Staffordshire & Stoke-on-Trent Economic Bulletin

Issue 35 – July 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 have seen unemployment, youth unemployment and dependency on work-related benefits increase during the energy and cost-of-living crisis. This month we have **seen the Claimant Count increase after a significant decrease the previous month. However there still remains 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 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 has started to decline again and the overall economic outlook is better than previously predicted**. However, **economic recovery is still fragile** with the war in Ukraine continuing to overshadow the world economy, generating high uncertainty. It is clear that we will **need to continue to support our communities and businesses through these challenging times**.
- Looking at the local data in more detail, following long-term declines in the **claimant count** approaching pre-pandemic levels, the number of work-related benefit claimants in Staffordshire **increased by 180 this month to a total of 15,300 claimants.** This was a lower proportional increase than seen nationally and in-line with the change seen regionally.
- **The claimant rate for Staffordshire increased from 2.8% to 2.9%.** Staffordshire continues to have one of the lowest rates in the West Midlands, far lower than the average for the region of 4.9% and lower than the average for England at 3.8%.
- Contributing to this overall decrease in claimants this month, the **youth claimant count in Staffordshire saw an increase of 55 to a total of 2,890 young people**. The proportion of young people in Staffordshire aged 18-24 that are claiming work-related Universal Credit has increased from 4.5% to 4.6%. This is lower than the national rate of 4.8% and far lower than the regional rate of 6.6%.
- These **increases may be due to a combination of factors including the challenging economic climate and recent reports that due to the cost of living crisis an increased number of people are looking to re-join the labour market.**
- In terms of **job vacancies there was a 4% increase across Staffordshire and a 3% increase nationally between May and June**. **Demand for labour and skills remains high, with there currently being 1.7 jobs available for every claimant within the county.** 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% or 3,250 higher than the level seen in March 2020 (pre-COVID)**, which is now slightly above the 26.2% increase seen nationally and 25.8% 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 compared to 4.9% regionally and 3.8% nationally.**
- In terms of job vacancies, **Staffordshire saw a 4% increase in the number of available job vacancies between May and June to a total of 25,800, which continues to remain higher than the number of work-related benefit claimants. Stoke-on-Trent saw a 6% increase in vacancies to a total of 12,000 which is higher than the number of claimants. Across the region in the last month there was a 3% increase, and nationally there was also a 3% increase.**
- This further rise in job vacancies 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,' 'Sales and Retail Assistants'** 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 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.

- 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**.
- **Digital Catapult** has launched an accelerator programme, as part of BridgeAI, that aims to stimulate the adoption of AI & ML technologies in the agriculture, creative,

construction, and transport sectors.

- **FutureScope BridgeAI** is a 12-week accelerator programme for UK-based startups and SMEs to help them develop responsible, ethical, and desirable AI and ML deep-tech solutions. The programme will provide startups & SME's with:
    - Ethical AI support
    - Innovative product development
    - Accelerate market growth and positioning
    - Investment and fundraising
    - Workshops and masterclasses
    - Peer-to-peer learning

  Before submitting your application, we ask that you read through the programme's Terms & Conditions. If you have any questions about the programme, you can check the Frequently Asked Questions or get in touch with our team via **email** or book in a **Q&A session with our team on Friday mornings.** **Apply now** to get access to mentorship, masterclasses and peer-to-peer learning opportunities. **Applications close at 23:59 on Wednesday 9 August 2023.**
- **Fortune Brands Innovations, based in Chicago, has been named as the first occupier of the new i54 South Staffordshire western extension**. The international company is building a 270,000 sq ft facility at the business park with the investment expected to bring 250 permanent jobs over the first year of operation, including training opportunities for apprentices and graduates. This will support its luxury ceramics and brassware brands within the kitchen and bathroom industry.
- **Funded by the UK Government through the UK Shared Prosperity Fund, Stafford-based rural businesses can now apply for up to £5,000 to develop new products and services.** The grant can support:
    - Website design
    - Marketing materials for a new product or service
    - Specialist financial and planning advice on new product design
    - Capital investment
    - Advertising, PR and publicity to launch a new product or service
    - Recruitment, training and skills to support development.
- Who is eligible?
    - Small to medium-sized businesses with less than 250 employees (FTEs) and a turnover under £40m.
    - Companies based in commercial premises in a rural area of Stafford Borough
    - Businesses where 75% of more of their turnover comes from selling direct to business **MORE INFORMATION AND APPLY FOR FUNDING**

National Context

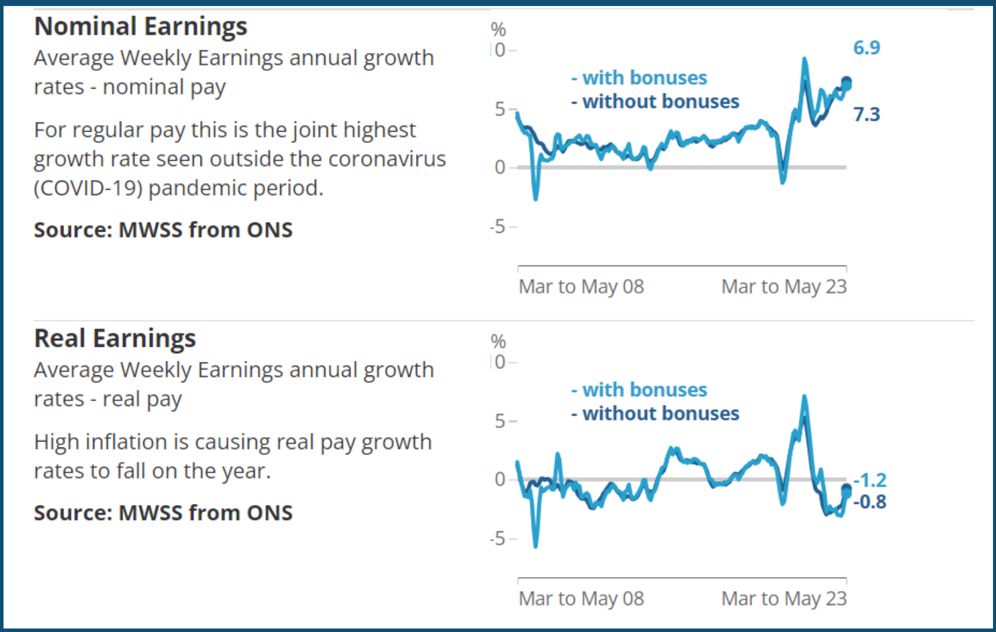
- Over the last month we saw **headline inflation reduce by a larger amount than many had expected, but inflation remains elevated and is the highest in the G7**. With rising service prices offsetting falls in energy and goods prices – due in part to increased pay. However, a slower pace of producer price inflation and pay growth, along with a stronger pound, could help to curb future price pressures.
- While the **UK economy may have narrowly managed to avoid a recession over the past year, economic activity remains weak**.
- **Despite cost of living and mortgage pressures, there are some signs of improving consumer confidence and fewer business concerns**.
- **Labour demand continues to slow and economic inactivity levels fall, but both are still above pre-pandemic levels**.

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

- This month the **UK's rate of inflation fell to 7.9 per cent in the year to June,** compared to 8.7 per cent in May. This was a positive surprise with economists having expected a smaller drop to 8.2 per cent. This was largely because of falling petrol and diesel prices, which fell 22.7% in the year to June 2023, after a 13.1% fall in May.
- **However, interest rates, mortgage repayments and house prices continue to worry many people.** To bring inflation down further analysts are predicting that the Bank of England will add 0.25% to the current interest rate of 5% at the Bank's next meeting in August.
- This potential further rise in interest rates may come at a time when **mortgage rates have hit the highest level for 15 years** after the rate on a two-year fixed deal surpassed the peak in the aftermath of the mini-budget. The average rate on such a deal is now 6.66% - a level not seen since August 2008 and the financial crisis.
- The **Bank of England** has also predicted that **mortgage payments will rise by at least £500 a month for nearly one million households by the end of 2026** and suggested that mortgage holders "may struggle with repayments" on loans.
- **Household energy prices continues to rise sharply**, with the annual inflation rate remaining stable. Gas and electricity prices rose 36.2% and 17.3%, respectively in the year to June 2023, and have been one of the largest contributions to the overall inflation rate since April 2022.
- **British Gas owner Centrica chief executive Chris O'Shea has warned that energy bills are likely to stay high for the foreseeable future**, he believes the worst of the energy crisis is over but risks remain with prices back down to pre-invasion levels but still two and a half times the long run average.
- This comes as the **Chancellor has asked energy industry regulators what they are doing about any companies exploiting rampant inflation by raising prices**. The meeting with the CMA, Ofgem, Ofwat and Ofcom comes after the Bank of England suggested some retailers were increasing prices or failing to pass on lower

costs to consumers as a way of increasing profit margins amid inflation.

