Staffordshire & Stoke-on-Trent Economic Bulletin

Issue 36 – August 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 again following the rise seen last month. We have also seen job vacancies decline, 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 in business conditions with fewer businesses identifying business issues and confidence rising**.
- 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 205 this month to a total of 15,270 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%** of the working age population. Staffordshire remains 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%.
- This month the **youth claimant count in Staffordshire saw no change in claimants with a total of 2,865 young people**. The proportion of young people in Staffordshire aged 18-24 that are claiming work-related Universal Credit has remained the same at 4.6% this month. This is lower than the national rate of 4.9% and far lower than the regional rate of 6.6%.
- It is positive to see no further increase this month in the youth claimant count in Staffordshire. The **increase in the claimant count overall may be due to a combination of factors including reports that due to the cost of living crisis there is an increased number of people looking to re-join the labour market, alongside the slowing economy and increase in costs affecting businesses.**
- In terms of **job vacancies there was a 9% fall in Staffordshire and a 6% fall nationally between June and July. Demand for labour and skills remains high, with there currently being 1.4 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 26.7% or 3,220 higher than the level seen in March 2020 (pre-COVID)**, which is largely in-line with the 27.3% increase seen nationally and 26.2% seen 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 9% fall in the number of available job vacancies between June and July to a total of 21,000 which continues to remain higher than the number of work-related benefit claimants. Stoke-on-Trent saw an 11% fall in vacancies to a total of 9,800 which is also higher than the number of claimants. Across the region in the last month there was a 7% fall, and nationally there was a 6% fall in job vacancies.**
- This fall in job vacancies may well indicate that businesses are being successful in filling vacancies and whilst some businesses may be more cautious over recruitment due to the challenging economy, overall recruitment demand remains strong with new job postings still 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' and 'Chefs' 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,' 'Van Drivers,' and 'Large Goods Vehicle Drivers.'**
- In the Education sector there is particularly high demand for **'Teaching Assistants,' '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,'** 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**.
- **Winvic Construction Ltd has been awarded the contract for the first phase of the West Midlands Interchange (WMI) project**. This 734-acre Strategic Rail

Freight Interchange (SRFI) site at M6 Junction 12, will deliver up to 8 million square ft of commercial space which will transform multi-modal movement of goods around the UK. As well as helping to attract global business and investment, it will create more than 8,500 new jobs, boosting opportunities for people in the Midlands. Designed in consultation with the local community, 109 acres for two community parks are being created as part of the site's development.

