 2013 levels in the following years costing households £2 billion in lost lifetime bill savings. Linda Taylor, environment spokesperson for the LGA, said: "National climate action is essential. But the complexity of supporting retrofitting in our 51 cities, 935 towns and 6,000 villages cannot be managed from a Whitehall desk, and the national schemes are struggling. It is now time to shift to a locally led approach, which would mean councils can target the homes that need the support most, while working with local businesses to build skills and growth."

Conclusion

- In conclusion, although we remain in challenging times with the **economy shrinking** as businesses and communities both locally and nationally continue to feel the **impact of the energy and cost-of-living crisis**, we are seeing some **signs of improvement** with inflation slowly easing and the economy expected to perform better this year than previously forecast.
- 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 more young people in particular 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 April 2023, which show the number of new companies and individuals who are unable to pay debts and enter a formal insolvency procedure.

Company Insolvencies

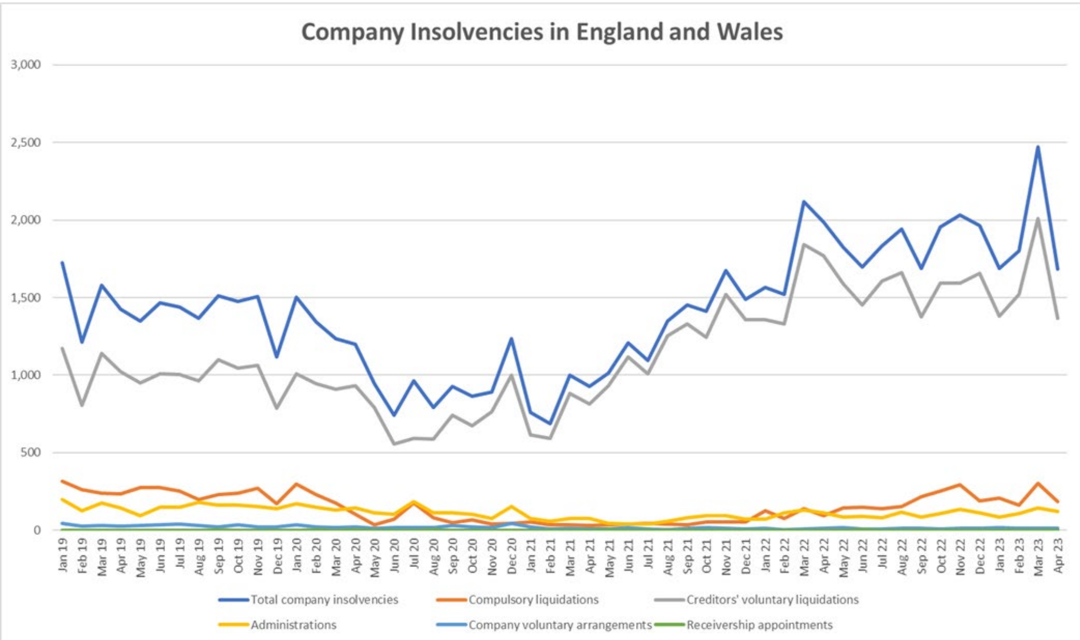
In April 2023 there were a total of 1,685 company insolvencies in England and Wales.

The overall number of **company insolvencies however are 15% lower than the number registered in the previous year (1,988 in April 2022), but 41% higher than the number registered three years previously: 1,199 in April 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 183 compulsory liquidations in April 2023, which is almost double the number in April 2022, and 83% higher than in April 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 April 2023 there were 1,368 Creditors' Voluntary Liquidations (CVLs), however this is 23% lower than in April 2022, but 47% higher than April 2020. Numbers of administrations have now fallen below pandemic levels and are 15% lower than April 2020, and Company Voluntary Arrangements (CVAs) remain lower than pandemic levels at 43% lower than April 2020 levels.

Company insolvencies between May 2022 and April 2023 are 26% higher compared to a year earlier, representing 4,700 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, April 2023 GOV.UK (www.gov.uk)

The sectors to have seen the largest number of company insolvencies between April 2022 and March 2023 continue to be the Construction sector (4,184), Wholesale & Retail sector (3,533) and Accommodation & Food Service sector (2,958). Levels exceed those seen for the same period the previous year with the Construction sector 30% higher, Wholesale & retail sector 68% higher, and Accommodation & Food Service sector 50% higher than levels seen a year earlier. This can be attributed to higher commodity costs, higher energy costs, lower consumer confidence/demand and the longer-term impact of the pandemic along with the higher cost of living impact and inflation increases.