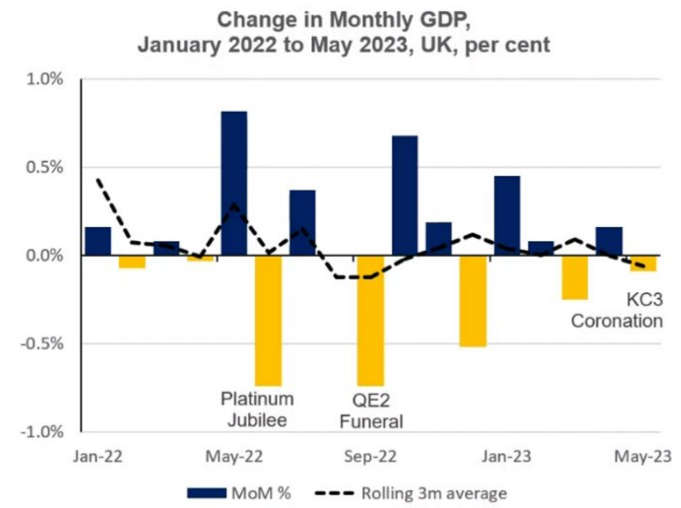
- **Food price inflation has eased slightly but remains high**, with the price of food and non-alcoholic beverages having rose by 17.4% in the year to June 2023. This was down from 18.4% in May and from a high of 19.2% in March, which was the highest annual inflation rate for over 45 years.
- To offset such cost increases **those that have savings are withdrawing record amounts**. According to the Bank of England in May there was £4.6 billion more paid out than paid into bank and building society accounts, which was the highest level seen since comparable records began 26 years ago.
- While **those without savings are struggling to pay bills**, according to research by charity, Debt Justice almost 13 million adults are struggling with heavy debt an increase of two thirds since 2017.
- The **Chancellor Jeremy Hunt** welcomed the drop in inflation but said the government knows high prices "are still a huge worry for families and businesses".
- The **Government has made a public sector pay offer with more than one million public sector workers, including teachers, police and doctors, have been offered pay rises of between 5 per cent and 7 per cent**. Four education unions said the deal would allow them to end their dispute and will be recommending their members to accept the offer.
- Although higher wages at a time of such high inflation will be welcomed, there are **concerns that record wage growth could fuel inflation. Regular pay rose by 7.3 per cent in the March to May** period from a year earlier, equalling the highest growth rate last month. However, **in real terms (adjusted for inflation) growth in regular pay dropped by 0.8%** over the same period.



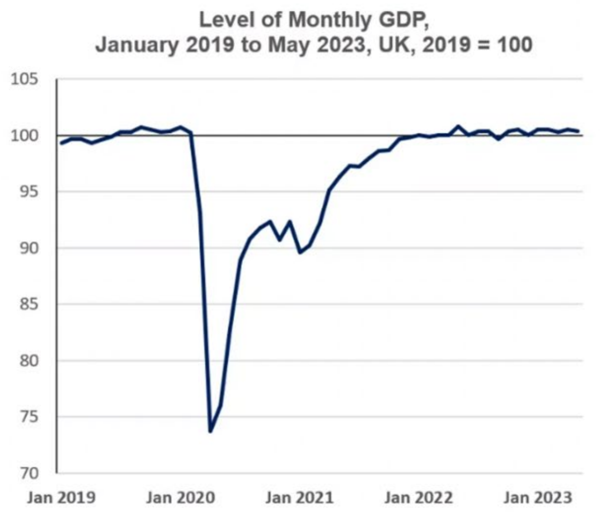
- **There are signs that pay disputes may be easing but strikes remain in important parts of the economy**, including NHS consultants, junior doctors, teachers and rail workers. There were 128,000 working days lost because of labour disputes in May 2023, the lowest number of days lost since July 2022.

Economy

- **While the UK economy may have narrowly managed to avoid a recession over the past year, economic activity remains weak**. The Office for National Statistics has shown that while monthly Gross Domestic Product (GDP) data has been noisy, the overall long-term trend shows that GDP has flatlined with levels remaining only similar to pre-pandemic. This lack of growth over recent years is in contrast to other countries where GDP is now above pre-pandemic levels.



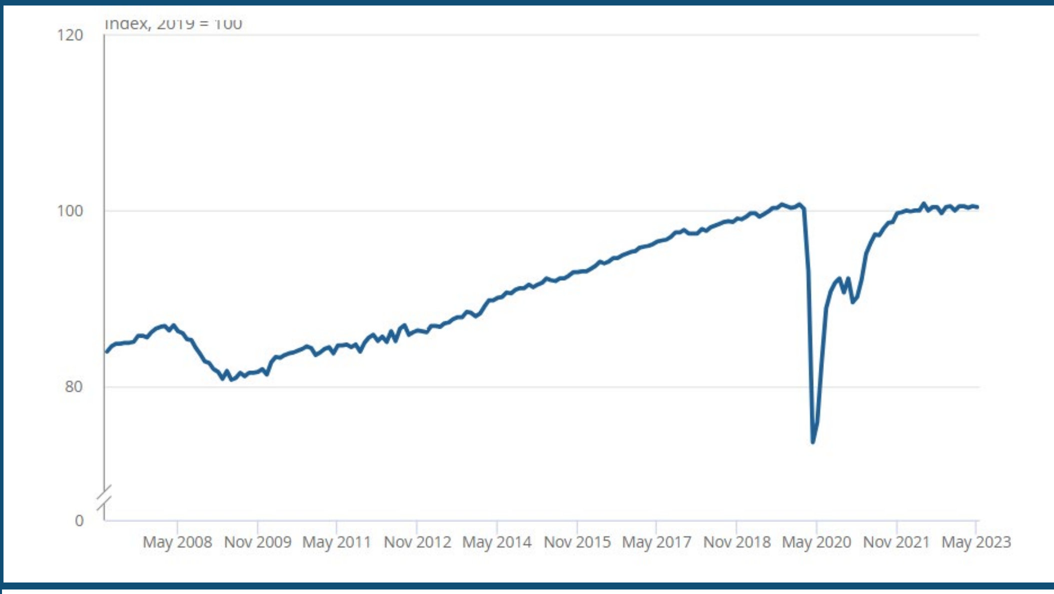
Source: ONS – Monthly GDP



Source: ONS – Monthly GDP

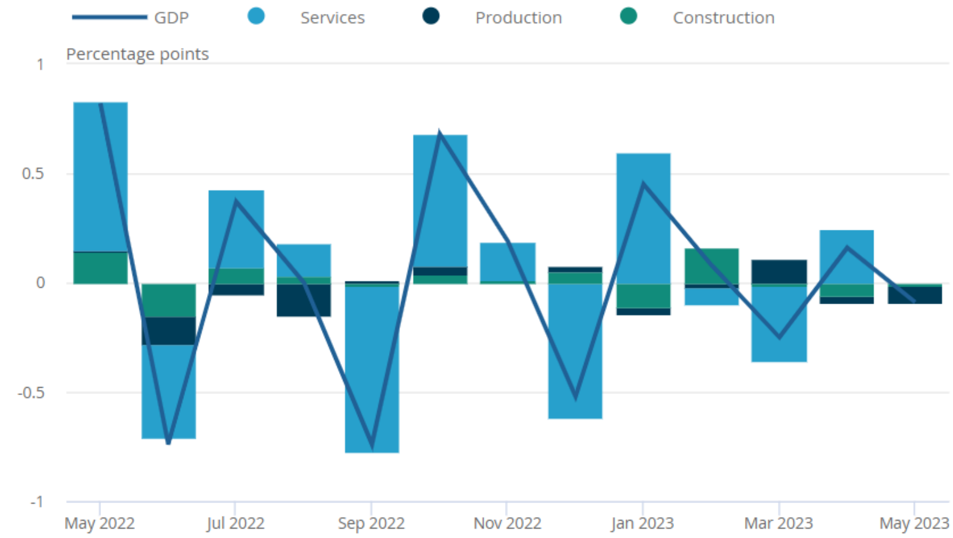
- Looking at the latest GDP data from the **Office for National Statistics (ONS) in** more detail, **monthly GDP, which is the total value of goods and services produced after adjusting for inflation, is estimated to have fallen by 0.1% in May 2023 after growth of 0.2% in April 2023.**
- Looking at the broader picture, **GDP has shown no growth in the three months to May 2023.**
- **Production** output fell by 0.6% in May 2023 after a fall of 0.2% in April 2023, this sector was the main contributor to the fall in monthly GDP in May.
- The **construction** sector fell by 0.2% in May 2023 following a fall of 0.9% in April 2023.
- **Services** output showed no growth in May 2023 following growth of 0.3% in April 2023.
- Output in **consumer-facing services** fell by 0.2% in May 2023 following growth of 1.1% in April 2023.