National Context

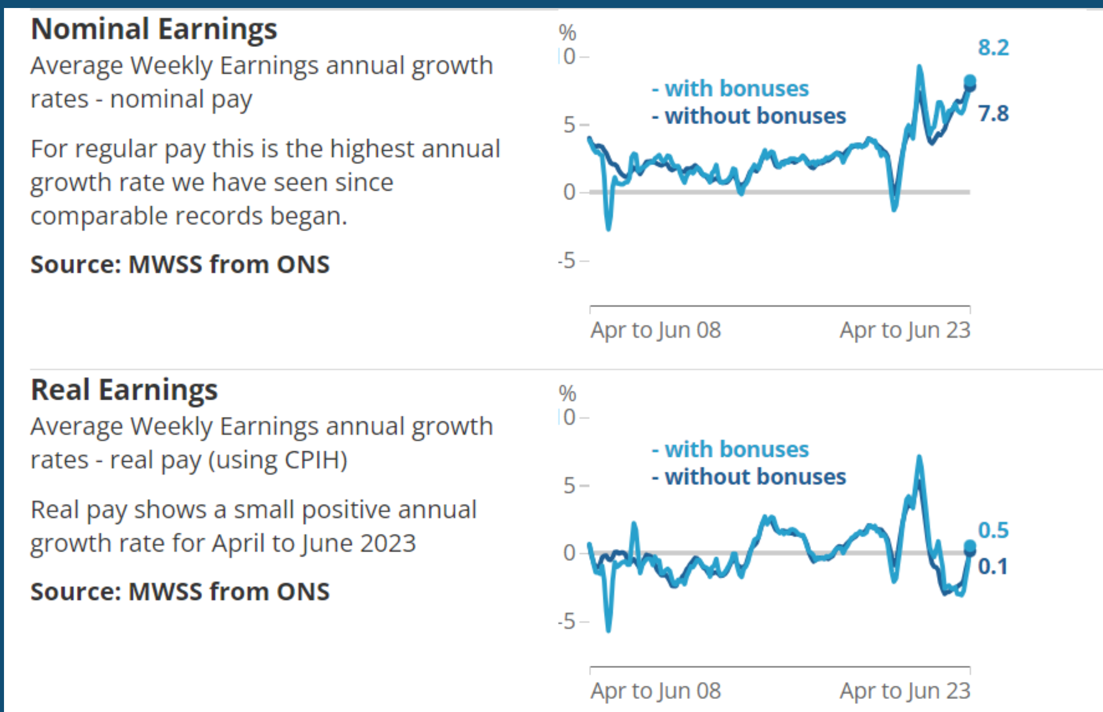
- Over the last month we saw a **further significant decline in headline inflation** which is a further positive for many people and businesses that have struggled during the cost-of-living crisis**. The Government has also received good news with higher tax receipts last month as high wage inflation pushed workers into paying more income tax and national insurance**. Official figures released yesterday showed that government borrowing rose by less than forecast last month at £18.5 billion as the Treasury profited from higher tax revenues.

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

- This month we have had the welcomed news that **CPI inflation has continued to decline sharply, with the rate falling to 6.8 per cent in July**, down from 7.9 per cent in June.
- The Office for National Statistics (ONS) has said the main reason behind July's fall was that the big jump in **gas and electricity bills** in the same month last year had not been repeated (gas fell from 36.2% to 1.7% and electricity fell from 17.3% to 6.7% between June and July 2023), and although remaining high, **food price inflation** also eased last month to 14.9%, particularly for milk, bread and cereal.
- There was less encouraging news for **core inflation**, which strips out volatile items such as fuel and food. The ONS said this remained unchanged at 6.9% last month.
- Although it is positive that inflation is heading in the right direction, analysts have warned that the **outlook was not improving rapidly enough to prevent further interest rate increases** from the Bank of England.
- The drop in CPI means that **for the first time since autumn 2021 prices are increasing less rapidly than wages, which rose by 7.8 per cent a year in the three months to June,** adding to pressure on Bank policymakers to increase rates for a 15th time since December 2021 when they meet next month.
- The **Government remains committed to halving inflation this year and bringing it back to the Bank of England's 2% target as soon as possible**, with the chancellor, Jeremy Hunt, said: "The decisive action we've taken to tackle inflation is working, and the rate now stands at its lowest level since February last year. But while price rises are slowing, we're not at the finish line. We must stick to our plan to halve inflation this year and get it back to the 2% target as soon as possible."
- Clearly price inflation reducing and wages increasing will be welcomed by many who have been struggling with the cost-of-living, however the **cost-of-living crisis is not yet over with inflation still needing to come down much further and the Bank of England signalling that interest rates expected to remain high at above 5 per cent until 2026**. The latter being a significant concern for mortgage holders.
- The **number of people missing payments on essential household bills such as energy, phone and water is as high as it was over the winter**, according to consumer group **Which?**. Even though prices have fallen back slightly, about 2.4

million households missed at least one bill payment in the month to mid-July and 770,000 failed to make mortgage or rent payments, according to its monthly online poll.

