Staffordshire & Stoke-on-Trent Economic Bulletin

Issue 34 – June 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 saw unemployment, youth unemployment and dependency on work-related benefits increase during the energy and cost-of-living crisis. However, this month we have **seen the Claimant Count reduce significantly and there still remain a high number of job vacancies available for those that unfortunately find themselves out of work.**
- We continue to support **local businesses that face ongoing challenging conditions** due to a wide range of factors including **high energy prices, rising interest rates, increasing wage levels and lower consumer demand**. Positively, 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.**
- Overall, **inflation still remains a concern** with the decline having stalled but the **overall economic outlook remains better than previously predicted**. 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 seen **a decrease this month of -465 to a total of 15,385 claimants.**
- **The claimant rate for Staffordshire decreased from 3.0% to 2.9%.** 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 4.9% and lower than the average for England of 3.8% of the working age population.
- Contributing to this overall decrease in claimants this month, the **youth claimant count in Staffordshire saw a decrease of -40 to a total of 2,870 young people**. The proportion of young people in Staffordshire aged 18-24 that are claiming work-related Universal Credit has remained the same this month at 4.6%. This is lower than the national rate of 4.9% and is far lower than the regional rate of 6.6%, both of which also remained at the same level this month.
- These **decreases may be due to a combination of factors including the improvement in the UK economic outlook with the decline in inflation, particularly energy prices which will be very welcome to businesses in what continues to be an uncertain and challenging economic climate.**
- This also **coincides with a significant 26% increase in job vacancies both in Staffordshire and nationally seen between April and May**. The Office for National Statistics (ONS) has reported this month that a record number of people

have re-joined the labour market recently, in what remains a tight labour market. **Demand for labour and skills remains high, with there currently being 1.6 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 27.7% or 3,335 higher than the level seen in March 2020 (pre-COVID)**, which is now slightly above the 26% increase seen nationally and 26.2% regionally.
- It is also important to recognise that although claimant numbers are higher than pre-pandemic levels, given our strong position going into the pandemic, Staffordshire still performs comparatively well given **Staffordshire's claimant rate is 2.9% of the working age population in May compared to 4.9% regionally and 3.8% nationally.**
- In terms of job vacancies, **Staffordshire saw a 26% increase in the number of available job vacancies between April and May to a total of 24,600, which continues to remain higher than the number of work-related benefit claimants. Stoke-on-Trent saw a 30% increase in vacancies to a total of 11,300 which is higher than the number of claimants. Across the region in the last month there was a 26% increase, and nationally there was also a 26% increase.**
- This is a significant rise in job vacancies, and it 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**.

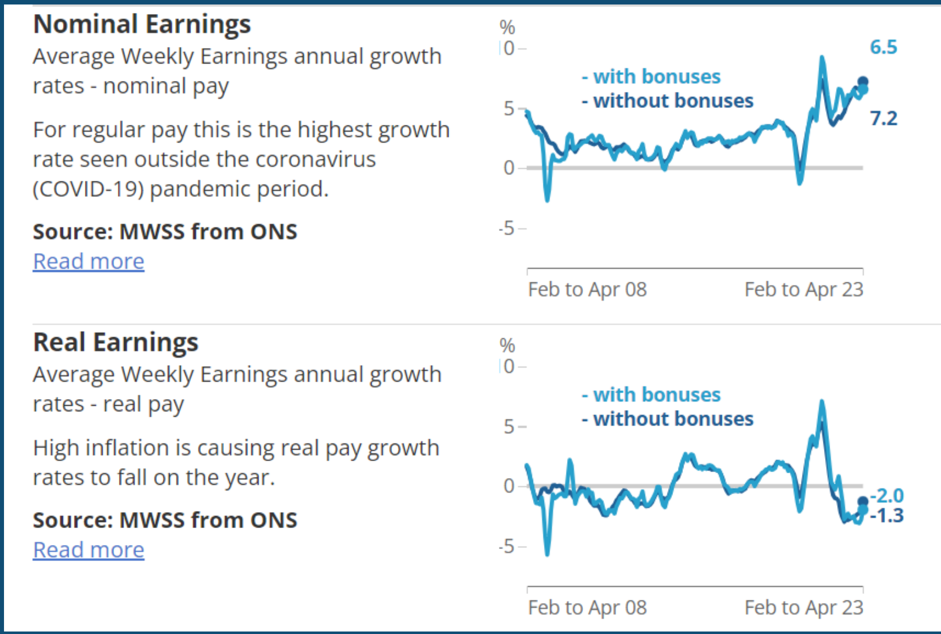
National Context

- Over the last month although there have been **some bright spots of recovery and the avoidance of recession**, the **forecast remains turbulent for the UK economy**.
- **Inflation remains a significant concern** where decline has now stalled and remains the highest in the G7. This has seen the **Bank of England base rate continue to rise** and the hopes of easing interest rates in the medium term are dampened.
- For many millions of homeowners this means that **mortgage repayments are to rise significantly** over the coming months, with mortgage providers having pulled over 800 deals reflecting the change in outlook with concerns rates will remain stubbornly high for longer than anticipated.
- The **energy and cost of living crisis** still remains prominent for many residents and businesses.

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

- This month the **rate of inflation has remained unchanged** at 8.7 per cent, following two months of improvement and many economists expecting a further decline. This is in the main due to stabilising energy prices at record levels being offset by rise in cost of air fares, holidays and second-hand cars.
- Although it is positive that energy prices inflation has declined sharply, **food price inflation remains very high** at 18.4 per cent but hopefully near to peak and **most worryingly core inflation which strips out volatile factors such as food and energy is still increasing** and now at 6.5 per cent a 31-year high.
- In light of this unexpected stall in declining inflation the **Chancellor Jeremy Hunt has stated that the UK has "no alternative" but to raise interest rates in order to curb inflation.**
- Given this further pressure the **Bank of England has further increased the cost of borrowing**. **Interest rates have risen for the 13th successive time from 0.1 per cent in December 2021 to 5.0 per cent**, the highest level in 15 years. Predictions suggest rates could peak above 5.5 per cent before Christmas this year.
- Higher than expected inflation and rising interest rates are driving **increased mortgage costs,** with the average mortgage rate for a two-year fixed deal has increased to 6.01 per cent and the average five-year fixed rate mortgage has risen to 5.67 per cent according to financial information company **Moneyfacts. Leading to many millions of homeowners needing to remortgage having concerns over meeting increased payments.**
- The **Government has ruled out introducing major financial support to mortgage holders over fears it would drive the cost of living higher**. Jeremy Hunt said offering mortgage relief schemes would "make inflation worse, not better". Instead, the Government has urged lenders to do more to stop people from losing their homes and introduce contingency measures such as "targeted" and "temporary" mortgage interest rate relief and interest only payments.

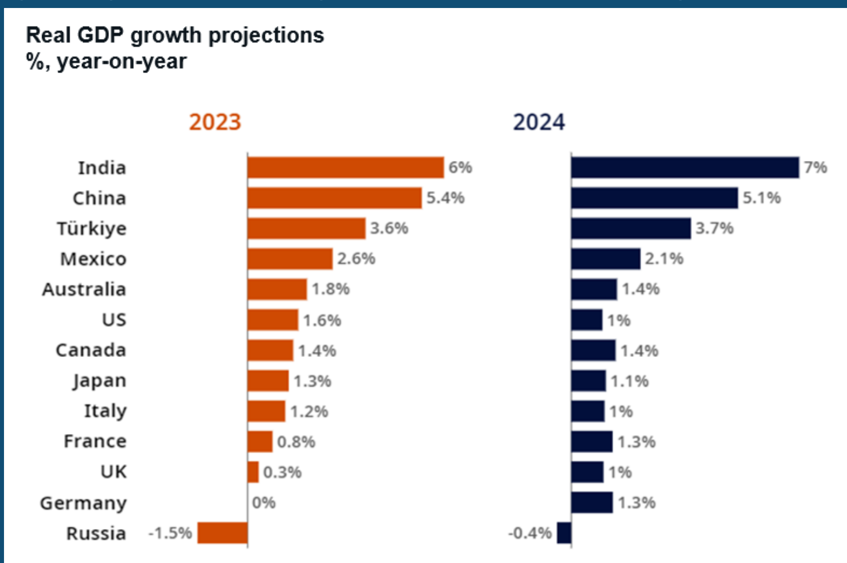
- There are also **issues in the rental market with rents having risen by 8 per cent** across Britain following a record number of people moving into the rental market from overseas, according to analysis by **Capital Economics**. Research found that net immigration had led to new demand for an additional 205,000 rental homes, as **Housing Secretary Michael Gove** continues with **plans to scrap no-fault evictions and more tightly regulate the market through the Renters (Reform) Bill**.
- According to property portal **Zoopla**, **people are spending more of their wages on rent than at any other time in the last 10 years**. Figures show the average UK tenant now spends more than 28 per cent of their pay before tax on rent.
- In more positive news, **more than six million people with disabilities in the UK will start to receive a £150 payment to help with the cost of living**. Households who qualify will automatically receive the payment from the Department for Work and Pensions.
- **Households with prepayment meters are being urged to make sure they have cashed in all their energy vouchers before the end of June**. The government says that while more than four in five vouchers have been used, £130m is still available with voucher scheme providing support of £400 per household.
- **The Government has been urged by the Public Accounts Committee has urged the Government to set out its plans to protect households from high energy bills this winter**. The committee urged the Government to provide an update on its plans to ensure there is affordable energy for households this winter, warning that around 1.7 million households could be vulnerable.
- **To help ease the cost-of-living crisis the Government has been in talks with the food sector to voluntarily cap the price of basic food items,** with a number of supermarkets supporting the approach to reduce pressure on household finances.
- It has also been found that there has been a **"massive shift" in the way we do our grocery shopping since the pandemic**, driven by the cost-of-living crisis as food prices soar, according to analyst firm **Kantar**. Among the changes, shoppers now visit the supermarket less often, spend more on own-label goods and are turning to loyalty schemes to get discounts.
- In another positive move **parents on universal credit will be able claim hundreds of pounds more to cover childcare costs from the end of June**. The Government will allow parents on the benefit to claim back £951 for childcare costs for one and £1,630 for two or more children, a 47 per cent increase.
- **UK wages are now rising at their fastest rate in 20 years**, excluding the pandemic, in part because of a rise in the minimum wage. Regular pay excluding bonuses increased by 7.2 per cent in the three months to April. **However, after taking into account inflation, pay actually fell in real terms by 1.3%.**