GDP Monthly index, January 2007 to May 2023, UK



The production sector was the main contributor to the fall in GDP in May 2023

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

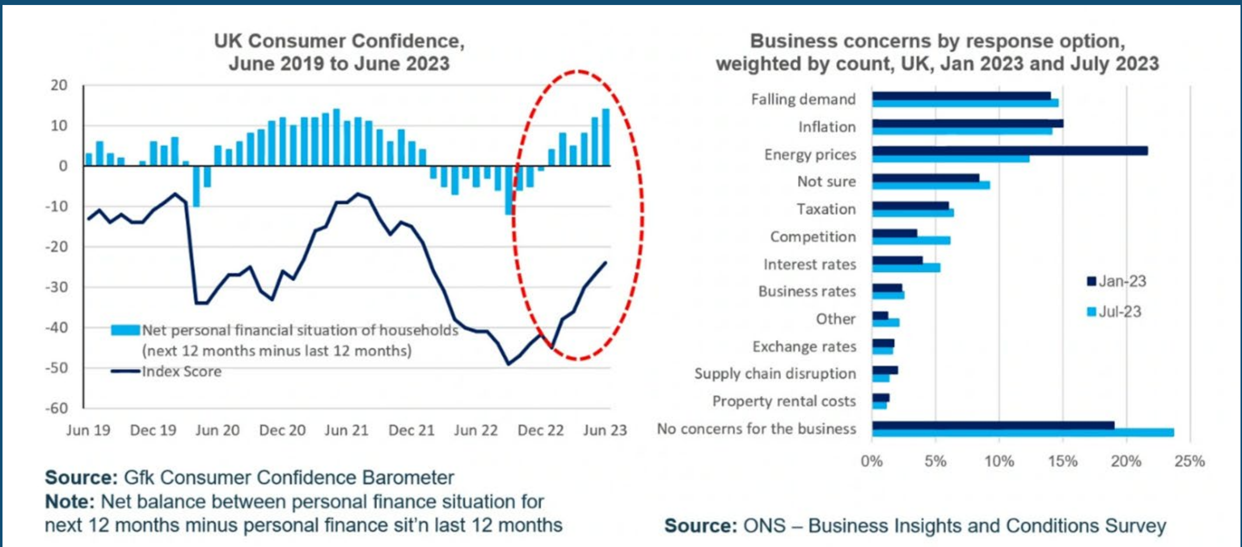


Source: GDP monthly estimate from the Office for National Statistics

- A recent report by the **County Councils Network (CCN)** on economic recovery has shown that rural and county economies in England are recovering far more slowly from the pandemic than urban and city areas. It is calling for government to reform the way economic development is marshalled at a regional level.

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.**
- Despite cost of living and mortgage pressures, there are some **signs of improving consumer confidence and fewer business concerns**:



- The following charts show the latest results from Wave 86 of the **Business Insights and Conditions Survey (BICS)**, which was live from 26 June to 9 July 2023.

Headline figures from the Business Insights and Conditions Survey

Indicator	Latest data compared with **previous wave**	Latest data compared with **equivalent period the previous year**	Timeline
Trading status Currently trading Units	0.3▲	0.6▲	65.9 15/06/2020 – 94.5 09/07/2023
Trading status Temporarily closed or paused trading Units	-0.6▼	-0.4▼	33.4 15/06/2020 – 3.4 09/07/2023
Prices Prices bought increased Units	1.5▲	-18.2▼	16.3 01/06/2020 – 31.6 30/06/2023
Prices Prices sold increased Units	-1.3▼	-6.6▼	4.9 01/06/2020 – 13.7 30/06/2023

Financial performance Turnover increased Units	-1.0▼	1.8▲	**13.6** 01/03/2022 **14.5** 30/06/2023
Financial performance Turnover stayed the same Units	1.1▲	-1.3▼	**54.6** 01/03/2022 **52.9** 30/06/2023
Financial performance Turnover decreased Units	0.3▲	0.1▲	**19.9** 01/03/2022 **23.6** 30/06/2023

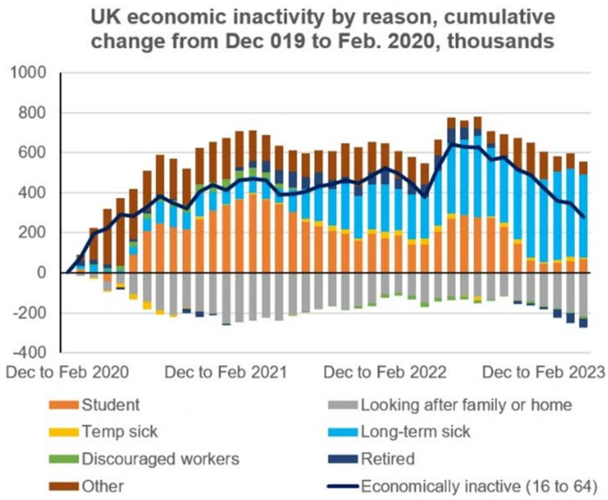
Source: Business Insights and Conditions Survey from the Office for National Statistics

- Fewer than a quarter (24%) of trading businesses reported lower **turnover** in June 2023 compared with May 2023; in comparison, 15% reported their turnover was higher in June, with both figures broadly stable with the proportions reported for May 2023.
- When looking ahead to August 2023, more than half (54%) of trading businesses expect their turnover to stay the same while 15% reported that they expect their turnover to increase, down four percentage points from the 19% reported for July 2023.
- Fewer than one in six (15%) trading businesses **expect to raise the prices of goods or services they sell** in August 2023; of these, a quarter (25%) reported energy prices as a reason for considering doing so, 21% reported labour costs and 19% reported raw material prices.
- More than one in six (17%) trading businesses reported they **expect staffing costs to increase over the next three months,** with the accommodation and food service activities industry reporting the largest proportion (25%); these percentages are down from 30% and 61%, respectively, from April 2023.
- Nearly one in five (18%) businesses reported a **decrease in domestic demand for goods and services** in June 2023 compared with May 2023; this is up from the 16% reported for both May and April 2023.
- Although we are seeing some overall signs of improvement it is clear that some businesses continue to struggle. **In June 2023 there were a total of 2,163 company insolvencies in England and Wales, 27% higher than the number registered in the previous year (1,698 in June 2022), and 192% higher than the number registered three years previously: 741 in June 2020).** The main concern around company and individual insolvencies are associated issues such as mental health and homelessness.

Labour Market

- **Labour demand continues to slow with job vacancies and payroll employee growth both declining, while at the same time economic inactivity levels continue to fall**.
- However, the **labour market remains tight with labour demand and economic inactivity both still above pre-pandemic levels**.

Source: ONS – Vacancies and jobs in the UK, and Earnings and employment from Pay As You Earn Real Time Information
Note: Latest monthly employee number is a flash estimate



Source: ONS – Employment in the UK

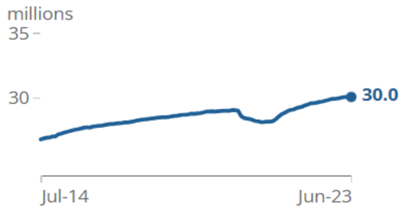
- The following charts shows the latest **labour market position** and the latest Office for National Statistics data for March 2023 to May 2023:

Payrolled employees
The number of payrolled employees

Monthly change: ▼ -9,000
Since Feb 2020: ▲1,027,000

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

Source: PAYE RTI from HMRC

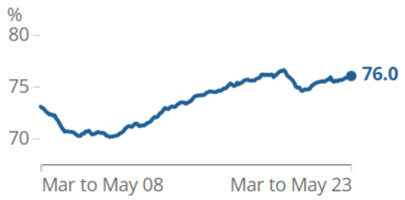


Employment rate
Employment rate (all aged 16 to 64)

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

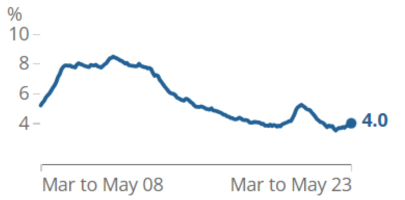


Unemployment rate
Unemployment rate (all aged 16+)

Quarterly change: ▲0.2pps
Since Dec-Feb 2020: ◀▶ 0.0pps

The unemployment rate is up on the quarter and on the year, and at pre-pandemic levels.

Source: LFS from ONS



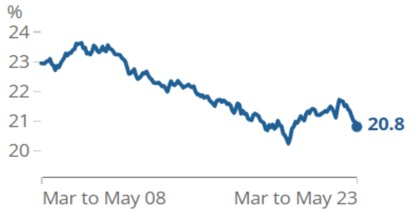
Inactivity rate

Economic inactivity rate (all aged 16 to 64)

Quarterly change: ▼-0.4pps
Since Dec-Feb 2020: ▲0.6pps

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

Source: LFS from ONS



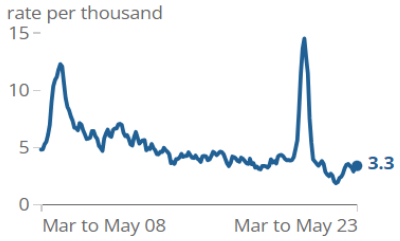
Redundancy rate

Redundancy rate (per 1000 employees)

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

The redundancy rate increased on the quarter.

Source: LFS from ONS



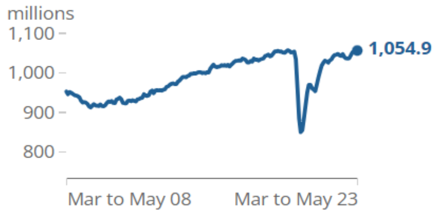
Hours worked

Total actual weekly hours worked

Quarterly change: ▲4.5 million
Since Dec-Feb 2020: ▲2.7 million

Total actual weekly hours worked increased on the quarter.