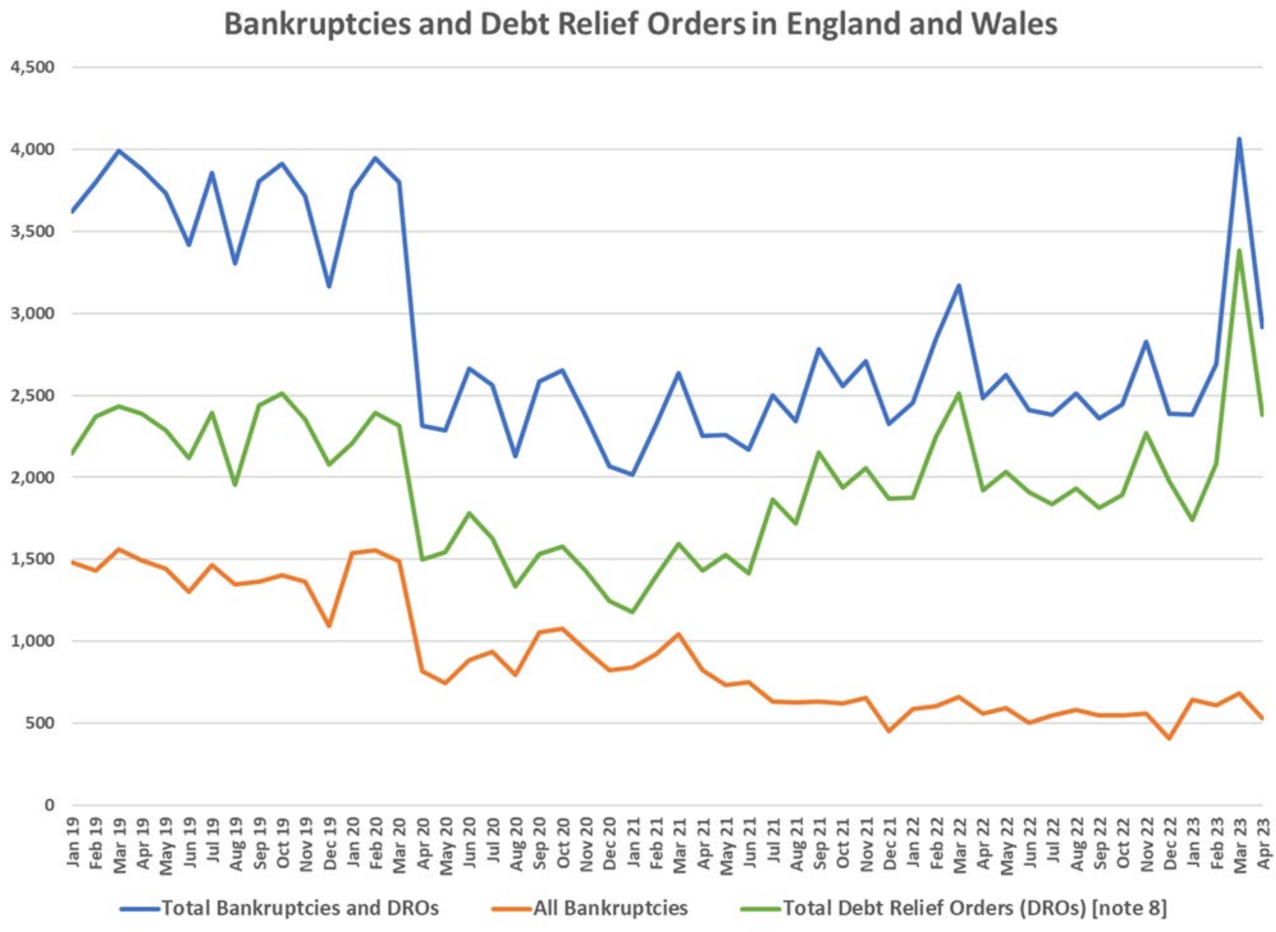
Individual Insolvencies

For individuals, **531 bankruptcies were registered in April 2023**, which was 5% lower than in April 2022, and 35% lower than in April 2020.

There were **2,384 Debt Relief Orders (DROs)** in April 2023, which was 24% higher than in April 2022, and 59% higher than in April 2020.

There were, on average, **6,336 Individual Voluntary Arrangements (IVAs)** registered per month in the three-month period ending April 2023, which is 16% lower than the three-month period ending April 2022, but 13% higher than the three-month period ending April 2020.

Total Bankruptcies and DROs between May 2022 and April 2023 are 5% higher than the same period a year earlier, representing an increase of 1,407.



Sources: Insolvency Service

There were 6,613 Breathing Space registrations in April 2023, which is 23% higher than the number registered in April 2022. 6,485 were Standard Breathing Space registrations, which is 23% higher than in April 2022, and 128 were Mental Health Breathing Space registrations, which is 21% higher than the number in April 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 and debt relief orders are now falling more in line with 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: April 2023