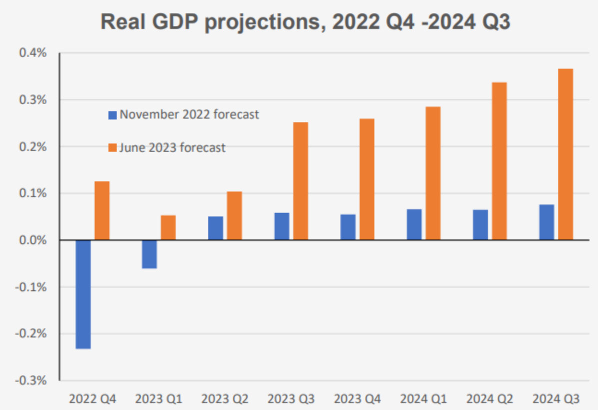
- There still **remain a number of ongoing pay disputes leading to strikes in key sectors of the economy**, including health workers in the NHS, junior doctors, teachers and rail workers. There were 257,000 working days lost to labour disputes in April 2023, down from 553,000 in March 2023.

Economy

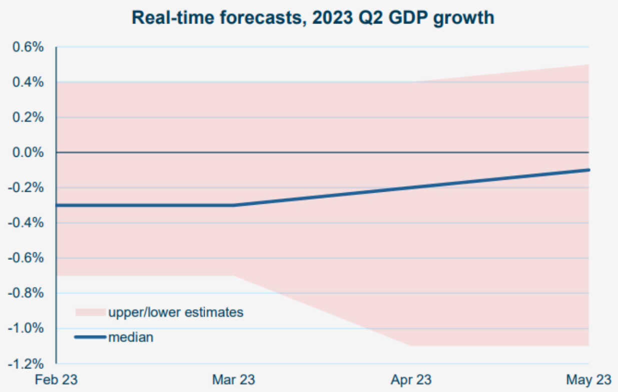
- The **global economy is turning a corner but faces a long road ahead to attain strong and sustainable growth**. Falling energy prices and headline inflation, easing supply bottlenecks and the reopening of China's economy are all contributing to a projected recovery. But this recovery remains weak by historical standards, and fragile in the face of persistent core inflation, elevated debt levels, low productivity, and potential geopolitical tensions.
- **Global GDP growth** is projected by **Organisation for Economic Co-operation and Development (OECD)** to stabilise at 2.7 per cent in 2023, its lowest annual rate since the global financial crisis (with the exception of the 2020 pandemic period). Only modest pick-up to 2.9% is expected in 2024 but the upturn remains fragile.



- **The UK economic outlook has improved but remains low and uncertain.** In the **OECD** latest set of forecasts, it predicts that the UK will have the highest inflation of any major developed economy this year but should narrowly avoid recession. It warned that higher interest rates are likely to dampen economic growth and incomes in the coming months.



Source: OECD



Source: HM Treasury

- The **UK has seen a large fall in imports which has helped to narrow the UK trade deficit**. The total value of goods imported to the UK decreased by £14.1 billion (8.8%) and imports of services decreased by an estimated £2.2 billion (3.3%) in the three months to April 2023. Over the same period, the total value of goods exports from the UK decreased by £3.3 billion (3.4%), while exports of services fell by £0.3 billion (0.3%). The larger fall in imports meant that the total trade in goods and services deficit, the amount by which the cost of a country's imports exceeds the value of its exports, narrowed to £12.3 billion over the three months.
- **Debt as a percentage of GDP is at levels last seen in the early 1960s**. The public sector borrowed £20.0 billion in May 2023, £10.7 billion more than in May last year, having spent more than it received in taxes and other income. It is £1.7 billion more than what was forecast by the **Office for Budget Responsibility (OBR).**
- **Growth in receipts of taxes and income continue to be exceeded by the additional costs of the energy support schemes and increases in both benefit payments and staff costs.** These staff costs included the £2.7 billion non-consolidated National Health Service (NHS) pay deal in England.
- Public sector net debt at the end of May 2023 was £2,567.2 billion and provisionally estimated at 100.1% of the UK's annual gross domestic product (GDP). The last time the debt-to-GDP ratio was above 100% was March 1961.
- Looking at the latest GDP data from the **Office for National Statistics (ONS), monthly GDP, which is the total value of goods and services produced after adjusting for inflation, is estimated to have grown by 0.2% in April 2023 after a fall of 0.3% in March.**
- Looking at the broader picture, **GDP grew by 0.1% in the three months to April 2023** compared with the three months to January 2023.

- **Services grew by 0.3% in April 2023**, after falling by 0.5% in March 2023, and was the main contributor to the growth. The largest contributions to the growth in services came from the "wholesale and retail trade; repair of motor vehicles and motorcycles" and "information and communication" sectors.
- Output in **consumer-facing services grew by 1.0% in April 2023**, following a fall of 0.8% in March 2023.
- **Production output fell by 0.3% in April 2023**, following growth of 0.7% in March 2023. Manufacturing was the largest contributor to the fall within the production sector.
- **Construction saw a 0.6% fall in April 2023**, following growth of 0.2% in March 2023.

GDP Monthly index, January 2007 to April 2023, UK

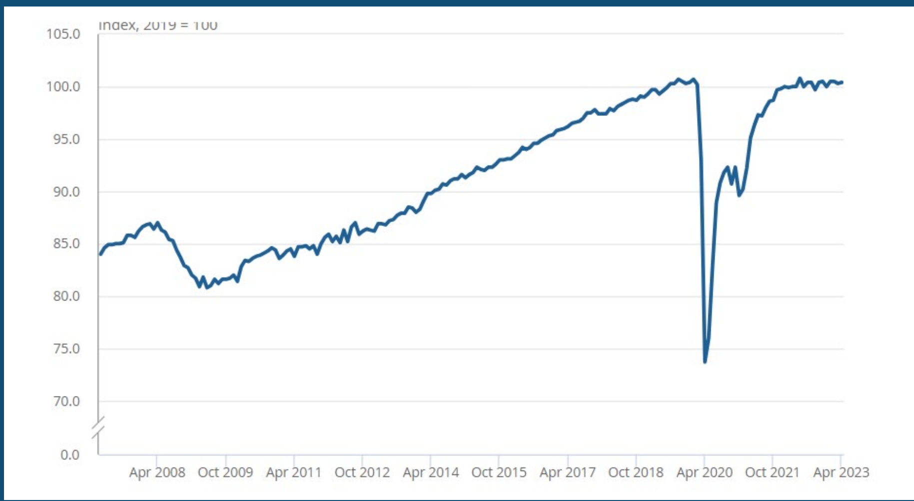
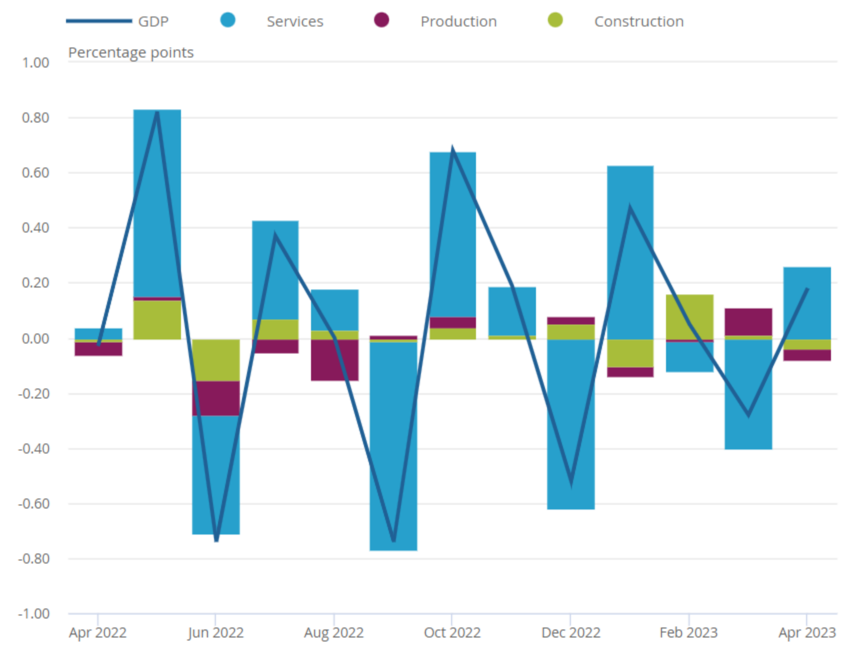


Figure 2: The growth in services was slightly offset by falls in both production and construction

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

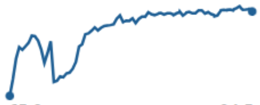


Source: GDP monthly estimate from the Office for National Statistics

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, there continue to be small signs of improvement in conditions and confidence.**
- The following charts show the latest results from Wave 84 of the **Business Insights and Conditions Survey (BICS)**, which was live from 30 May to 11 June 2023.