Source: LFS from ONS



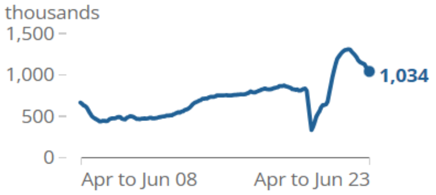
Job vacancies

Number of job vacancies

Quarterly change: ▼-85,000
Since Jan-Mar 2020: ▲232,000

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 March to May 2023, 0.2 percentage points higher than December 2022 to February 2023. The quarterly increase in employment was mainly attributed to part-time employees. **Employment now 20,000 below pre-pandemic levels.**
- The estimate of **payrolled employees** for June 2023 shows a monthly decrease, down 9,000 on the revised May 2023 figure, to 30.0 million.
- The **unemployment rate** for March to May 2023 increased by 0.2 percentage points on the quarter to 4.0%. The increase in unemployment was driven by people unemployed for up to 12 months. **Unemployment is 6,000 above pre-pandemic levels.**
- The **economic inactivity rate** decreased by 0.4 percentage points on the quarter, to 20.8% in March to May 2023. The decrease in economic inactivity during the latest quarter was largely driven by those inactive for other reasons, those looking after family or home, and those who are retired. **Those economically inactive are 281,000 above pre-pandemic levels.**

- The increases in the employment and unemployment rates and the decrease in the inactivity rate during the latest quarter were attributed to men.
- In April to June 2023, the estimated number of **vacancies** fell by 85,000 on the quarter to 1,034,000. Vacancies fell on the quarter for the 12th consecutive period. In April to June 2023, total vacancies were down by 265,000 from the level of a year ago, although they **remained 232,000 above their pre-pandemic levels**.
- The **Office for Budget Responsibility has estimated rise in people suffering from illness after the pandemic has cost the public finances almost £16 billion**. The public spending watchdog said the recent increase in the number of people who were unable to work because of long-term sickness "has proven to be the most significant and persistent legacy of the pandemic".
- The **Education Secretary, Gillian Keegan**, has said **councils will get an extra £204 million to help them deliver a major expansion of free childcare** announced in the March Budget. However, **a study by Coram children's charity has found that less than a quarter of local authorities have enough childcare for full-time working parents during the school holidays**. While research by the **LGA** has found **88 per cent of councils are concerned there could be nursery closures this year undermining sufficiency** ahead of the Government's extension of 30 hours free childcare for working parents.
- Analysis by the **Fabians Society think-tank** has found that **almost half of net jobs growth in England since 2010 has been in London and the south-east**, citing centralisation, short-termism and low investment outside the capital.
- The Government has published its **NHS Long Term Workforce Plan** with the Prime Minster Rishi Sunak saying it will be the "biggest workforce training expansion" in the history of the health service.
- This announcement comes as analysis by the **Migration Observatory at the University of Oxford** found that the **UK risks becoming heavily reliant on overseas care workers after almost 58,000 visas were issued for the sector last year**. The report found that the demand for foreign staff had left the NHS and care homes open to "vulnerabilities" including "exposure to international competition for health workers and risks of exploitation".
- **Healthcare leaders are calling for an urgent plan to tackle the social care crisis**, warning Rishi Sunak that there is "clear concern" over an ongoing failure to tackle staff shortages.
- Positively, research by **Skills for Care** has found that the **adult social care workforce in England has begun to grow again, with vacancies down slightly while the number of filled roles has risen**. It has called on the Government to bring forward a social care workforce plan, similar to that unveiled for the NHS.
- The **Home Office has confirmed that visa rules are being eased for overseas builders, carpenters and people working in the fishing industry**. Roofers and plasterers have also been added to the Shortage Occupation List, which temporarily eases visa restrictions in areas where employers are struggling to fill vacancies.

Green Economy

- The **UK Committee on Climate Change (UKCCC) has stated that the UK has made 'no progress' on plans to reach net zero**, with almost all targets being missed. The Committee revealed that fewer homes were insulated last year than the year before, with little progress on transport emissions, no coherent programme for behaviour change, and no decision on using hydrogen to heat homes.
- Positively, the Government has the **Government has published a five-year Climate Change Adaption Plan**, which includes measures to tackle overheating and flooding and to construct public buildings designed to deal with higher temperatures. However, the UKCCC said the plan does not match the scale of the challenge facing the country but Environment Secretary Therese Coffey said it marked a "step change" in national policy. As part of the plan, councils will be offered advice and information from a new climate advice data service to help them tailor their response locally.
- **Jaguar Land Rover owner Tata Sons has announced plans to establish a global battery cell gigafactory in the UK as part of an investment worth more than £4bn.** Prime Minister Rishi Sunak said the move was "a huge vote of confidence in Britain".
- **Analysis has shown electric cars damage roads twice as much as their petrol equivalents**. It found the average electric car more than doubles the wear on road surfaces, which in turn could increase the number of potholes.

Housing

- **Housing Secretary Michael Gove says the Government will build at least 30,000 new social homes a year to tackle the housing crisis**. He said: "We have a £11.5 billion programme, the **Affordable Homes Programme** - within that programme I have specifically insisted that we renegotiated and that we have more money being spent explicitly for homes for social rent. Tens of thousands of new homes for social rent will be built as a direct result of the way we have reprofiled that spending."

Conclusion

- In conclusion, although many economic commentators have **improved their outlook for the UK economy we remain in challenging times and recovery remains fragile**.
- **Inflation is once again moving in the right direction which hopefully signals the further easing of the cost-of-living crisis.**
- Positively, there are **signs of further improvement in business conditions and confidence** with costs and prices continuing to ease and more businesses seeing an increase in turnover.
- 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 Jobs and Careers 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 June 2023, which show the number of new companies and individuals who are unable to pay debts and enter a formal insolvency procedure.

Company Insolvencies

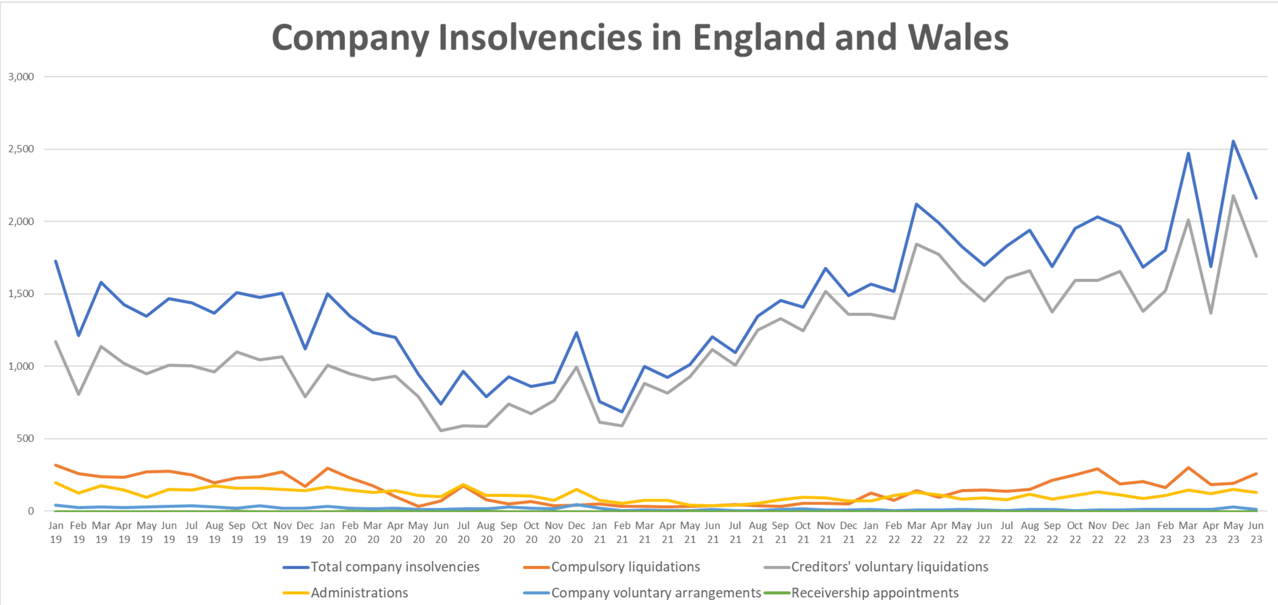
In June 2023 there were a total of 2,163 company insolvencies in England and Wales.

The overall number of **company insolvencies are 27% higher than the number registered in the previous year (1,698 in June 2022), and 192% higher than the number registered three years previously: 741 in June 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 260 compulsory liquidations in June 2023, which is 77% higher than the number in June 2022, and 271% higher than in June 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 June 2023 there were 1,759 Creditors' Voluntary Liquidations (CVLs), 21% higher than in June 2022, and 216% higher than June 2020. Numbers of administrations are now on average higher than pandemic levels and 30% higher than June 2020, whereas Company Voluntary Arrangements (CVAs) are in line with pandemic levels and are the same as June 2020 levels.

Company insolvencies between July 2022 and June 2023 are 24% 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, June 2023 - GOV.UK (www.gov.uk)

The sectors to have seen the largest number of company insolvencies between June 2022 and May 2023 continue to be the Construction sector (4,208), Wholesale & Retail sector (3,640) and Accommodation & Food Service sector (3,132). Levels exceed those seen for the same period the previous year with the Construction sector 17% higher, Wholesale & Retail sector 50% higher, and Accommodation & Food Service sector 43% 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.