- The **UK energy price cap has fallen below £2,000 a year for the first time in 18 months**, Ofgem has announced. Households can expect to pay an average of £1,923 a year from October after the energy regulator dropped the price cap from £2,074 in the previous quarter.
- However, **Citizens Advice** has warned that **thousands more people will start the winter behind on their energy bills**. A total of 46,431 people with energy debts contacted the charity for advice in the first six months of 2023, a 17 per cent increase on the same period last year.
- The **Centre for Policy Studies (CPS) is urging ministers to scrap the energy price cap, arguing that it prevents people from accessing cheaper deals and is keeping bills artificially high and fuelling inflation**. The CPS said the cap had in practice become a state-mandated price, with limited incentives for providers to offer better deals.
- Although higher wages at a time of such high inflation will be welcomed, there are **concerns that record wage growth could fuel inflation.** Annual growth in **regular pay (excluding bonuses)** was 7.8% in April to June 2023, this is the highest regular annual growth rate we have seen since comparable records began in 2001. Annual growth in employees' **average total pay (including bonuses)** was 8.2%; this total growth rate is affected by the NHS one-off bonus payments made in June 2023. **In real terms (adjusted for inflation), annual growth for total pay rose by 0.5% and regular pay rose by 0.1%.**



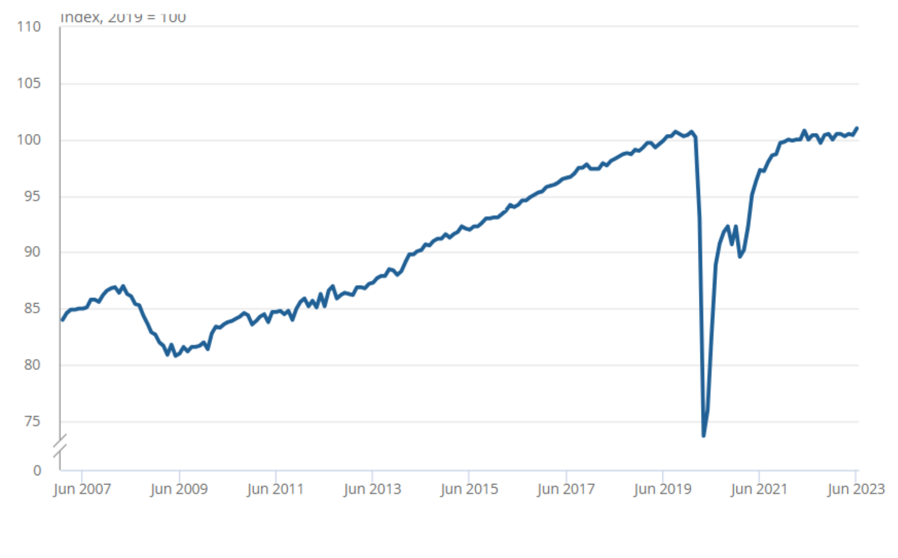
- **There are further signs that pay disputes may be easing with teacher strikes ending, but strikes remain in important parts of the economy, including NHS**

consultants, junior doctors, and rail workers. There were 160,000 working days lost because of labour disputes in June 2023. Over half of the days lost because of labour disputes in June 2023 were in the Health and Social Work sector.