Headline figures from the Business Insights and Conditions Survey

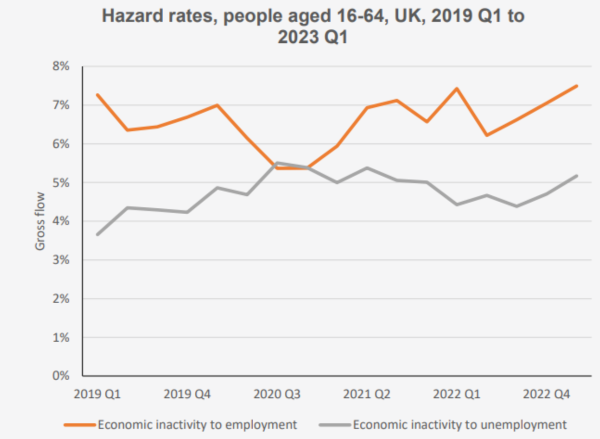
Indicator	Latest data compared with **previous wave**	Latest data compared with **equivalent period the previous year**	Timeline
Trading status Currently trading Units	-0.9▼	0.6▲	 **65.9** 15/06/2020 **94.5** 11/06/2023
Trading status Temporarily closed or paused trading Units	0.7▲	0.2▲	 **33.4** 15/06/2020 **3.7** 11/06/2023
Prices Prices bought increased Units	-5.3▼	-19.6▼	 **16.3** 01/06/2020 **30.1** 31/05/2023
Prices Prices sold increased Units	-1.2▼	-6.0▼	 **4.9** 01/06/2020 **15.0** 31/05/2023
Financial performance Turnover increased Units	-0.3▼	0.9▲	 **13.6** 01/03/2022 **15.5** 31/05/2023
Financial performance Turnover stayed the same Units	1.7▲	-3.7▼	 **54.6** 01/03/2022 **51.8** 31/05/2023
Financial performance Turnover decreased Units	-2.2▼	2.9▲	 **19.9** 01/03/2022 **23.3** 31/05/2023

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

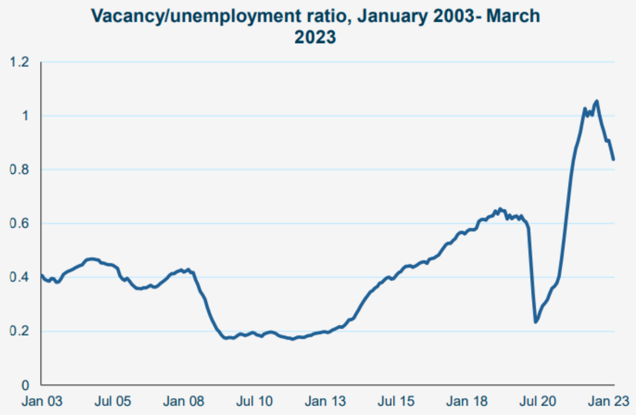
- Less than a quarter (23%) of trading businesses reported their **turnover** was lower in May 2023 compared with the previous month, down from 26% in April 2023; in comparison, 16% reported their turnover was higher in May 2023.
- When asked in early June 2023, nearly 1 in 5 (19%) trading businesses reported they **expect their turnover to increase** in July 2023, down from 21% of businesses that had these expectations for June 2023.
- 3 in 10 (30%) trading businesses reported an **increase in the prices of goods or services bought** in May 2023 compared with the previous month; however, this is down 5 percentage points from April 2023 and has been slowly falling from the 48% reported in September 2022.
- When looking ahead to July 2023, 17% of trading businesses **expect to raise the prices of goods or services they sell**, stable compared with expectations reported for June 2023; more than a quarter (27%) of these businesses reported **energy prices as a reason for considering these increases**.
- More than 4 in 10 (41%) trading businesses reported that they had **absorbed costs because of the increase in general prices** in early June 2023, whereas 25% reported they had **passed the increases onto their customers**.
- More than a quarter (27%) of businesses with 10 or more employees reported they experienced **difficulties recruiting** employees in May 2023, unchanged from April 2023, but down from 30% in March 2023.
- Although we are seeing some overall signs of improvement it is clear that some businesses continue to struggle. **In May 2023 there were a total of 2,552 company insolvencies in England and Wales, 40% higher than the number registered in the previous year (1,825 in May 2022), and 134% higher than the number registered three years previously: 944 in May 2020).** The main concern around company and individual insolvencies are associated issues such as mental health and homelessness.

Labour Market

- Positively, a **record number of people have re-joined the labour market** recently with economic inactivity continuing to decline. This has led to an increase in people in employment and more people that are unemployed and searching for work.
- However, the **labour market remains tight**, with high recruitment demand for job vacancies across the economy.



Source: ONS Labour Force Survey



Source: ONS, labour market summary

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

Payrolled employees

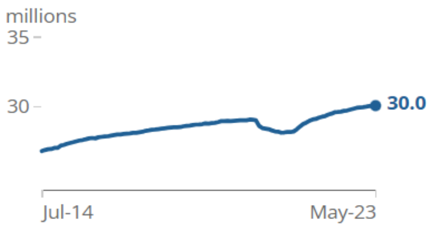
The number of payrolled employees

Monthly change: ▲ 23,000
Since Feb 2020: ▲1,016,000

The number of payroll employees is now well above pre-pandemic levels.

Source: PAYE RTI from HMRC

Read more



Employment rate

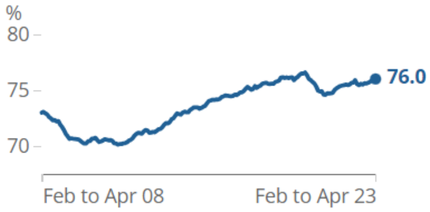
Employment rate (all aged 16 to 64)

Quarterly change: ▲0.2pps
Since Dec-Feb 2020: ▼-0.6pps

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

Source: LFS from ONS

Read more



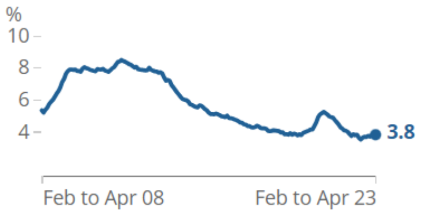
Unemployment rate

Unemployment rate (all aged 16+)

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

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

Source: LFS from ONS



Inactivity rate

Economic inactivity rate (all aged 16 to 64)

Quarterly change: ▼-0.4pps
Since Dec-Feb 2020: ▲0.7pps

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

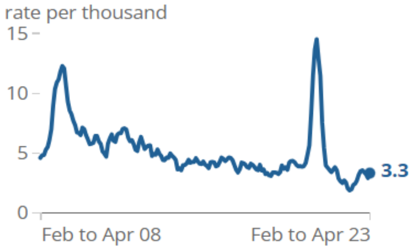
Redundancy rate

Redundancy rate (per 1000 employees)

Quarterly change: ▼-0.1 people per thousand
Since Dec-Feb 2020: ▼-0.6 people per thousand

The redundancy rate decreased on the quarter.

Source: LFS from ONS



Hours worked

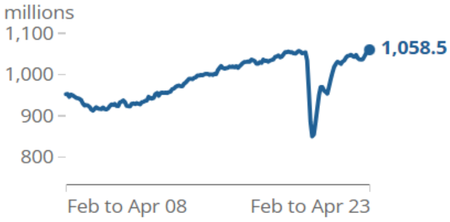
Total actual weekly hours worked

Quarterly change: ▲15.8 million
Since Dec-Feb 2020: ▲6.3 million

Total actual weekly hours worked increased on the quarter to a record high.