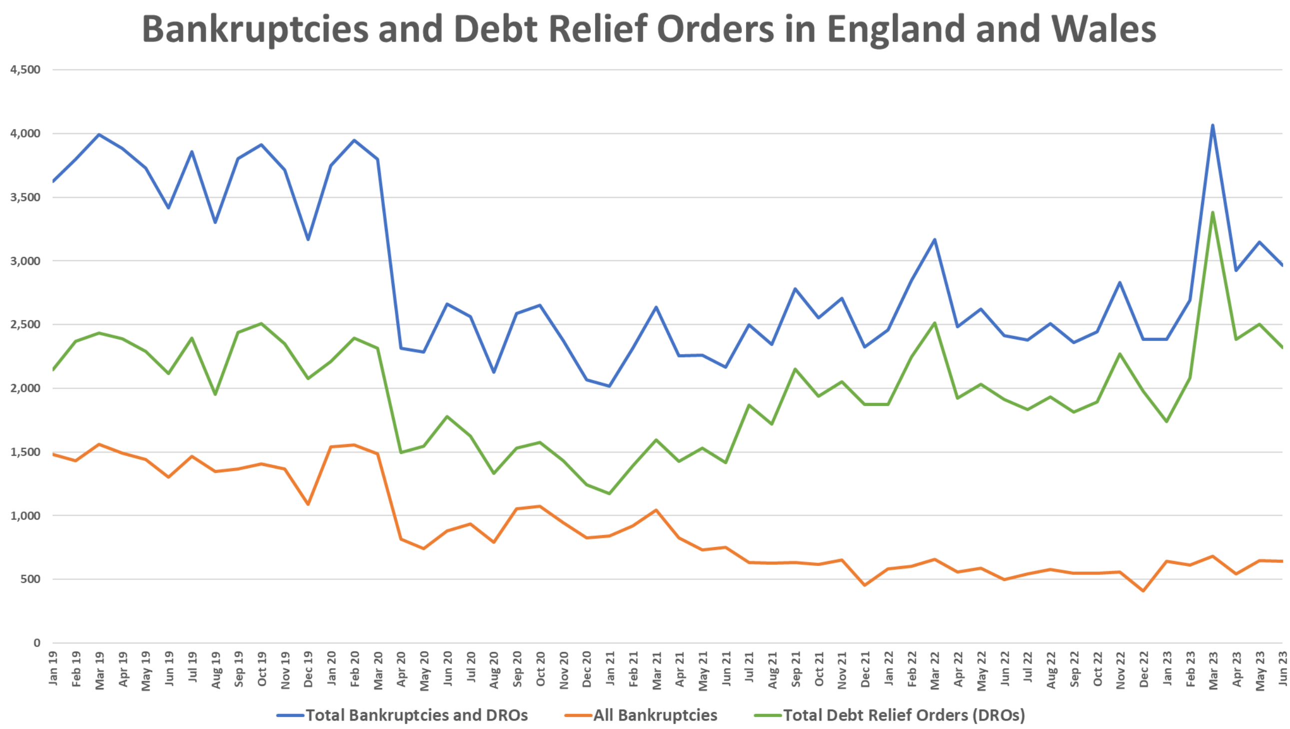
Individual Insolvencies

For individuals, **643 bankruptcies were registered in June 2023**, which was 29% higher than in June 2022, but 27% lower than in June 2020.

There were **2,320 Debt Relief Orders (DROs)** in June 2023, which was 21% higher than in June 2022, and 30% higher than in June 2020.

There were, on average, **6,026 Individual Voluntary Arrangements (IVAs)** registered per month in the three-month period ending June 2023, which is 22% lower than the three-month period ending June 2022, and also 28% lower than the three-month period ending June 2020.

Total Bankruptcies and DROs between July 2022 and June 2023 are 6% higher than the same period a year earlier, representing an increase of 1,887.



Sources: Insolvency Service

There were 7,936 Breathing Space registrations in June 2023, which is 37% higher than the number registered in June 2022. Of these, 7,825 were Standard Breathing Space registrations, which is 38% higher than in June 2022, and 111 were Mental Health Breathing Space registrations, which is 31% higher than the number in June 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: June 2023

Area	Claimant Count Rate (June 2022)	Claimant Count Rate (May 2023)	Claimant Count Rate[1] (June 2023)	Number of Claimants (June 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	3.7	3.8	1,342,570	21,595	1.6%	279,065	26.2%
West Midlands	4.8	4.9	4.9	181,655	2,105	1.2%	37,305	25.8%
SSLEP	3.3	3.4	3.5	24,170	380	1.6%	4,800	24.8%
Birmingham	8.4	8.5	8.6	63,090	670	1.1%	13,720	27.8%
Wolverhampton	7.3	7.6	7.7	12,765	255	2.0%	2,385	23.0%
Sandwell	6.2	6.2	6.3	13,570	205	1.5%	2,790	25.9%
Coventry	5.3	5.7	5.8	13,030	135	1.0%	5,030	62.9%
Walsall	5.6	5.7	5.7	9,890	50	0.5%	1,285	14.9%
Stoke-on-Trent	**5.3**	**5.4**	**5.5**	**8,870**	**205**	**2.4%**	**1,550**	**21.2%**
Dudley	4.8	4.6	4.6	9,105	30	0.3%	590	6.9%
Telford and Wrekin	3.6	3.4	3.5	4,040	150	3.9%	610	17.8%
Solihull	3.4	3.2	3.2	4,145	15	0.4%	495	13.6%
Worcestershire	3.1	3.0	3.0	10,870	160	1.5%	2,565	30.9%
Staffordshire	**2.7**	**2.8**	**2.9**	**15,300**	**180**	**1.2%**	**3,250**	**27.0%**
Warwickshire	2.7	2.7	2.7	9,840	-40	-0.4%	2,010	25.7%
Herefordshire, County of	2.4	2.4	2.5	2,675	30	1.1%	565	26.8%
Shropshire	2.4	2.3	2.3	4,460	55	1.2%	450	11.2%
Cannock Chase	3.1	3.4	3.5	2,170	45	2.1%	515	31.1%
East Staffordshire	2.8	3.4	3.5	2,680	60	2.3%	960	55.8%
Tamworth	3.4	3.4	3.4	1,680	10	0.6%	190	12.8%
Newcastle-under-Lyme	2.9	3.0	3.1	2,360	50	2.2%	380	19.2%
South Staffordshire	2.6	2.7	2.6	1,740	-5	-0.3%	430	32.8%
Stafford	2.4	2.4	2.5	2,050	35	1.7%	395	23.9%
Lichfield	2.4	2.4	2.4	1,540	-10	-0.6%	220	16.7%
Staffordshire Moorlands	1.9	1.9	1.9	1,080	0	0.0%	160	17.4%

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

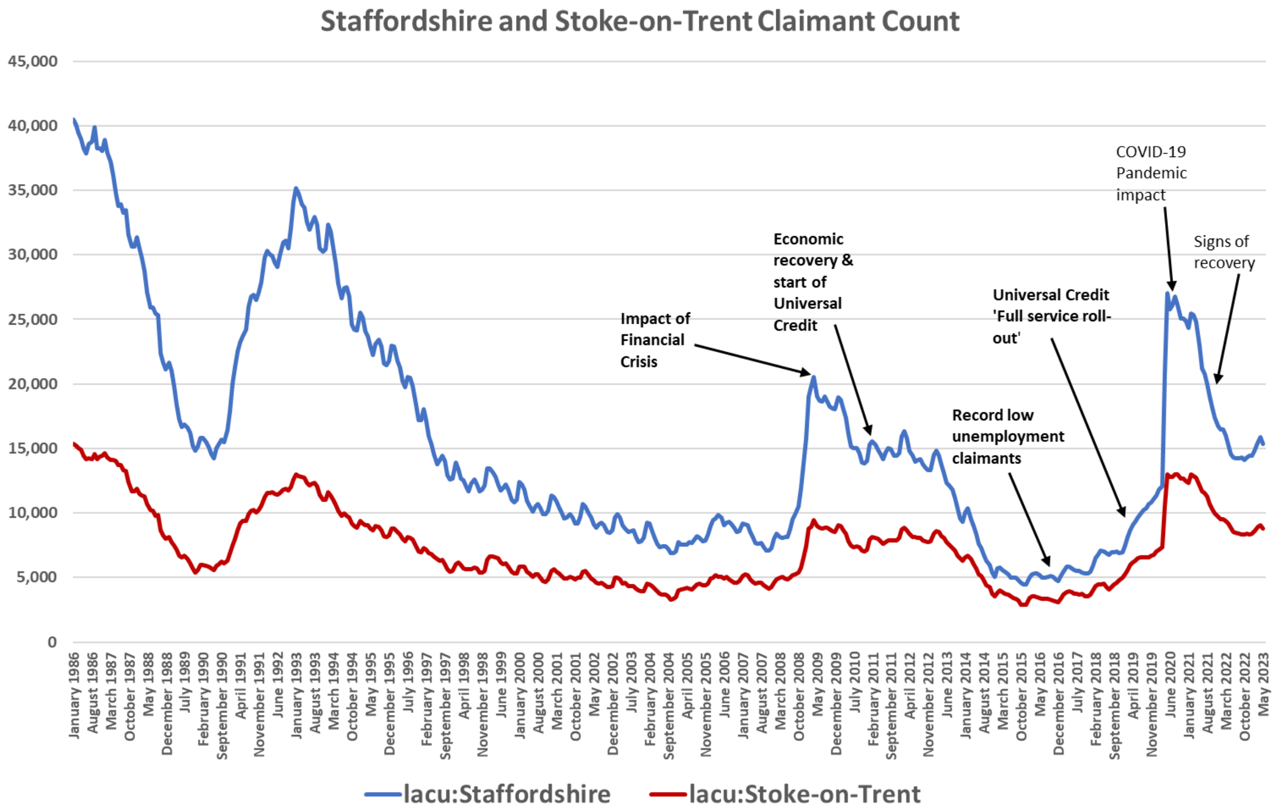
- The claimant count in Staffordshire saw an **increase of 180 claimants** over the last month, with the **total number of claimants in the county now standing at 15,300**. This was a lower proportional increase than seen nationally and in-line with the change seen regionally.
- Over the last month, the **claimant rate for Staffordshire increased from 2.8% 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 an **increase of 205 claimants** over the same period with **a total of 8,870 claimants in June**, with the **rate increasing from 5.4% to 5.5%.**
- These **increases may be due to a combination of factors including the challenging economic climate affecting household incomes and recent reports that due to the cost of living crisis there is an increased number of people now looking to re-join the labour market.**