Area	Claimant Count Rate (April 2022)	Claimant Count Rate (March 2023)	Claimant Count Rate[1] (April 2023)	Number of Claimants (April 2023)	Monthly Change in Claimants (Numbers)	Monthly Change in Claimants (%)	Change in Claimants since March 2020 (Numbers)	Change in Claimants since March 2020 (%)
England	3.9	3.8	3.9	1,379,705	36,060	2.7%	316,200	29.7%
West Midlands	5.0	4.9	5.1	187,025	6,390	3.5%	42,675	29.6%
SSLEP	3.5	3.5	3.6	25,255	855	3.5%	5,885	30.4%
Birmingham	8.7	8.4	8.7	64,155	2,390	3.9%	14,785	29.9%
Wolverhampton	7.6	7.7	7.9	13,065	425	3.4%	2,685	25.9%
Sandwell	6.5	6.3	6.5	14,145	540	4.0%	3,365	31.2%
Coventry	5.4	5.6	5.9	13,265	625	4.9%	5,265	65.8%
Walsall	5.9	5.6	5.9	10,215	415	4.2%	1,610	18.7%
Stoke-on-Trent	5.7	5.5	5.7	9,210	310	3.5%	1,890	25.8%
Dudley	5.1	4.7	4.9	9,660	425	4.6%	1,145	13.4%
Telford and Wrekin	3.7	3.4	3.5	4,095	160	4.1%	665	19.4%
Solihull	3.6	3.3	3.3	4,315	105	2.5%	665	18.2%
Worcestershire	3.2	3.1	3.1	11,265	60	0.5%	2,960	35.6%
Staffordshire	2.9	2.9	3.0	16,045	545	3.5%	3,995	33.2%
Warwickshire	2.8	2.7	2.8	10,210	290	2.9%	2,380	30.4%
Herefordshire, County of	2.5	2.5	2.5	2,765	65	2.4%	655	31.0%
Shropshire	2.5	2.4	2.4	4,615	40	0.9%	605	15.1%
Tamworth	3.6	3.6	3.8	1,835	70	4.0%	345	23.2%
Cannock Chase	3.3	3.5	3.6	2,280	100	4.6%	625	37.8%
East Staffordshire	3.1	3.2	3.5	2,710	235	9.5%	990	57.6%
Newcastle-under-Lyme	3.2	3.1	3.2	2,450	55	2.3%	470	23.7%
South Staffordshire	2.8	2.8	2.9	1,880	50	2.7%	570	43.5%
Lichfield	2.5	2.5	2.6	1,615	55	3.5%	295	22.3%
Stafford	2.5	2.6	2.6	2,135	25	1.2%	480	29.0%
Staffordshire Moorlands	2.1	2.1	2.0	1,140	-40	-3.4%	220	23.9%

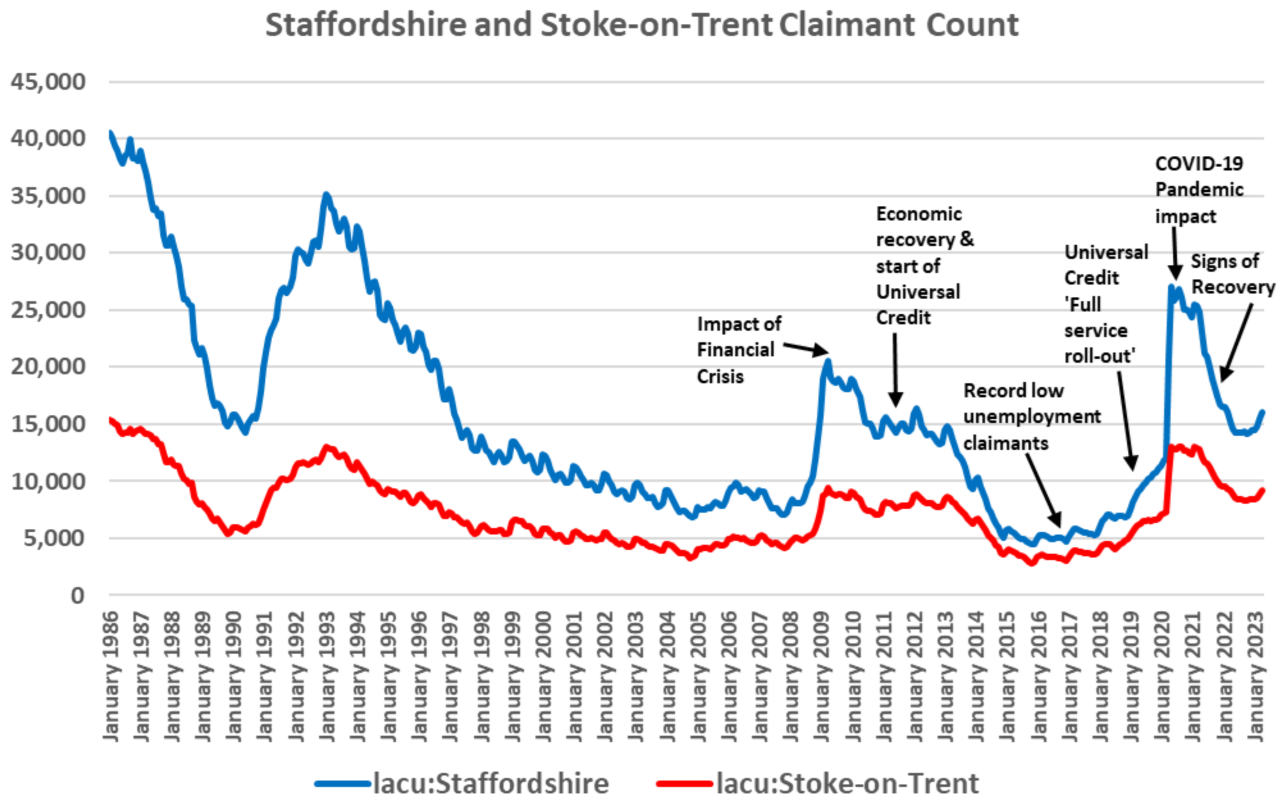
[1] The claimant rate is the proportion of the working age population claiming Universal Credit

- The claimant count in Staffordshire saw an **increase of 545 claimants** over the last month, with the **total number of claimants in the county now standing at 16,045**.
- Over the last month, the **claimant rate for Staffordshire increased from 2.9% to 3%.**
- 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 5.1%, and lower than the average for England at 3.9%** of the working age population.
- Stoke-on-Trent saw an **increase of 310 claimants** over the same period with **a total of 9,210 claimants in April**, with the **rate increasing from 5.5% to 5.7%.**
- These increases are in part due to **a combination of factors including some businesses becoming insolvent or having to lay off workers due to the challenging economic climate, but also residents including students, carers and some retired people moving from being economically inactive to unemployed and looking for work. This coincides with a time when some businesses are facing increased cost pressures resulting in companies delaying the recruitment of new staff.** This in turn means 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 with there currently being 1.1 jobs for every claimant within the county.** 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 33% or 3,995 higher than the level seen in March 2020 (pre-COVID)**, which is now slightly above the 30% increase seen nationally and in the region.