Source: LFS from ONS

Read more



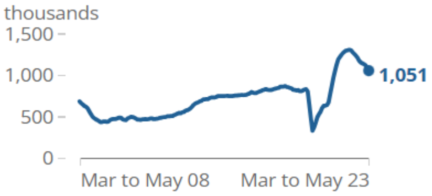
Job vacancies

Number of job vacancies

Quarterly change: ▼-79,000
Since Jan-Mar 2020: ▲250,000

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

Source: Vacancy Survey from ONS



- The UK **employment rate** was estimated at 76.0% in February to April 2023, 0.2 percentage points higher than November 2022 to January 2023, but remains 0.6 percentage points lower than before the pandemic. Positively, the number of people in employment increased to a record high in the latest quarter with increases in both the number of employees and self-employed workers. **Employment now 16,000 above pre-pandemic levels.**
- The more timely estimate of **payrolled employees** for May 2023 shows a monthly increase, up 23,000 on the revised April 2023 figures, to 30.0 million.
- The **unemployment rate** for February to April 2023 increased by 0.1 percentage points on the quarter to 3.8% but remains 0.2 percentage points below pre-pandemic levels. The increase in unemployment was driven by people unemployed for up to 12 months. **Unemployment is 59,000 down on pre-pandemic levels.**
- The **economic inactivity rate** decreased by 0.4 percentage points on the quarter, to 21.0% in February to April 2023 but remains 0.7 percentage points higher than

before the pandemic. Looking at economic inactivity by reason, the quarterly decrease was largely driven by those inactive for other reasons and those looking after family or home. Meanwhile, those inactive because of long-term sickness increased to a record high. **Those economically inactive are 348,000 above pre-pandemic levels.**

- In March to May 2023, the estimated number of **vacancies** fell by 79,000 on the quarter to 1,051,000. Vacancies fell on the quarter for the 11th consecutive period and reflect uncertainty across industries, as survey respondents continue to cite economic pressures as a factor in holding back on recruitment.
- The **Resolution Foundation** has found that **almost 200,000 young people are currently unable to work because of ill health**, with figures doubling in the last decade. A quarter of 18-to-24 year olds who were unable to work last year put it down to ill health, up from eight per cent a decade earlier, with almost two thirds citing **mental health issues** as the reason.
- **Age UK** has stated that **high inflation is "ruining" retirements and forcing thousands of people to return to the workforce**. The charity said the cost-of-living crisis is "driving a coach and horses" through the retirement plans of older people, highlighting data from the **Pensions Policy Institute** showing that the number of under-65s who have retired has fallen by more than 100,000 in a year, suggesting older people are returning to the workforce or delaying retirement.
- **Two thirds of the public believe the education system is failing to teach pupils the right skills**. A **YouGov poll** ahead of the **Times Education Summit** found that only 13 per cent of people believed that the education system was preparing young people to work in areas where there is a skills shortage, such as IT, engineering and healthcare.

Green Economy

- Research by **Citizens Advice** has found that **fixing Britain's draughty homes could add almost £40 billion to the economy** by the end of the decade. It said raising the minimum energy efficiency standards of Britain's homes could have a profound impact beyond reducing bills and should be the Government's top priority.
- A survey commissioned by the innovation charity **Nesta** has found that **more than 80 per cent of households that have replaced their gas boilers with an electric heat pump are satisfied with their new heating system.**
- The **Society of Motor Manufacturers and Traders** has shown that there were **36 electric cars on the road to every standard public charger last year, compared with 31 at the end of 2021**. In the northwest of England there were 85 EVs to every charger by the end of last year, compared with 49 in 2021. The ratio was 78:1 in the southwest, up from 44:1; 43:1 in Northern Ireland, up from 17:1; and 66:1 in the southeast, up from 44:1. London was the best-served region at 11:1, compared with 10:1 in 2021.

Conclusion

- In conclusion, although many economic commentators have **improved their outlook for the UK economy we remain in challenging times and recovery remains fragile**.
- We have **so far avoided a further recession but given that the decline in inflation has stalled the cost-of-living crisis is likely to be extended beyond previous expectations.**
- Positively, there are **small signs of improvement in business conditions and confidence** with costs and prices starting to ease and more businesses seeing an increase in turnover. However, **recruitment and skills shortages still remain a big concern** for many.
- We are also **seeing more people returning to the labour market and finding work, but vacancies remain high creating a tight labour market.**
- **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 May 2023, which show the number of new companies and individuals who are unable to pay debts and enter a formal insolvency procedure.

Company Insolvencies

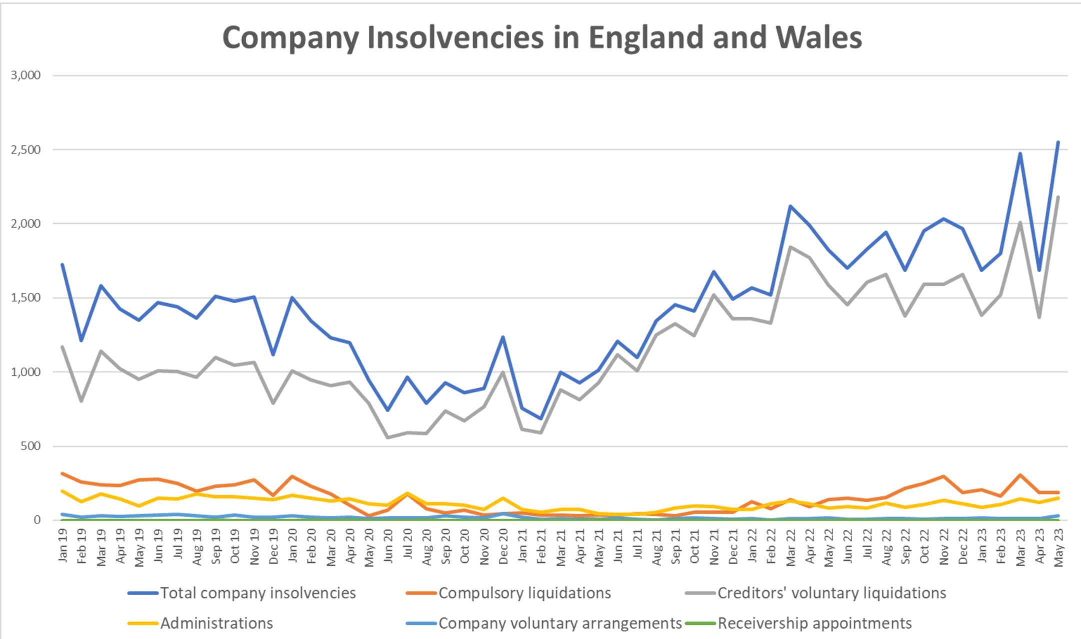
In May 2023 there were a total of 2,552 company insolvencies in England and Wales.

The overall number of **company insolvencies are 40% higher than the number registered in the previous year (1,825 in May 2022), and 134% higher than the number registered three years previously: 944 in May 2020).** Please note that due to the volatility of the underlying data the insolvency Service recommends comparisons are made with the same month in previous years rather than with the previous month.

There were 189 compulsory liquidations in May 2023, which is 34% higher than the number in May 2022, and 157% higher than in May 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 May 2023 there were 2,181 Creditors' Voluntary Liquidations (CVLs), 38% higher than in May 2022, and 149% higher than May 2020. Numbers of administrations are now on average higher than pandemic levels and are 28% higher than May 2020, and Company Voluntary Arrangements (CVAs) are also now on average higher than pandemic levels at 90% higher than May 2020 levels.

Company insolvencies between June 2022 and May 2023 are 25% higher compared to a year earlier, representing 4,600 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, May 2023 GOV.UK (www.gov.uk)

The sectors to have seen the largest number of company insolvencies between May 2022 and April 2023 continue to be the Construction sector (4,087), Wholesale & Retail sector (3,520) and Accommodation & Food Service sector (3,004). Levels exceed those seen for the same period the previous year with the Construction sector 18% higher, Wholesale & Retail sector 53% higher, and Accommodation & Food Service sector 44% higher than levels seen a year earlier. This can be attributed to higher commodity costs, higher energy costs, lower consumer confidence/demand, the longer-term impact of the pandemic along with the higher cost of living impact, interest rate and inflation increases.