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

- **In terms of job vacancies there was a 4% increase seen across Staffordshire and a 3% increase nationally seen between May and June.**

- **Demand for labour and skills remains high across the local economy with there currently being 1.7 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% or 3,250 higher than the level seen in March 2020 (pre-COVID)**, which is now slightly above the 26.2% increase seen nationally and 25.8% 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 June 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 5.5%.**

- This month there were increases in the claimant count across five of the districts in Staffordshire whilst South Staffordshire and Lichfield saw decreases and Staffordshire Moorlands saw no change. East Staffordshire saw the highest increase in claimants with 60 more claimants than the previous month.

- East Staffordshire and Newcastle-under-Lyme have the highest number of claimants with 2,680 and 2,360 respectively, whilst Staffordshire Moorlands has the lowest at 1,080. Cannock Chase and East Staffordshire have the highest claimant rates both at 3.5%, and Staffordshire Moorlands has the lowest at 1.9%. Significantly, 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 55 claimants to a total of 2,890 young people**.

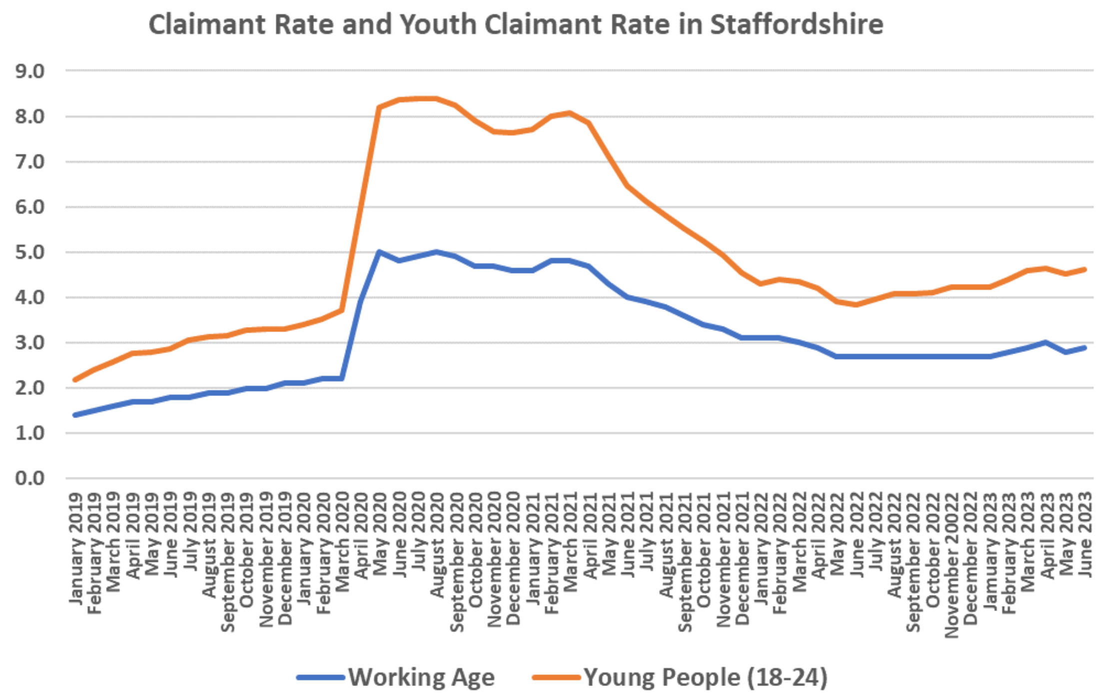
- **The proportion of young people in Staffordshire aged 18-24 that are claiming work-related Universal Credit increased from 4.5% to 4.6%.** This remains lower than the national rate of 4.8% and is far lower than the regional rate of 6.6%.

- In June, **Stoke-on-Trent saw an increase of 10 claimants to a total of 1,675 claimants with the rate remaining at the same level of 7.4%.**

Youth Claimant Count (Universal Credit) Statistics: June 2023

Area	Youth Claimant Count Rate (June 2022)	Youth Claimant Count Rate (May 2023)	Youth Claimant Count Rate[1] (June 2023)	Number of Youth Claimants (June 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	4.4	4.8	4.8	227,085	1,570	0.7%	29,355	14.8%
West Midlands	5.9	6.5	6.6	33,070	310	0.9%	5,165	18.5%
SSLEP	4.5	5.3	5.4	4,565	65	1.4%	745	19.5%
Wolverhampton	9.0	10.5	10.7	2,295	55	2.5%	385	20.2%
Sandwell	8.0	8.8	8.9	2,540	35	1.4%	425	20.1%
Walsall	7.9	8.8	8.9	2,005	20	1.0%	90	4.7%
Birmingham	8.0	8.7	8.8	11,455	160	1.4%	2,350	25.8%
Dudley	6.9	7.4	7.4	1,745	-10	-0.6%	-5	-0.3%
Stoke-on-Trent	6.5	7.4	7.4	1,675	10	0.6%	270	19.2%
Telford and Wrekin	5.5	5.3	5.4	810	20	2.5%	50	6.6%
Coventry	4.5	5.1	5.2	2,210	20	0.9%	675	44.0%
Solihull	5.2	5.1	5.0	755	-10	-1.3%	-70	-8.5%
Staffordshire	3.8	4.5	4.6	2,890	55	1.9%	475	19.7%
Worcestershire	4.2	4.5	4.4	1,855	-10	-0.5%	260	16.3%
Herefordshire, County of	3.1	4.0	4.0	465	5	1.1%	50	12.0%
Warwickshire	3.3	3.8	3.7	1,640	-45	-2.7%	305	22.8%
Shropshire	2.9	3.3	3.3	725	5	0.7%	-100	-12.1%
Cannock Chase	5.2	6.2	6.6	465	25	5.7%	100	27.4%
Tamworth	5.4	6.3	6.4	365	5	1.4%	70	23.7%
East Staffordshire	3.8	5.2	5.4	485	20	4.3%	165	51.6%
South Staffordshire	3.8	4.7	4.8	360	10	2.9%	110	44.0%
Stafford	3.8	3.9	3.9	335	-5	-1.5%	20	6.3%
Newcastle-under-Lyme	3.3	3.9	3.8	450	-15	-3.2%	25	5.9%
Lichfield	3.7	3.7	3.7	260	0	0.0%	-10	-3.7%
Staffordshire Moorlands	2.1	2.7	2.9	170	10	6.3%	-5	-2.9%

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



- This month has seen an increase in the youth claimant count across the county in five of the districts, whereas Newcastle-under-Lyme and Stafford saw decreases and Lichfield saw no change. Cannock Chase saw the highest increase in claimants with 25 more claimants than the previous month.

- Cannock Chase and Tamworth continue to have the highest rates at 6.6% and 6.4% respectively, whilst Staffordshire Moorlands has the lowest rate at 2.9%. East Staffordshire has the highest number of youth claimants at 485 whilst Staffordshire Moorlands has the lowest number of youth claimants at 170.

- Given that it is harder for these groups to find a new job it is increasingly vital that there is the right support in place to help young people find work such as through the Staffordshire Jobs and Careers Brokerage service, the Restart Scheme, and the new Skills Bootcamps to help prevent them becoming long-term unemployed.

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

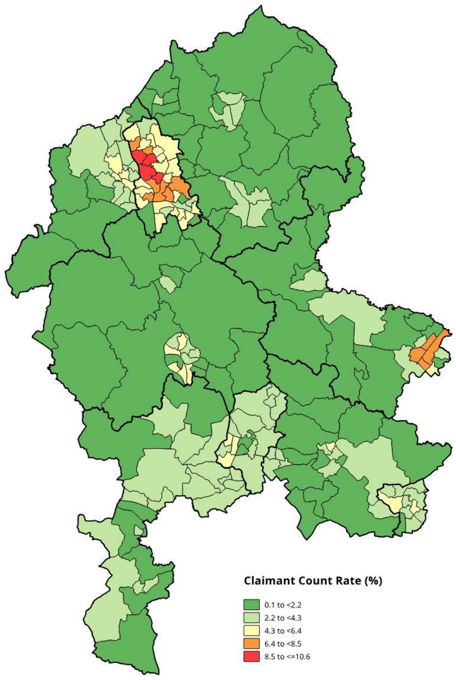
The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

Claimant Count Rate June 2023

Of the 201 wards in Staffordshire & Stoke-on-Trent, 57 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: 10.6%/485; Moorcroft: 9%/335; Burslem Central: 8.5%/385; Etruria and Hanley: 8.5%/455 total claimants.