- 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 April compared to 5.1% regionally and 3.9% nationally. In Stoke-on-Trent, the Claimant Count remains above both the regional and national averages at 5.7%.**

- This month saw an increase in the claimant count across the county in all the districts in Staffordshire except Staffordshire Moorlands which saw a decrease of 40 claimants.

- East Staffordshire and Newcastle-under-Lyme have the highest number of claimants with 2,710 and 2,450 respectively, whilst Staffordshire Moorlands has the lowest number at 1,140. Tamworth and Cannock Chase have the highest claimant rates of the districts at 3.8% and 3.6% respectively, 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 60 to a total of 2,935 young people**.

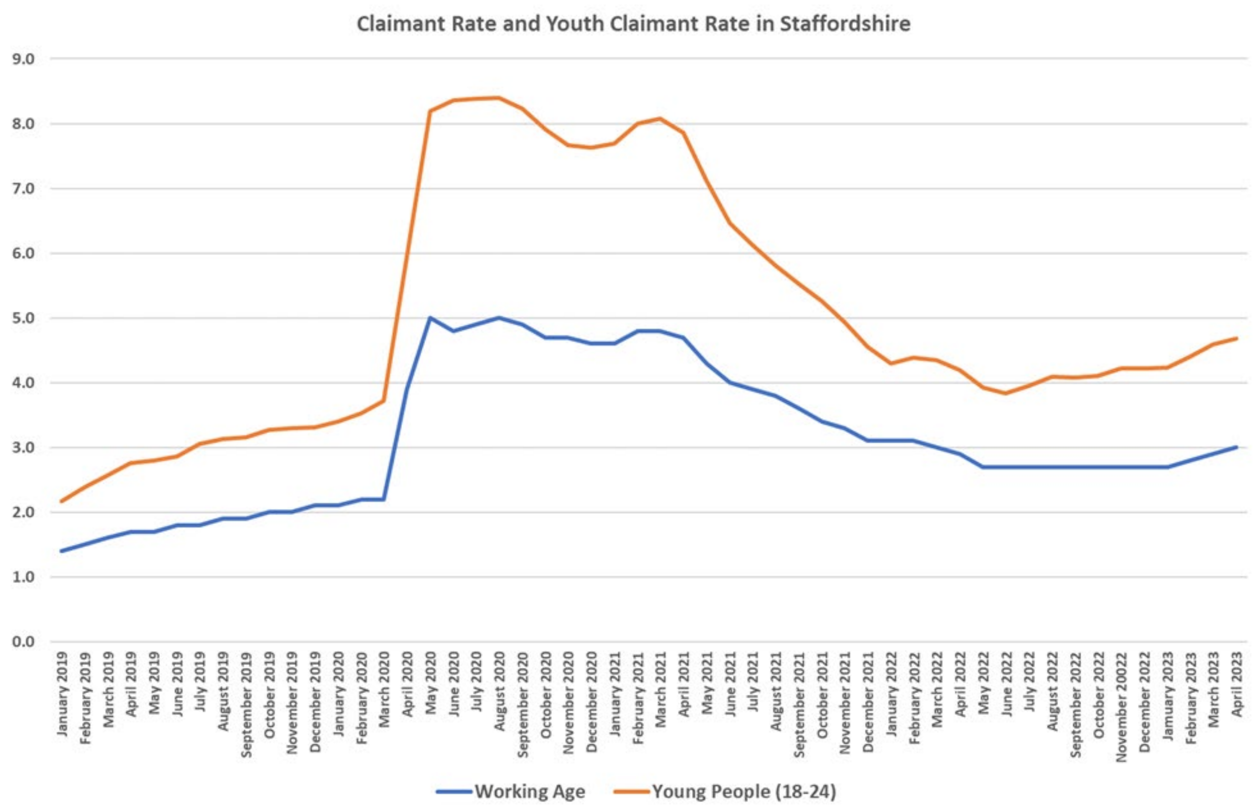
- **The proportion of young people in Staffordshire aged 18-24 that are claiming work-related Universal Credit has increased this month from 4.6% to 4.7%,** although this remains lower than the national rate of 5% which increased from 4.9% this month, and far lower than the regional rate of 6.7%

- In April, **Stoke-on-Trent saw an increase of 30 claimants to a total of 1,730 with the rate increasing from 7.5% to 7.6%.**