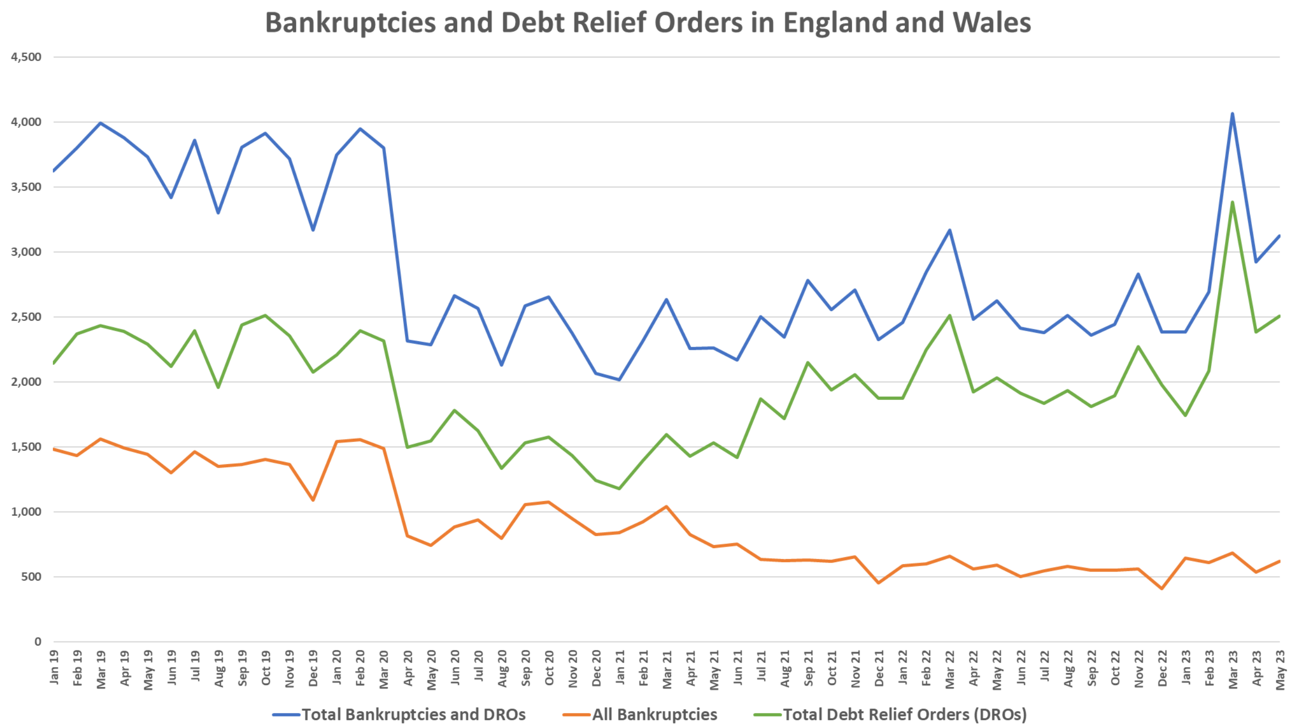
Individual Insolvencies

For individuals, **617 bankruptcies were registered in May 2023**, which was 5% higher than in May 2022, but 17% lower than in May 2020.

There were **2,505 Debt Relief Orders (DROs)** in May 2023, which was 23% higher than in May 2022, and 62% higher than in May 2020.

There were, on average, **6,767 Individual Voluntary Arrangements (IVAs)** registered per month in the three-month period ending May 2023, which is 14% lower than the three-month period ending May 2022, and also 14% lower than the three-month period ending May 2020.

Total Bankruptcies and DROs between June 2022 and May 2023 are 5% higher than the same period a year earlier, representing an increase of 1,551.



Sources: Insolvency Service

There were 6,683 Breathing Space registrations in May 2023, which is 16% higher than the number registered in May 2022. 6,609 were Standard Breathing Space registrations, which is 17% higher than in May 2022, and 74 were Mental Health Breathing Space registrations, which is 33% lower than the number in May 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 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 Universal Credit claimants in the Staffordshire Districts and each of the Strategic Authorities in the West Midlands Region:

Claimant Count (Universal Credit) Statistics: May 2023

Area	Claimant Count Rate (May 2022)	Claimant Count Rate (April 2023)	Claimant Count Rate[1] (May 2023)	Number of Claimants (May 2023)	Monthly Change in Claimants (Numbers)	Monthly Change in Claimants (%)	Change in Claimants since March 2020 (Numbers)	Change in Claimants since March 2020 (%)
England	3.8	3.8	3.8	1,339,620	-26,060	-1.9%	276,115	26.0%
West Midlands	4.9	5.0	4.9	182,185	-2,945	-1.6%	37,835	26.2%
SSLEP	3.4	3.6	3.5	24,165	-750	-3.0%	4,795	24.8%
Birmingham	8.6	8.6	8.6	63,440	-75	-0.1%	14,070	28.5%
Wolverhampton	7.4	7.8	7.7	12,735	-135	-1.0%	2,355	22.7%
Sandwell	6.3	6.4	6.3	13,640	-265	-1.9%	2,860	26.5%
Coventry	5.3	5.8	5.8	13,115	0	0.0%	5,115	63.9%
Walsall	5.7	5.8	5.7	9,925	-175	-1.7%	1,320	15.3%
Stoke-on-Trent	5.5	5.6	5.4	8,780	-285	-3.1%	1,460	19.9%
Dudley	4.9	4.9	4.7	9,205	-335	-3.5%	690	8.1%
Telford and Wrekin	3.6	3.5	3.4	3,940	-125	-3.1%	510	14.9%
Solihull	3.5	3.3	3.2	4,180	-95	-2.2%	530	14.5%
Worcestershire	3.1	3.1	3.0	10,760	-515	-4.6%	2,455	29.6%
Staffordshire	2.7	3.0	2.9	15,385	-465	-2.9%	3,335	27.7%
Warwickshire	2.7	2.8	2.7	9,910	-335	-3.3%	2,080	26.6%
Herefordshire, County of	2.5	2.5	2.5	2,710	-20	-0.7%	600	28.4%
Shropshire	2.4	2.4	2.3	4,460	-115	-2.5%	450	11.2%
Cannock Chase	3.1	3.6	3.5	2,170	-70	-3.1%	515	31.1%
Tamworth	3.5	3.7	3.5	1,700	-110	-6.1%	210	14.1%
East Staffordshire	2.9	3.5	3.4	2,670	-10	-0.4%	950	55.2%
Newcastle-under-Lyme	3.0	3.2	3.1	2,340	-90	-3.7%	360	18.2%
South Staffordshire	2.7	2.8	2.7	1,765	-105	-5.6%	455	34.7%
Lichfield	2.4	2.5	2.5	1,590	-10	-0.6%	270	20.5%
Stafford	2.4	2.5	2.5	2,050	-40	-1.9%	395	23.9%
Staffordshire Moorlands	2.0	2.0	2.0	1,100	-30	-2.7%	180	19.6%

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

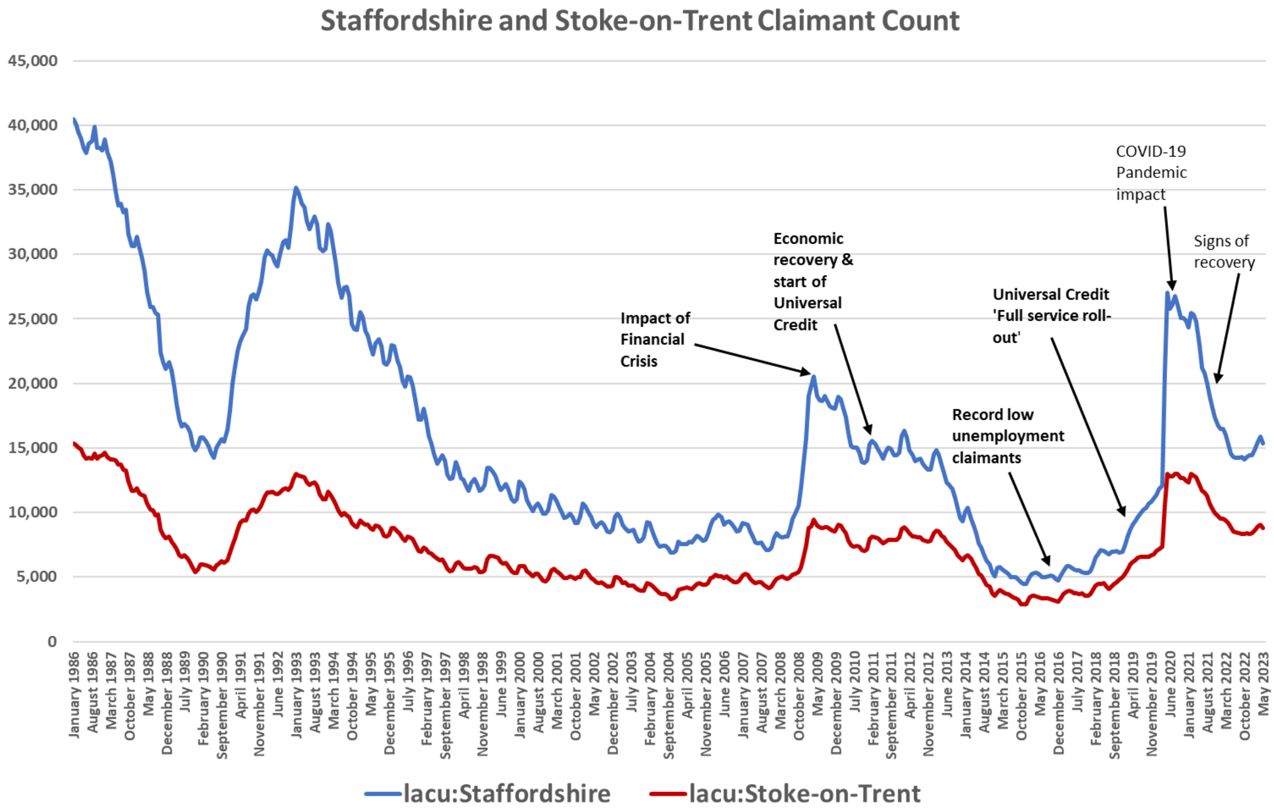
- The claimant count in Staffordshire saw a **decrease of -465 claimants** over the last month, with the **total number of claimants in the county now standing at 15,385**.
- Over the last month, the **claimant rate for Staffordshire decreased from 3% to 2.9%.**
- The **rate in Staffordshire continues to be one of the lowest rates in the West Midlands and is far lower than the average for the region of 4.9%, and lower than the average for England at 3.8%** of the working age population.
- Stoke-on-Trent saw a **decrease of -285 claimants** over the same period with **a total of 8,780 claimants in May**, with the **rate decreasing from 5.6% to 5.4%.**
- These **decreases may be due to a combination of factors including the improvement in the UK economic outlook with the decline in inflation, particularly energy prices which will be very welcome to businesses in what continues to be an uncertain and challenging economic climate.**

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

- This also **coincides with a significant 26% increase in job vacancies both in Staffordshire and nationally seen between April and May.** The Office for National Statistics (ONS) has reported this month that a record number of people have re-joined the labour market recently, in what remains a tight labour market.