In Staffordshire, the five wards with the highest claimant count rates were Burton (East Staffordshire) 7.9%/240 total claimants; Shobnall (East Staffordshire): 6.8%/370; Eton Park (East Staffordshire): 6.7%/330; Anglesey (East Staffordshire): 6.5%/355; and Cannock North (Cannock Chase): 5.7%/265.



Staffordshire County Council

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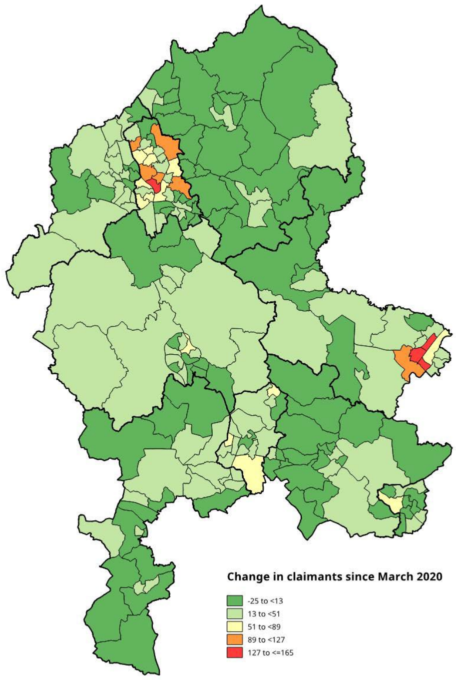
Change in Claimant Count since March 2020

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 (160 increase to 370); Bentilee & Ubberley (115 increase to 515); Joiner's Square (110 increase to 485); Etruria & Hanley (100 increase to 455); Baddeley, Milton & Norton (95 increase to 425); Tunstall (90 increase to 340).

Of the remaining four wards in the top ten, all were in East Staffordshire including Anglesey with a 165 increase to 355 claimants; Shobnall with a 160 increase to 370 claimants; Eton Park with a 150 increase to 330 claimants; Branston with a 100 increase to 175 claimants.



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

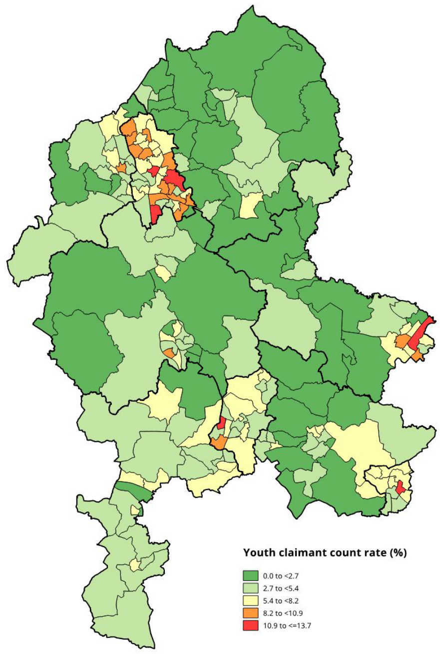
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

Youth Claimant Count Rate June 2023

Of the 201 wards in Staffordshire & Stoke-on-Trent, 92 wards were above the England average of 4.8% for the number of claimants aged 18-24 as a proportion of the 18-24 population.

Of the top ten wards with the highest youth claimant count rate, six were in Stoke-on-Trent including Joiner's Square: 13.7%/105; Bentilee & Ubberley: 11.6%/105; Blurton West & Newstead: 11.1%/65; Meir North: 10.8%/60 total youth claimants.

In Staffordshire, the wards with the highest claimant count rates were Burton (East Staffordshire): 13%/50; Cannock North (Cannock Chase): 11.3%/60; Glascote (Tamworth): 11.2%/65; Cannock South (Cannock Chase): 10%/65 total youth claimants.



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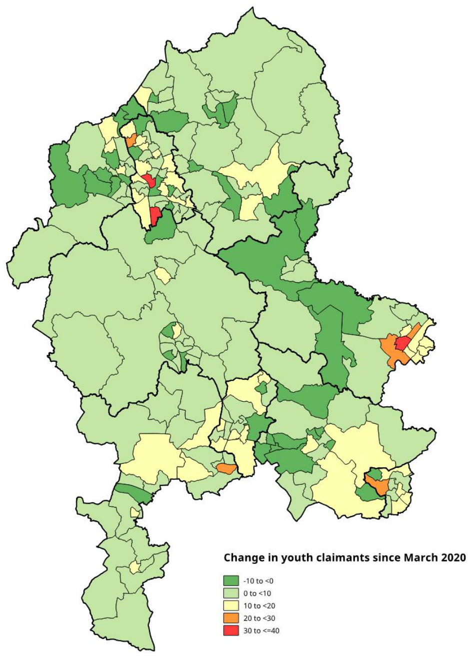
Change in Youth Claimant Count since March 2020

Of the top ten wards in Staffordshire with the highest change in the number of youth claimants since March 2020, there were four in Stoke-on-Trent including Hanley Park & Shelton (40 increase to 70); Blurton West & Newstead (30 increase to 65); Tunstall (25 increase to 65); Bentilee & Ubberley (15 increase to 105).

In Staffordshire, the six wards with the highest change in the number of youth claimants since March 2020, were Shobnall (East Staffordshire) with a rise of 35 to 70; Eton Park (East Staffordshire) with a rise of 20 to 50; Branston (East Staffordshire) with a rise of 20 to 35; Great Wyrley Landywood (East Staffordshire) with a rise of 20 to 25; Castle (Tamworth) with a rise of 20 to 35; Burton (East Staffordshire) with a rise of 15 to 50 total youth claimants.



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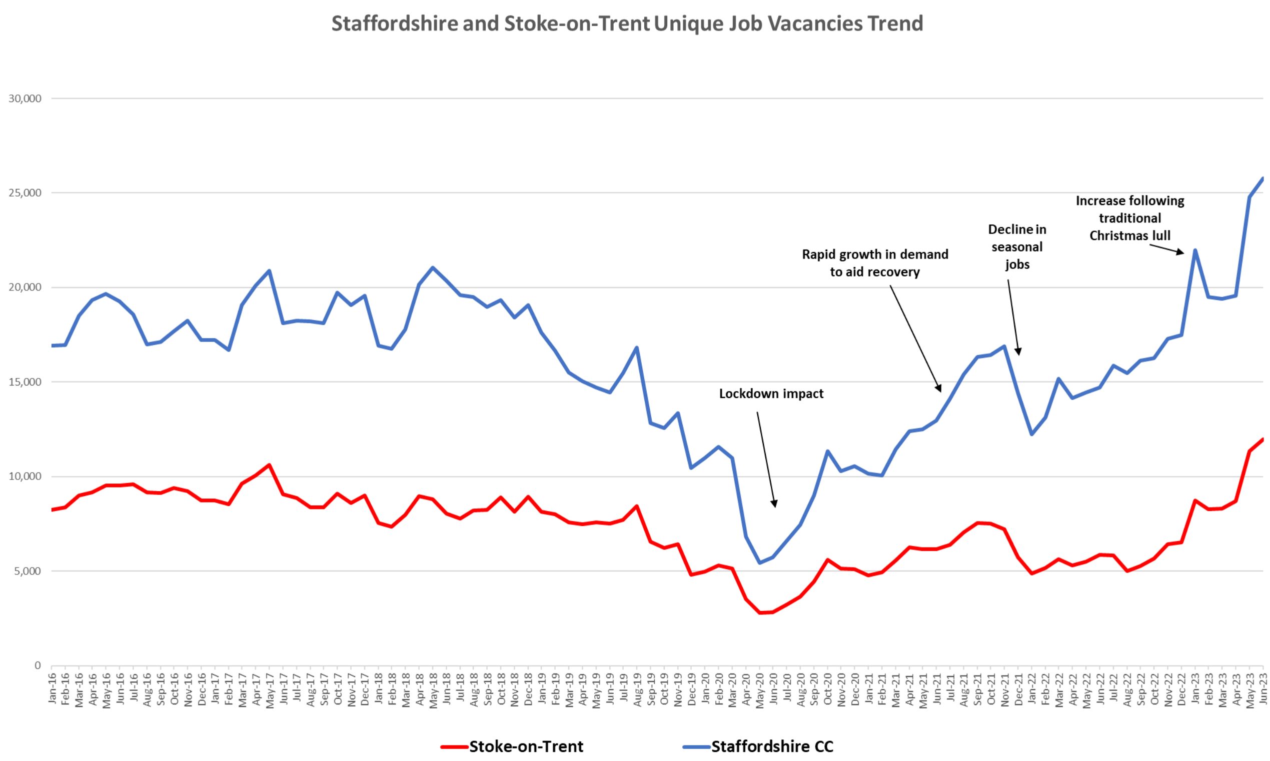
Job Vacancies[3]

- **Staffordshire saw a 4% increase in the number of available job vacancies between May and June to a total of 25,800 which continues to remain higher than the number of work-related benefit claimants.**

- **Stoke-on-Trent saw a 6% increase in vacancies to a total of 12,000 which is higher than the number of claimants.**

- **Across the region in the last month there was a 3% increase, and nationally there was also a 3% increase in job vacancies.**

- This is a further rise in job vacancies, and compared to a year ago in Staffordshire the number of job adverts being posted is 75% 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 June, with 'Process, Plant & Machine Operatives' (+9%), 'Skilled Trades Occupations', and ('Elementary' (+7%) occupations seeing the largest increases.