Youth Claimant Count (Universal Credit) Statistics: April 2023

Area	Youth Claimant Count Rate (Apr 2022)	Youth Claimant Count Rate (Mar 2023)	Youth Claimant Count Rate[1] (Apr 2023)	Number of Youth Claimants (Apr 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	4.7	4.9	5.0	232,755	2,070	0.9%	35,025	18%
West Midlands	6.1	6.6	6.7	33,595	555	1.7%	5,690	20%
SSLEP	5.0	5.4	5.5	4,665	90	2.0%	845	22%
Wolverhampton	9.2	10.6	10.8	2,310	40	1.8%	400	21%
Sandwell	8.5	9.0	9.2	2,615	50	1.9%	500	24%
Birmingham	8.2	8.6	8.7	11,360	170	1.5%	2,255	25%
Walsall	8.4	8.8	9.1	2,050	70	3.5%	135	7%
Dudley	7.2	7.5	7.6	1,790	10	0.6%	40	2%
Stoke-on-Trent	7.1	7.5	7.6	1,730	30	1.8%	325	23%
Telford and Wrekin	5.6	5.6	5.7	845	15	1.8%	85	11%
Solihull	5.7	5.2	5.3	800	15	1.9%	-25	-3%
Coventry	4.6	5.0	5.1	2,205	40	1.8%	670	44%
Worcestershire	4.3	4.7	4.7	1,975	-5	-0.3%	380	24%
Staffordshire	4.2	4.6	4.7	2,935	60	2.1%	520	22%
Herefordshire, County of	3.4	4.0	4.2	490	20	4.3%	75	18%
Warwickshire	3.5	3.8	3.9	1,730	35	2.1%	395	30%
Shropshire	3.0	3.5	3.5	760	0	0.0%	-65	-8%
Tamworth	5.9	6.5	6.5	370	0	0.0%	75	25%
Cannock Chase	5.9	6.3	6.4	455	10	2.2%	90	25%
South Staffordshire	4.4	4.9	5.1	380	15	4.1%	130	52%
East Staffordshire	4.0	4.9	5.1	460	25	5.7%	140	44%
Stafford	4.0	4.3	4.2	360	-10	-2.7%	45	14%
Newcastle-under-Lyme	3.6	3.9	4.0	470	5	1.1%	45	11%
Lichfield	3.9	3.8	3.8	270	0	0.0%	0	0%
Staffordshire Moorlands	2.5	2.6	2.7	160	5	3.2%	-15	-9%

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



- This month has seen an increase in the youth claimant count across the county in all the districts in Staffordshire except Stafford which saw a decrease of 10 youth claimants whilst Lichfield and Tamworth saw no change.

- Tamworth and Cannock Chase continue to have the highest rate at 6.5% and 6.4% respectively, whilst Staffordshire Moorlands has the lowest rate at 2.7%. Newcastle-under-Lyme has the highest number of youth claimants at 470 whilst Staffordshire Moorlands has the lowest number of youth claimants at 160.

- 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

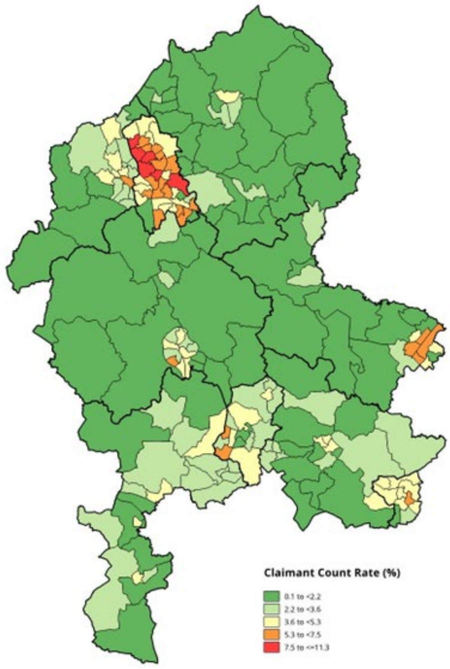
The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

Claimant Count Rate April 2023

Of the 201 wards in Staffordshire & Stoke-on-Trent, 62 were above the England average of 3.9% 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: 11.3%/515; Moorcroft: 9.2%/340; Etruria and Hanley: 9.1%/490 total claimants.

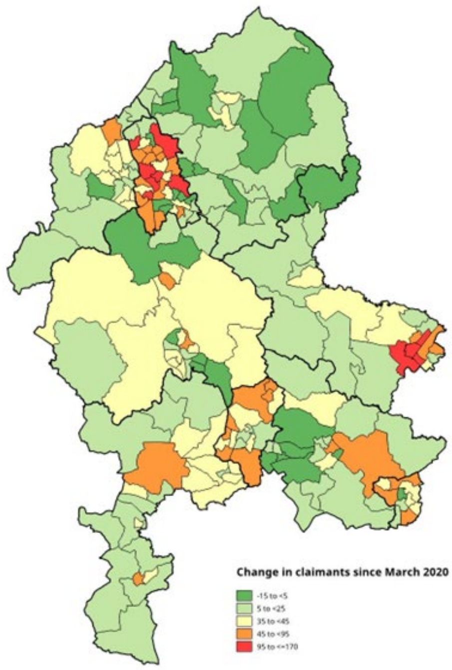
In Staffordshire, the four wards with the highest claimant count rates were Burton (East Staffordshire) 7.3%/220 total claimants; Shobnall (East Staffordshire): 7.0%/380; Anglesey (East Staffordshire): 6.6%/355; Eton Park (East Staffordshire): 6.3%/305.



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 (150 increase to 335); Joiner's Square (140 increase to 515); Etruria and Hanley (135 increase to 490); Tunstall (125 increase to 375); Bentilee and Ubberley (120 increase to 520); Boothen and Oak Hill (105 increase to 290); Baddeley, Milton and Norton (105 increase to 435).

Of the remaining three wards in the top ten, all were in East Staffordshire including Shobnall with a 170 increase to 380 claimants; Anglesey with a 165 increase to 355 claimants; Eton Park with a 125 increase to 305 claimants.