- **Demand for labour and skills remains high across the local economy with there currently being 1.6 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 27.7% or 3,335 higher than the level seen in March 2020 (pre-COVID)**, which is now slightly above the 26.0% increase seen nationally and 26.2% regionally.



- 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 key to recognise that although claimant numbers are higher than pre-pandemic levels, given our strong position going into the pandemic, we still perform well given **Staffordshire's claimant rate is 2.9% of the working age population in May compared to 4.9% regionally and 3.8% nationally. In Stoke-on-Trent, the Claimant Count remains above both the regional and national averages at 5.4%.**

- This month saw a decrease in the claimant count across the county in all the districts. Tamworth saw the highest decrease with -110 lower claimants than the previous month.

- East Staffordshire and Newcastle-under-Lyme have the highest number of claimants with 2,670 and 2,340 respectively, whilst Staffordshire Moorlands has the lowest at 1,100. Tamworth and Cannock Chase have the highest claimant rates of the districts both at 3.5%, and Staffordshire Moorlands has the lowest at 2%. Significantly, all the Districts and Boroughs of Staffordshire remain lower than national and regional rates.

Youth Claimant Count

- Contributing to this overall decrease in claimants this month, the **youth claimant count in Staffordshire saw a decrease of -40 to a total of 2,870 young people**.

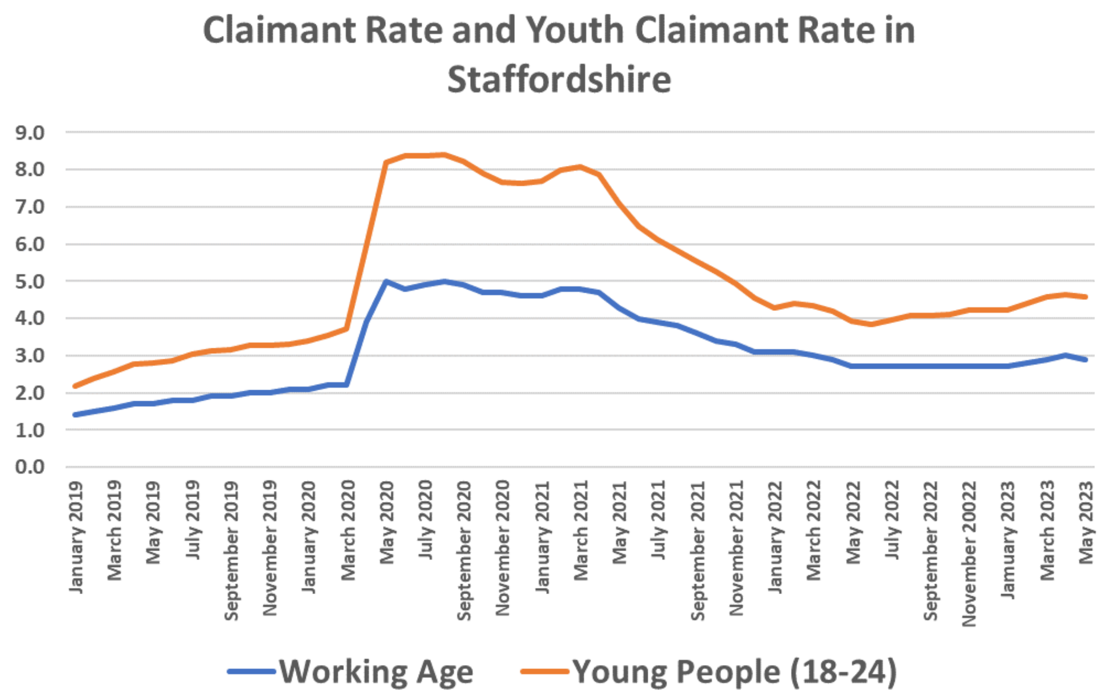
- **The proportion of young people in Staffordshire aged 18-24 that are claiming work-related Universal Credit has remained the same this month at 4.6%.** This remains lower than the national rate of 4.9% and is far lower than the regional rate of 6.6%, both of which also remained at the same level this month.

- In May, **Stoke-on-Trent saw a decrease of -25 claimants to a total of 1,675 with the rate decreasing from 7.5% to 7.4%.**

Youth Claimant Count (Universal Credit) Statistics: May 2023

Area	Youth Claimant Count Rate (May 2022)	Youth Claimant Count Rate (April 2023)	Youth Claimant Count Rate[1] (May 2023)	Number of Youth Claimants (May 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	4.5	4.9	4.9	227,575	-3,550	-1.5%	29,845	15.1%
West Midlands	5.9	6.6	6.6	33,090	-245	-0.7%	5,185	18.6%
SSLEP	4.7	5.4	5.3	4,545	-65	-1.4%	725	19.0%
Wolverhampton	9.2	10.7	10.6	2,270	-20	-0.9%	360	18.8%
Sandwell	8.2	9.0	8.9	2,540	-35	-1.4%	425	20.1%
Walsall	8.1	9.0	8.8	1,990	-45	-2.2%	75	3.9%
Birmingham	8.0	8.7	8.8	11,385	95	0.8%	2,280	25.0%
Dudley	7.1	7.5	7.4	1,760	-25	-1.4%	10	0.6%
Stoke-on-Trent	6.7	7.5	7.4	1,675	-25	-1.5%	270	19.2%
Telford and Wrekin	5.3	5.6	5.4	800	-35	-4.2%	40	5.3%
Coventry	4.5	5.1	5.2	2,225	45	2.1%	690	45.0%
Solihull	5.4	5.3	5.2	775	-15	-1.9%	-50	-6.1%
Staffordshire	3.9	4.6	4.6	2,870	-40	-1.4%	455	18.8%
Worcestershire	4.0	4.7	4.5	1,890	-85	-4.3%	295	18.5%
Herefordshire, County of	3.4	4.1	4.0	460	-20	-4.2%	45	10.8%
Warwickshire	3.4	3.9	3.8	1,705	-25	-1.4%	370	27.7%
Shropshire	3.0	3.5	3.3	735	-25	-3.3%	-90	-10.9%
Tamworth	5.6	6.5	6.3	360	-10	-2.7%	65	22.0%
Cannock Chase	5.2	6.4	6.2	440	-15	-3.3%	75	20.5%
East Staffordshire	3.9	5.1	5.2	465	5	1.1%	145	45.3%
South Staffordshire	4.0	5.0	4.8	360	-15	-4.0%	110	44.0%
Stafford	3.9	4.1	4.0	350	-5	-1.4%	35	11.1%
Newcastle-under-Lyme	3.3	4.0	4.0	475	5	1.1%	50	11.8%
Lichfield	3.7	3.7	3.7	265	5	1.9%	-5	-1.9%
Staffordshire Moorlands	2.2	2.7	2.6	155	-5	-3.1%	-20	-11.4%

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



- This month has seen a decrease in the youth claimant count across the county in five of the districts in Staffordshire including Cannock Chase, South Staffordshire, Stafford, Staffordshire Moorlands, and Tamworth.

- Tamworth and Cannock Chase continue to have the highest rates at 6.3% and 6.2% respectively, whilst Staffordshire Moorlands has the lowest rate at 2.6%. Newcastle-under-Lyme has the highest number of youth claimants at 475 whilst Staffordshire Moorlands has the lowest number of youth claimants at 155.

- 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

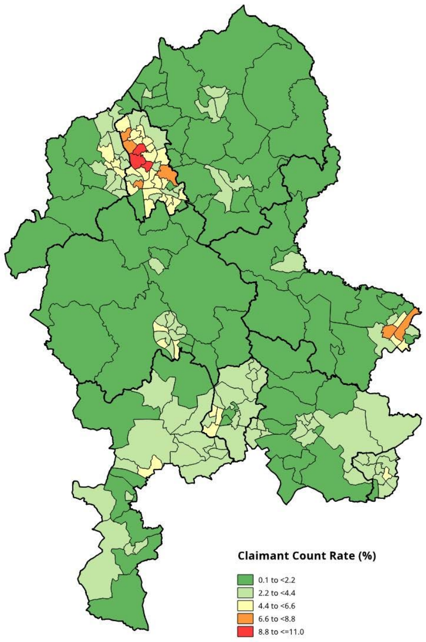
The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

Claimant Count Rate May 2023

Of the 201 wards in Staffordshire & Stoke-on-Trent, 63 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, fifteen were in Stoke-on-Trent with Joiner's Square: 11%/505; Moorcroft: 9.3%/345; Etruria and Hanley: 8.9%/480 total claimants.