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

- The occupations to see the most significant increases during June include **Cross sector occupations (Book Keepers, Payroll Managers and Wages Clerks; Chartered & Certified Accountants; Administrative; Sales & Retail Assistants; Sales Related; Customer Service),** roles in **Literary & Media (Authors, Writers & Translators), Logistics (Van Drivers; Elementary Storage occupations), Housekeepers & related occupations (Cleaners & Domestics), ICT (Programmers & Software Development Professionals; IT User Support Technicians), Health and Social Care (Care Workers and Home Carers), Hospitality (Catering & Bar Managers), Manufacturing (Science, Engineering & Production Technicians; Engineering Technicians), Skilled Trades (Plumbers & Heating & Ventilating Engineers), Education (Primary & Nursery Education Teaching Professionals; Special Needs Education Teaching Professionals; Teaching Assistants).**

Annual Trends in job vacancies

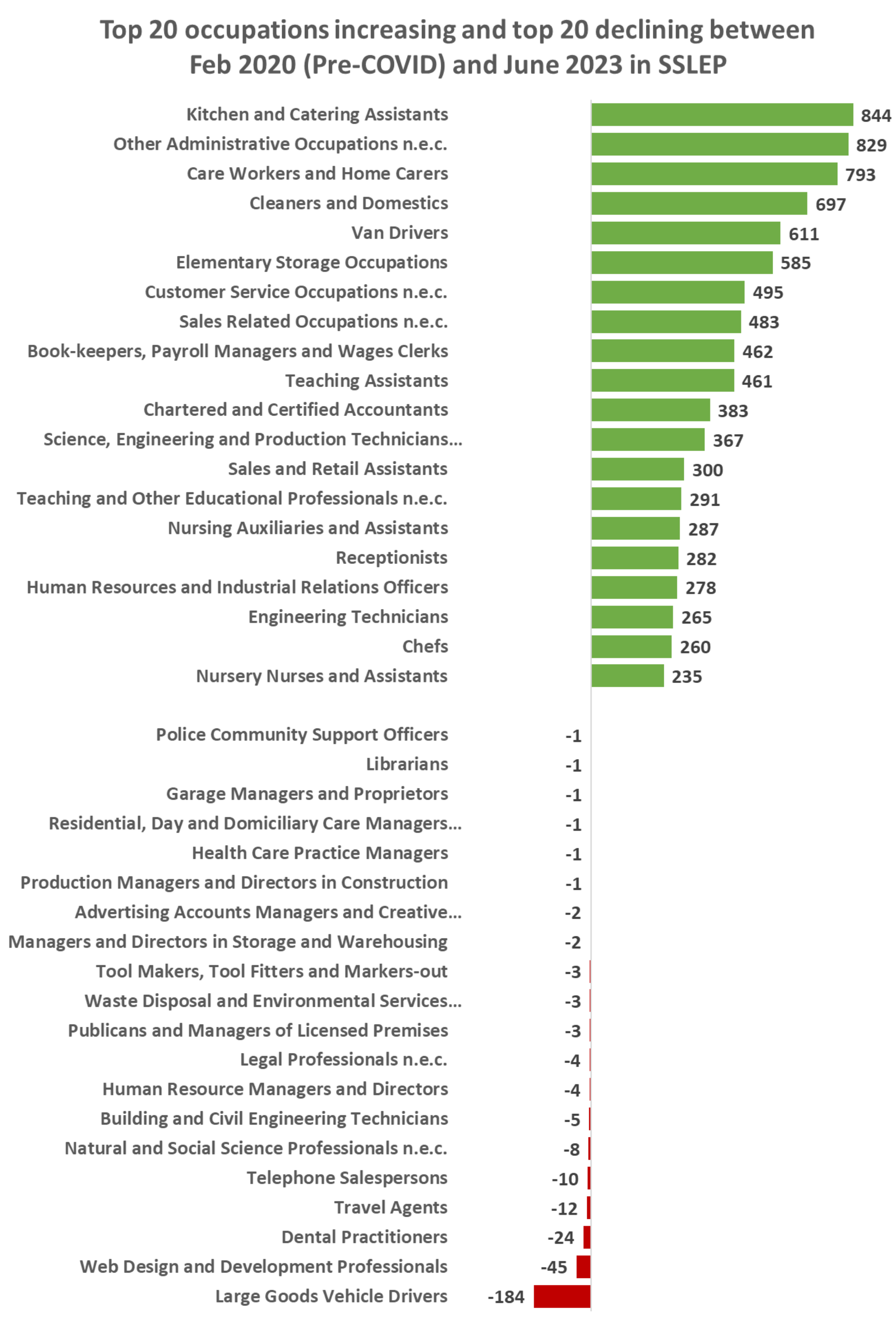
- The occupations to see the largest year-on-year increases include cross sector business roles (Administrative occupations; Sales Related occupations; Bookkeepers, Payroll Managers and Wages Clerks; Chartered & Certified Accountants; Customer service; Sales & Retail Assistants; Human Resources & Industrial Relations Officers); 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), Health and Social Care (Nursing Auxiliaries and Assistants), ICT (Programmers & Software Development 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; 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.'**

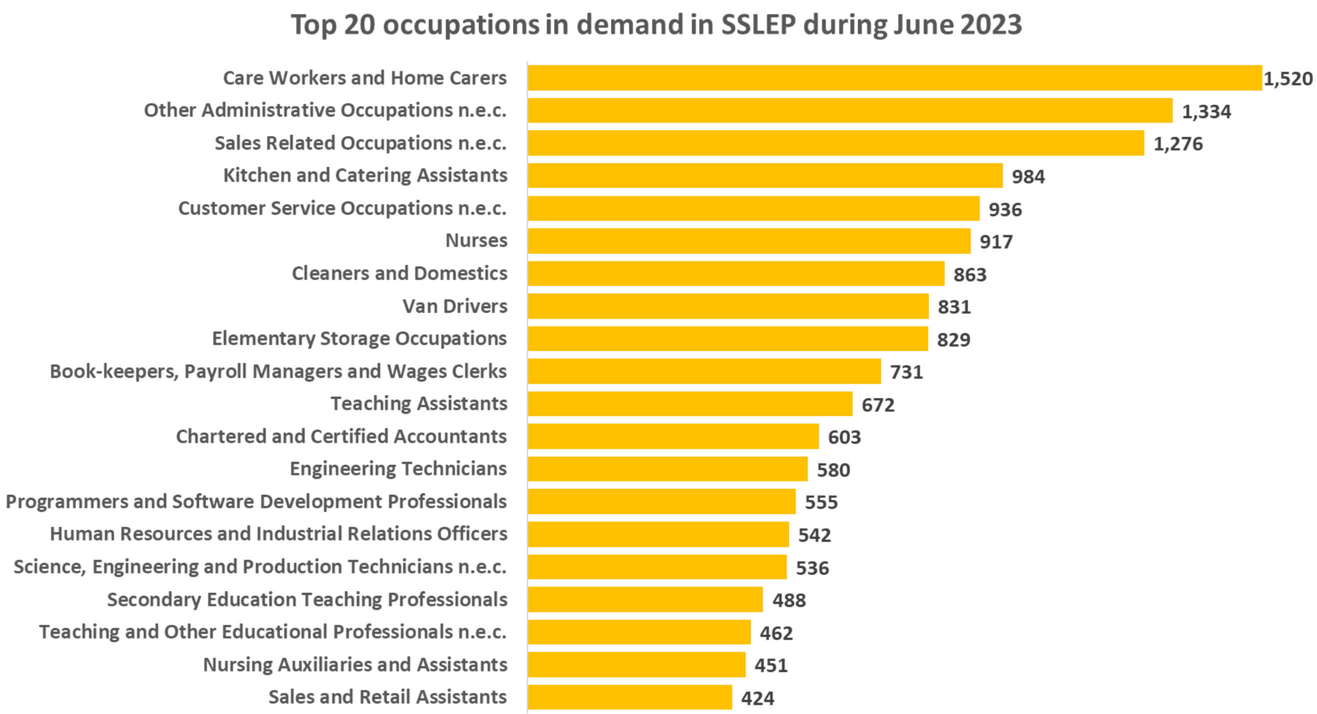
- In the Education sector there is particularly high demand for **'Teaching Assistants,' 'Secondary Education Teaching Professionals,' 'Teaching and Other Educational Professionals.'**

- There is **strong demand for 'Bookkeepers, Payroll Managers and Wages Clerks,' 'Human Resources and Industrial Relations Officers,' 'Chartered and Certified Accountants,' Sales & Retail Assistants'** 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.