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

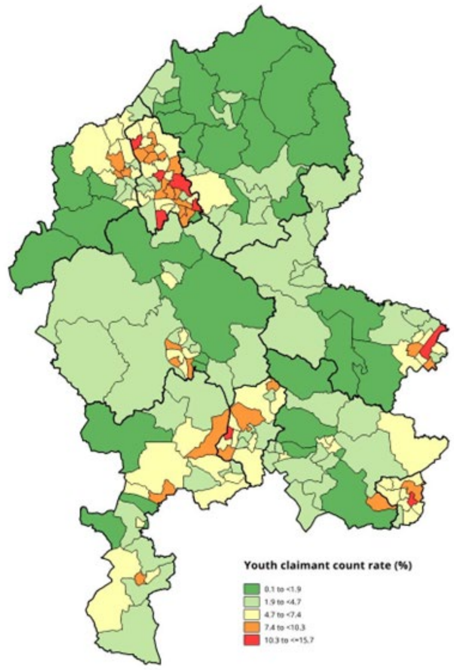
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

Youth Claimant Count Rate April 2023

Of the 201 wards in Staffordshire & Stoke-on-Trent, 90 wards 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, seven were in Stoke-on-Trent including Joiner's Square: 15.7%/120; Bentilee and Ubberley: 12.2%/110; Blurton West and Newstead: 12%/70; Tunstall: 11.3%/70 total youth claimants.

In Staffordshire, the wards with the highest claimant count rates were Burton (East Staffordshire): 11.7%.45; Glascote (Tamworth): 11.2%/65; Cannock North (Cannock Chase): 10.3%/55 total youth claimants.

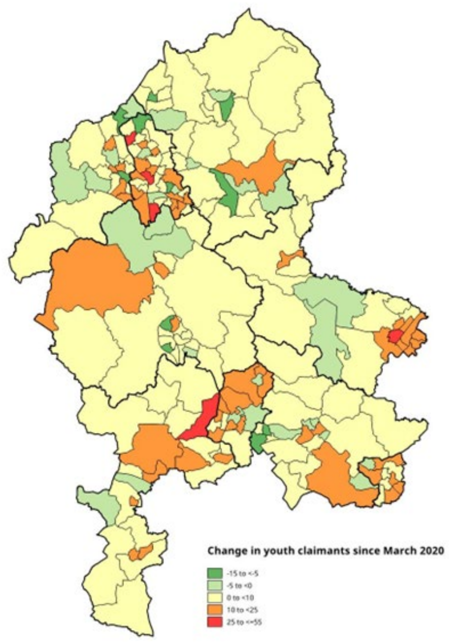


Staffordshire County Council

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 (35 increase to 70);Tunstall (30 increase to 70); Joiner's Square (20 increase to 120); Bentilee & Ubberley (20 increase to 110); Broadway and Longton East (20 increase to 35).

In Staffordshire, the four wards with the highest change in the number of youth claimants since March 2020, were Shobnall (East Staffordshire) with a rise of 30 to 65; Huntington & Hatherton (South Staffordshire) with a rise of 25 to 40; Western Springs (Cannock Chase) with a rise of 20 to 45; Wombourne South West (South Staffordshire) with a rise of 20 to 30 total youth claimants.



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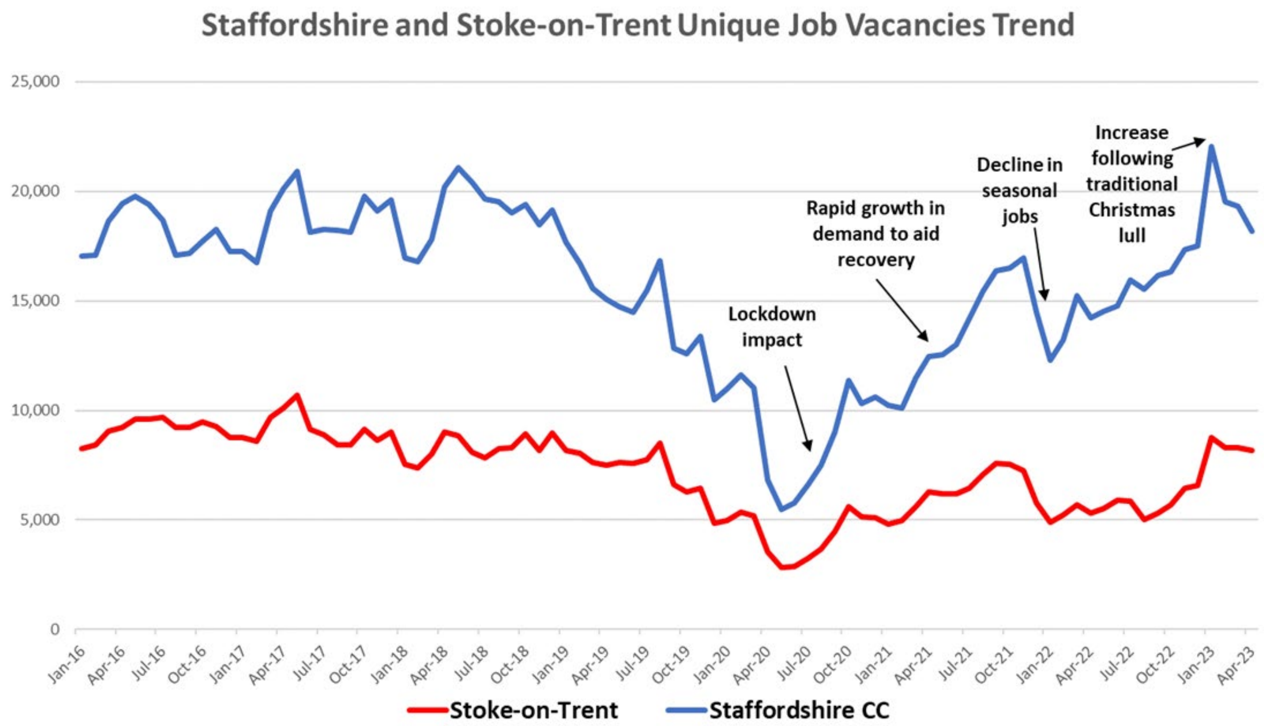
Job Vacancies[3]