In Staffordshire, the five wards with the highest claimant count rates were Burton (East Staffordshire) 7.5%/225 total claimants; Shobnall (East Staffordshire): 7.0%/380; Anglesey (East Staffordshire): 6.4%/350; Eton Park (East Staffordshire): 6.3%/310; and Cannock North (Cannock Chase): 5.6%/260.

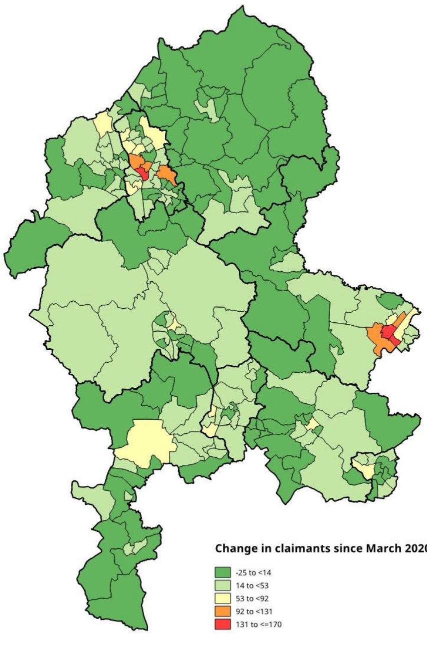


Staffordshire County Council

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 six in Stoke-on-Trent including Hanley Park & Shelton (135 increase to 320); Joiner's Square (130 increase to 505); Etruria & Hanley (125 increase to 480); Bentilee & Ubberley (95 increase to 495); Boothen & Oak Hill (90 increase to 275); Baddeley, Milton & Norton (90 increase to 420).

Of the remaining four wards in the top ten, all were in East Staffordshire including Shobnall with a 170 increase to 380 claimants; Anglesey with a 160 increase to 350 claimants; Eton Park with a 130 increase to 310 claimants; Branston with a 100 increase to 175 claimants.



Staffordshire County Council

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

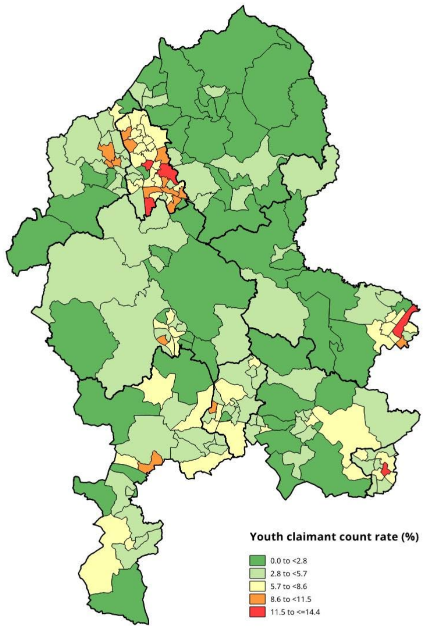
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

Youth Claimant Count Rate May 2023

Of the 201 wards in Staffordshire & Stoke-on-Trent, 86 wards were above the England average of 4.9% 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 including Joiner's Square: 14.4%/110; Bentilee & Ubberley: 12.2%/110; Blurton West & Newstead: 12%/70; Abbey Hulton & Townsend: 10.8%/85 total youth claimants.

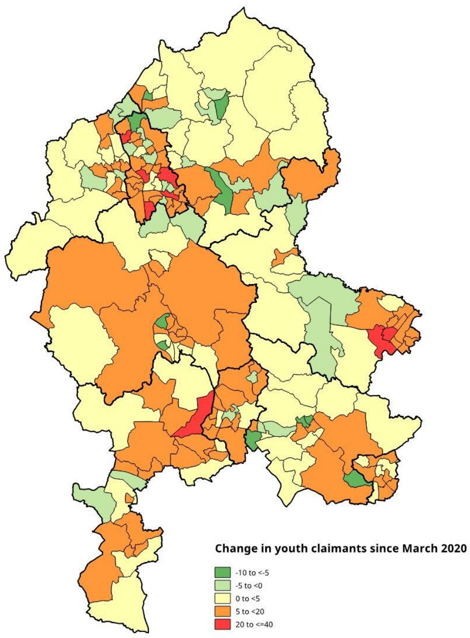
In Staffordshire, the wards with the highest claimant count rates were Burton (East Staffordshire): 13%/50; Glascote (Tamworth): 12.1%/70; Cannock North (Cannock Chase): 10.3%/55; Cross Heath: 9.8%/50 total youth claimants.



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 five in Stoke-on-Trent including Hanley Park & Shelton (40 increase to 70); Blurton West & Newstead (35 increase to 70); Tunstall (25 increase to 65); Bentilee & Ubberley (20 increase to 110); Broadway and Longton East (20 increase to 35).

In Staffordshire, the five wards with the highest change in the number of youth claimants since March 2020, were Shobnall (East Staffordshire) with a rise of 25 to 60; Huntington & Hatherton (South Staffordshire) with a rise of 20 to 35; Branston (East Staffordshire) with a rise of 20 to 35; Burton (East Staffordshire) with a rise of 15 to 50; Glascote (Tamworth) with a rise of 15 to 70 total youth claimants.



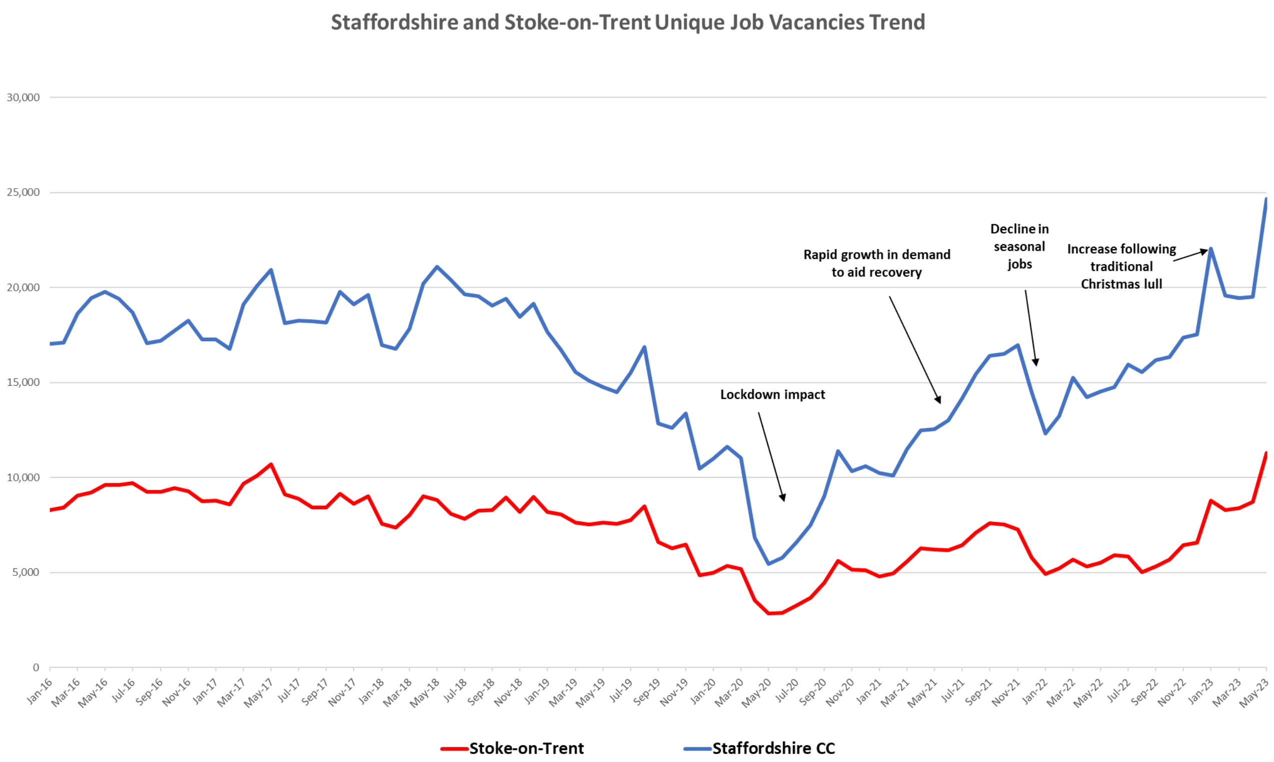
Job Vacancies[3]

- **Staffordshire saw a 26% increase in the number of available job vacancies between April and May to a total of 24,600 which continues to remain higher than the number of work-related benefit claimants.**

- **Stoke-on-Trent saw a 30% increase in vacancies to a total of 11,300 which is higher than the number of claimants.**

- **Across the region in the last month there was a 26% increase, and nationally there was also a 26% increase in job vacancies.**

- This is a significant rise in job vacancies and compered to a year ago in Staffordshire the number of job adverts being posted is 70% higher, whilst Stoke-on-Trent is 104% higher. It 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

- All occupational groups saw an increase in vacancies during May, with 'Process, Plant & Machine Operatives' (+34%), 'Elementary' (+31%), and 'Administrative & Secretarial' (+29%) occupations seeing the largest increases.