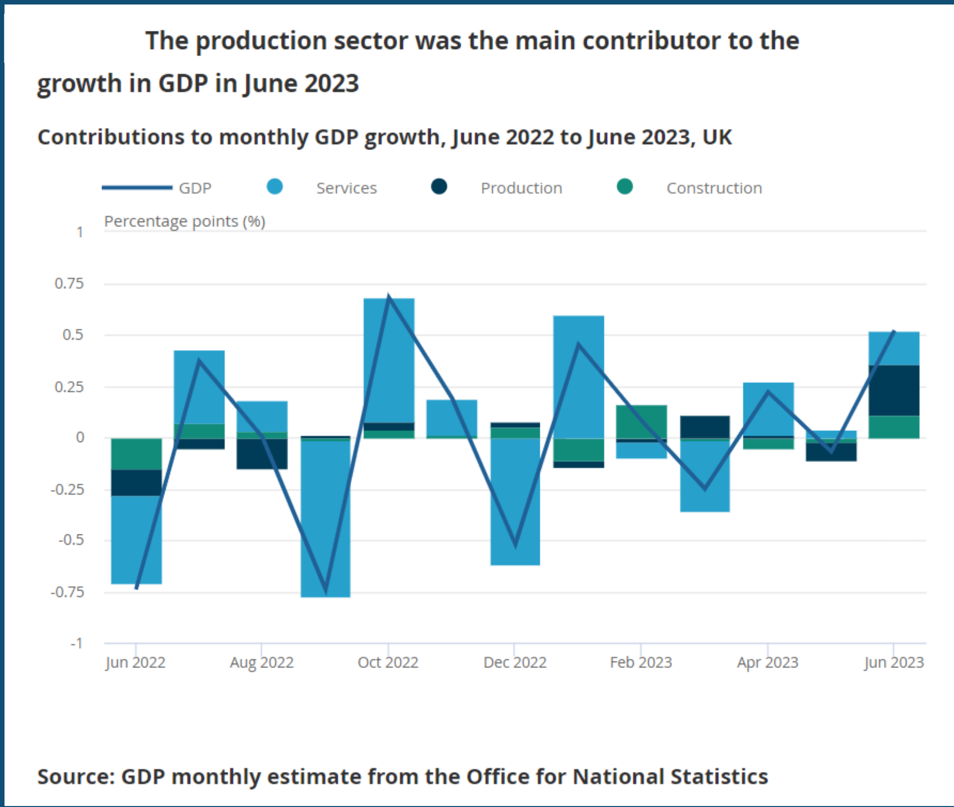
Economy

- **Encouragingly the UK economy saw monthly growth in June and over the quarter,** with all sectors of the economy seeing growth in June. However, the National Institute for Economic and Social Research has warned that due to the impact of Brexit, COVID, the war in Ukraine and resulting cost-of-living crisis the **UK economy is set for five years of "lost economic growth"**. Adding that the spending power of workers in many parts of the UK will remain below pre-pandemic levels until the end of 2024.
- Looking at the latest GDP data from the Office for National Statistics (ONS) in more detail, **monthly GDP is estimated to have grown by 0.5% in June 2023**, following a fall of 0.1% in May 2023 and growth of 0.2% in April 2023.
- A range of businesses cited the additional bank holiday in May as a reason for increased output in June 2023 compared with May 2023.
- Looking at the broader picture, **GDP has shown 0.2% growth in the three months to June 2023.**
- **Production** output grew by 1.8% in June 2023 after a fall of 0.6% in May 2023, this sector was the main contributor to the growth in monthly GDP in June.
- The **construction** sector grew by 1.6% in June 2023, following a fall of 0.3% in May 2023.
- **Services** output was up 0.2% in June 2023, after showing no growth in May 2023, output in **consumer-facing services** grew by 0.5% in June 2023, following a fall of 0.2% in May 2023.

GDP Monthly index, January 2007 to June 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.**
- 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 88 of the **Business Insights and Conditions Survey (BICS)**, which was live from 24 July to 6 August 2023.