- **Staffordshire saw a 6% decrease in the number of available job vacancies between March and April to a total of 18,200 which continues to remain higher than the number of work-related benefit claimants.**

- **Stoke-on-Trent saw a 2% 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.



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.

Monthly Trends in recruitment

- Most occupational groups saw a decrease in vacancies during April, with 'Caring, Leisure and Other Service' (-11%), 'Elementary' (-7%), and 'Skilled Trades' (-7%) occupations seeing the largest decreases. Whereas 'Process, Plant and Machine Operatives' (+2%) was the only occupational group to see an increase.

[3] Source: Lightcast (formerly EMSI/Burning Glass)

- The occupations to see the most significant decreases during April include roles in **Health and Social Care (Care Workers and Home Carers; Nurses; Nursing Auxiliaries and Assistants), Housekeepers & related occupations (Cleaners & Domestics), Education (Teaching Assistants), Cross sector occupations (Customer Service; Administrative; Marketing & Sales Directors; Receptionists; Security Guards & related occupations), Childcare (Nursery Nurses and Assistants), Manufacturing (Welding; Science, Engineering & Production Technicians), Logistics (Elementary Administration occupations), Hospitality (Kitchen & Catering Assistants), ICT (IT User Support Technicians; Programmers & Software Development Professionals; IT Business Analysts, Architects & Systems Designers; IT Operations Technicians), Motor Trade (Vehicle Technicians, Mechanics & Electricians).**