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

- The occupations to see the most significant increases during May include **Cross sector occupations (Administrative; Sales Related; Customer Service; Book Keepers, Payroll Managers and Wages Clerks; Chartered & Certified Accountants; Human Resources & Industrial Relations Officers),** roles in **Hospitality (Kitchen & Catering Assistants; Chefs), Health and Social Care (Care Workers and Home Carers; Nurses; Nursing Auxiliaries and Assistants), Logistics (Van Drivers; Elementary Administration occupations; Large Goods Vehicle Drivers), Housekeepers & related occupations (Cleaners & Domestics), ICT (Programmers & Software Development Professionals; IT Business Analysts, Architects & Systems Designers), Manufacturing (Science, Engineering & Production Technicians; Engineering Technicians), Education (Teaching Assistants).**

Annual Trends in job vacancies

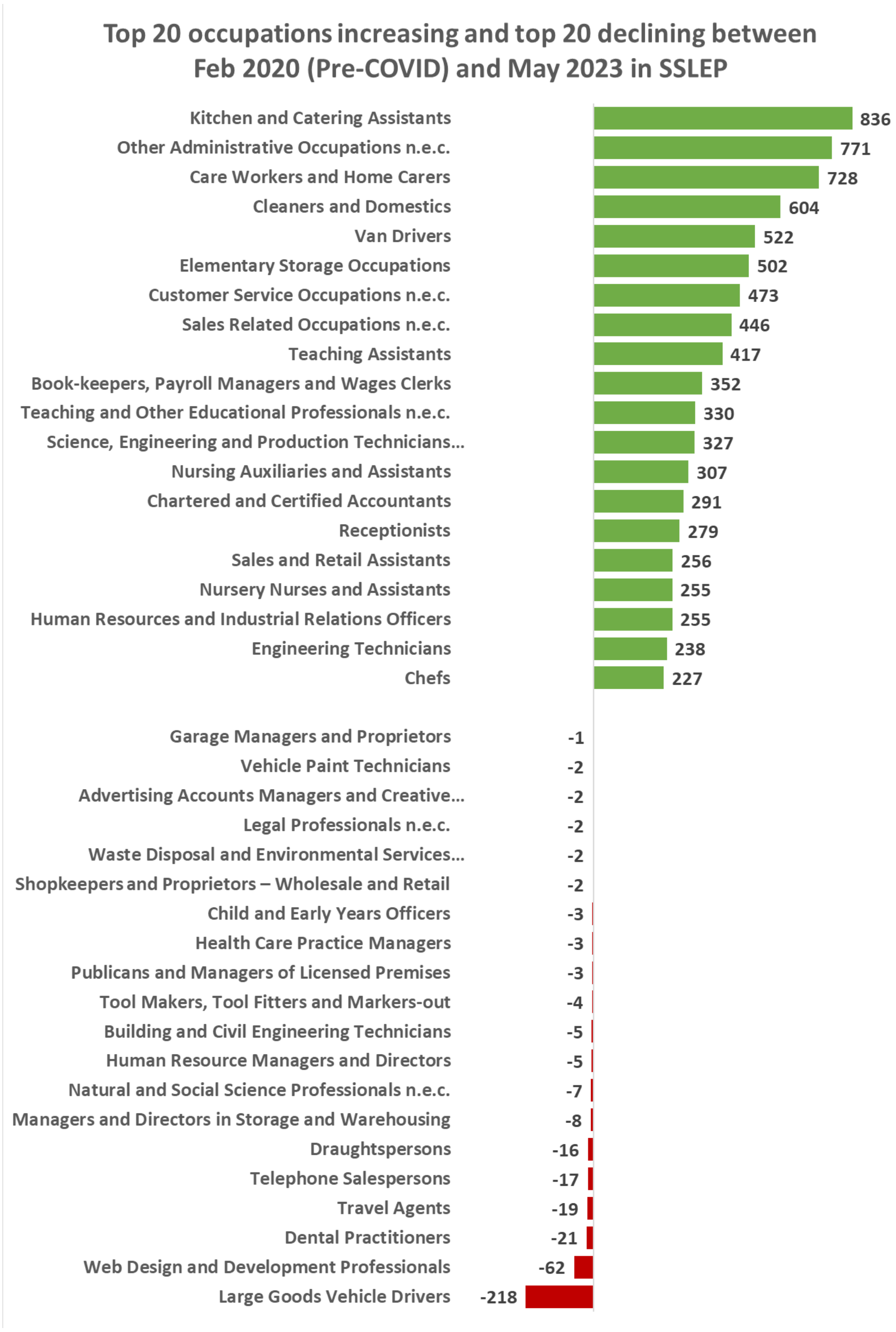
- The occupations to see the largest year-on-year increases include cross sector business roles (Administrative occupations; Sales Related occupations; Bookkeepers, Payroll Managers and Wages Clerks; Chartered & Certified Accountants; Customer service; Sales & Retail Assistants; Marketing Associate Professionals); Hospitality sector (Kitchen and Catering Assistants); Logistics (Van Drivers; Elementary Storage occupations), Housekeepers & related occupations (Cleaners & Domestics); Education (Secondary Education Teaching Professionals; Teaching Assistants; Teaching & Other Educational Professionals; Primary & Nursery Education Teaching Professionals); Manufacturing (Engineering Technicians; Science, Engineering & Production Technicians), Childcare (Nursery Nurses & Assistants); Health and Social Care (Nursing Auxiliaries and Assistants).

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; Chefs)
  - **Cross sector business roles** (Administrative occupations; Customer Service occupations; Sales Related 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)
  - **Logistics** (Elementary Storage occupations; Van Drivers)
  - **Education** (Teaching Assistants; Teaching & Other Educational Professionals)
  - **Manufacturing** (Science, Engineering & Production Technicians; Engineering Technicians)
  - **Childcare** (Nursery Nurses & Assistants)
  - **Retail** (Sales & Retail Assistants)

  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 most 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.'**

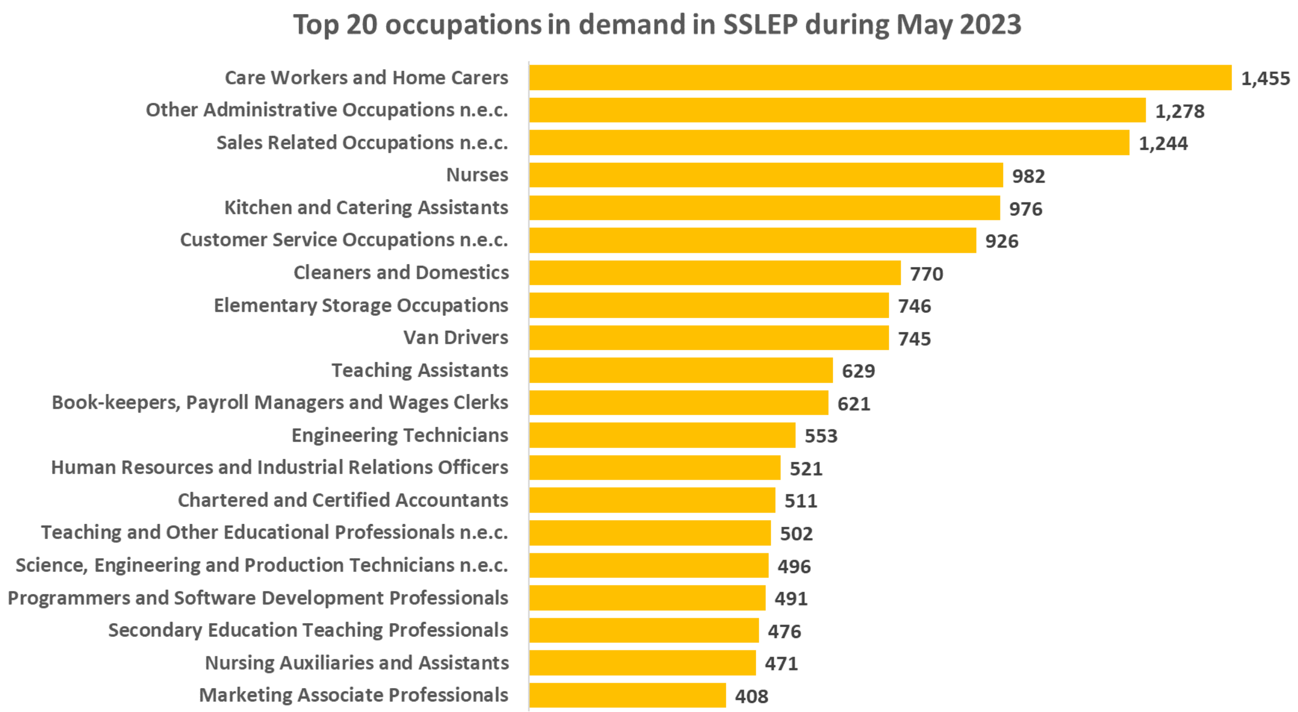
- In the Education sector there is particularly high demand for **'Teaching Assistants,' 'Secondary Education Teaching Professionals,' 'Teaching and Other Educational Professionals.'**

- 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.