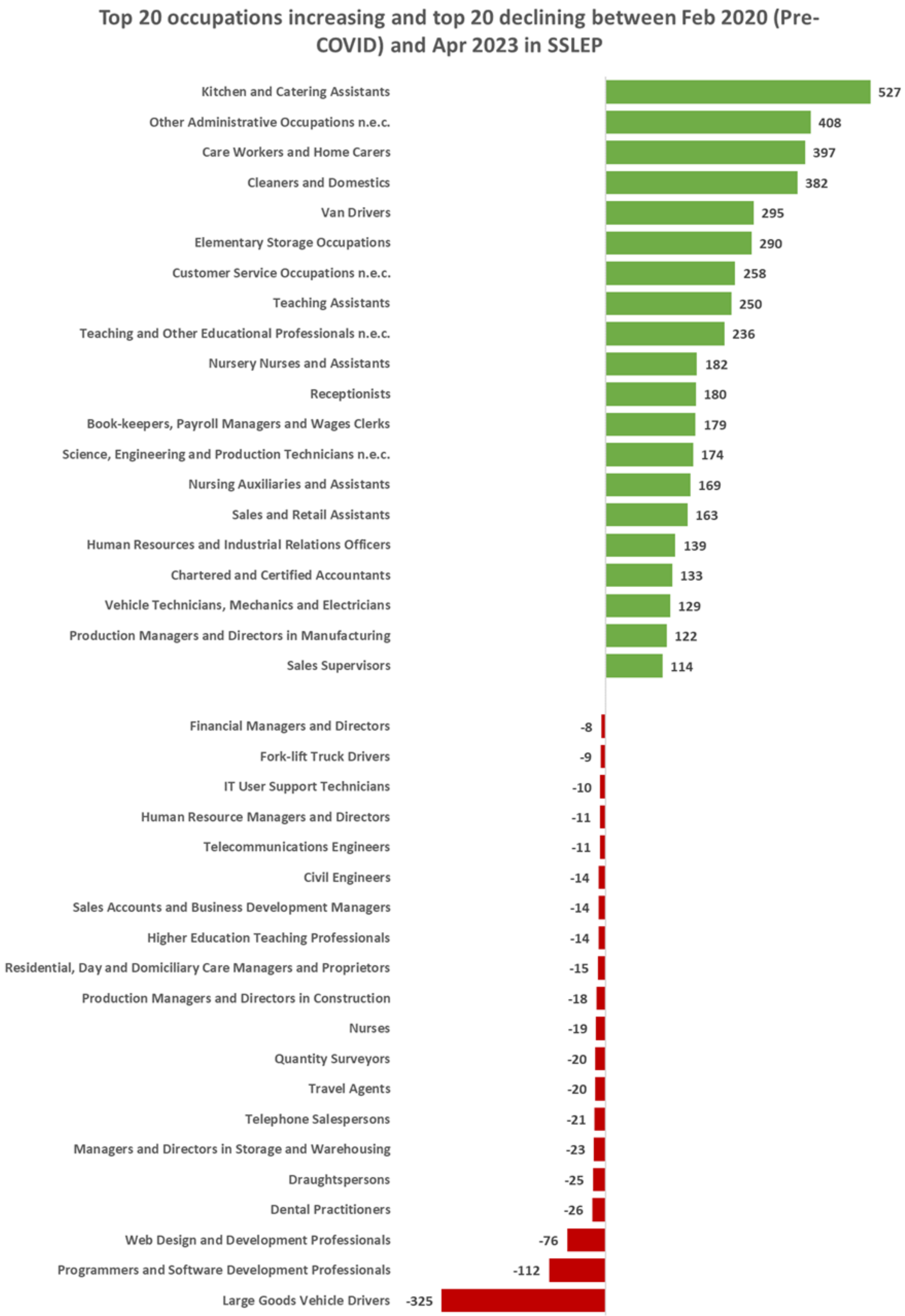
Annual Trends in job vacancies

- 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; Sales & Retail Assistants; Receptionists; Human Resources & Industrial Relations Officers; Chartered & Certified Accountants; Marketing Associate Professionals); Education (Secondary Education Teaching Professionals; Teaching Assistants; Teaching & Other Educational Professionals; Primary & Nursery Education Teaching Professionals); Hospitality sector (Kitchen and Catering Assistants; Bar staff); Housekeepers & related occupations (Cleaners & Domestics); Logistics (Van Drivers), Childcare (Nursery Nurses & Assistants); Health and Social Care (Nursing Auxiliaries and Assistants), and Manufacturing (Engineering Technicians, Engineering Professionals).

Pre-COVID baseline trends in job vacancies

- It is also found that the main occupations with higher vacancies compared to pre-COVID are mainly found within:
    - **Hospitality** (Kitchen and Catering 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)
    - **Health and Social Care** (Care Workers and Home Carers; Nursing Auxiliaries and Assistants)
    - **Housekeepers & related occupations (Cleaners &Domestics)**
    - **Education** (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; Sales Supervisors)
    - **Motor Trade** (Vehicle Technicians, Mechanics & Electricians)

- This is reflective of the ongoing long term recruitment difficulties in these sectors.



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.**

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

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

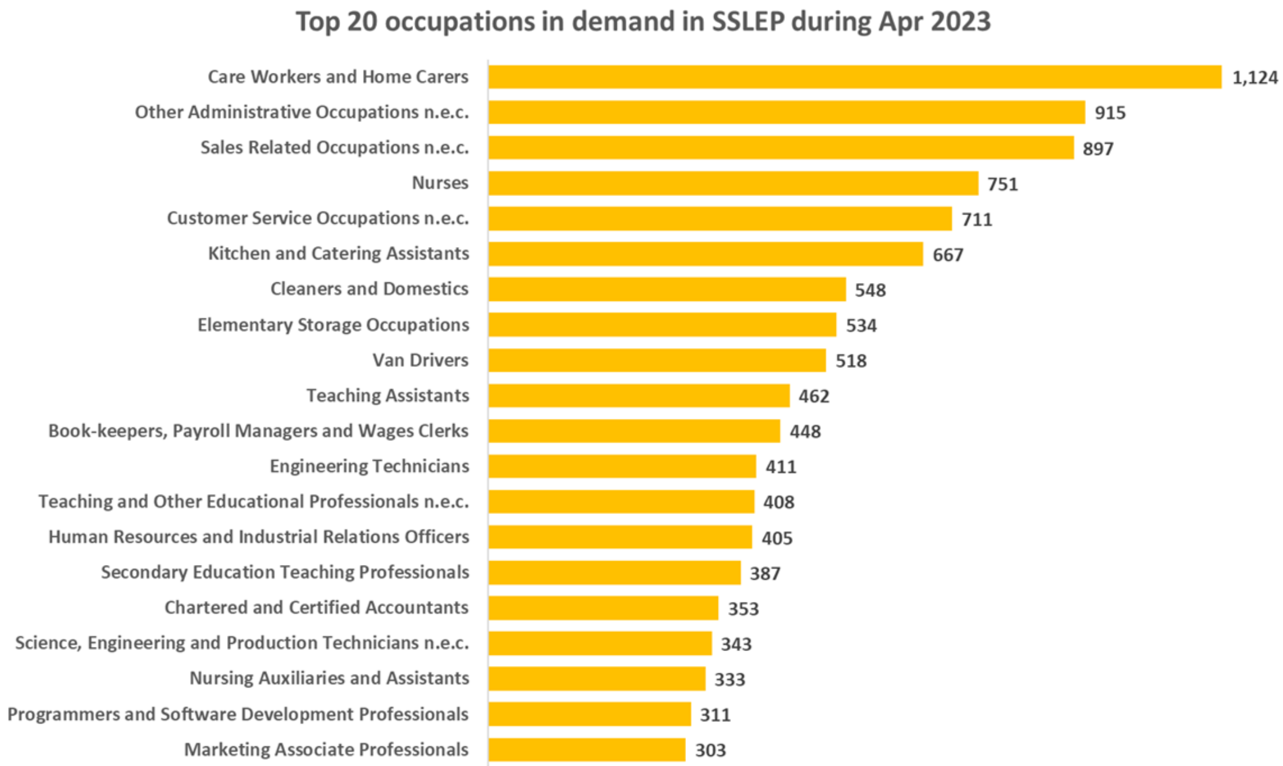
- In the Education sector there is particularly high demand for **'Teaching Assistants,' 'Secondary Education Teaching Professionals,' 'Teaching and Other Educational Professionals.'**

- 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.

- 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 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 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 have 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 is 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.