Headline figures from the Business Insights and Conditions Survey

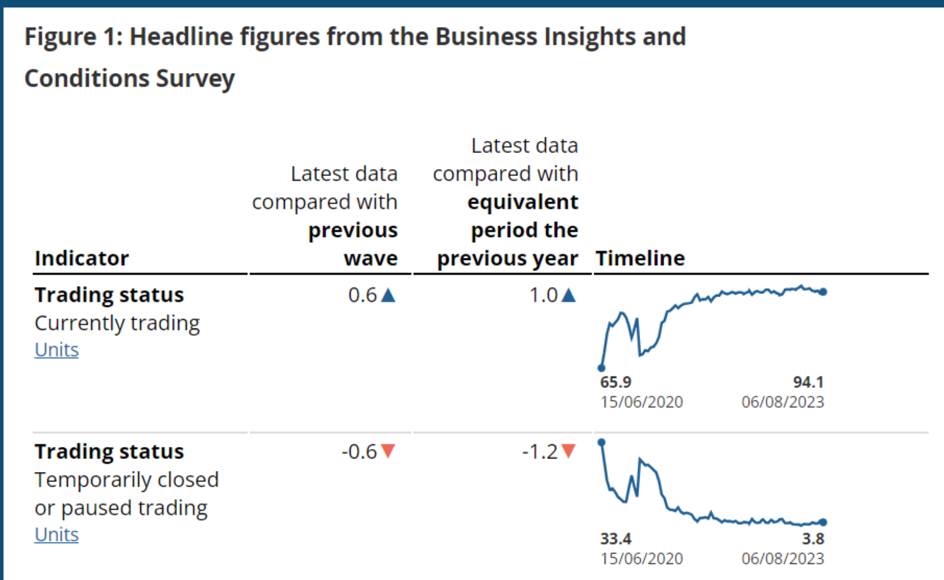


Figure 1: Headline figures from the Business Insights and Conditions Survey

Indicator	Latest data compared with **previous wave**	Latest data compared with **equivalent period the previous year**	Timeline
Trading status Currently trading Units	0.6▲	1.0▲	65.9 15/06/2020 – 94.1 06/08/2023
Trading status Temporarily closed or paused trading Units	-0.6▼	-1.2▼	33.4 15/06/2020 – 3.8 06/08/2023

Intra UK Procurement Yes, the business has been able to get the materials, goods or services it needed Units	0.3▲	9.7▲	43.4 01/06/2020 58.3 30/06/2023
Intra UK Procurement Yes, but the business had to change suppliers or find alternative solutions Units	-3.3▼	-8.7▼	19.2 01/06/2020 6.2 30/06/2023
Intra UK Procurement No, the business has not been able to get the materials, goods or services needed	-1.1▼	-3.6▼	9.2 01/06/2020 1.7 30/06/2023

Industrial action Yes, the business was affected Units	2.1▲	2.3▲	6.9 01/06/2022 9.2 30/06/2023
Industrial action No, the business was not affected Units	0.9▲	2.9▲	49.9 01/06/2022 52.8 30/06/2023

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

- In June 2023, nearly three in five (58%) trading businesses reported that they were **able to get the materials, goods or services they needed from within the UK without experiencing any issues**, broadly stable with May 2023; a further 6% of businesses were able to obtain what they needed but had to find alternative solutions to do so, but 2% reported that they were unable to get what they needed, though this is the lowest proportion since the question was introduced in June 2020.
- In June 2023, 7% of businesses with 10 or more employees **experienced global supply chain disruption**, down 3 percentage points from May 2023; of those businesses, 30% reported a **shortage of materials as the main reason** for the disruption.
- In late July 2023, 21% of businesses reported that they were **using, or intending to use, increased homeworking as a permanent business model**, this has remained broadly stable since late March 2023; reduced overheads were reported as the main reason for using this model, at 51%, followed closely by improved staff well-being (47%).
- Fewer than 1 in 10 (9%) businesses were **affected by industrial action** in June 2023; of these, 22% reported that their business was unable to operate fully as a consequence.

- In late July 2023, 75% of businesses reported that they had **not assessed the risks of any of the specified climate change effects** (water scarcity, coastal erosion, increased flooding and temperature increases); of those that had assessed the risks, 28% had not taken any action, 18% did not expect to be impacted, while 18% reported they had been unable to take action either because of costs, or the lack of information or guidance.
- Although we are seeing some overall signs of improvement it is clear that some businesses continue to struggle. **In July 2023 there were a total of 1,727 company insolvencies in England and Wales, 6% lower than the number registered in the previous year (1,831 in July 2022), but 79% higher than the number registered three years previously: 964 in July 2020).** The main concern around company and individual insolvencies are associated issues such as mental health and homelessness.
- At the regional level, **business confidence in the West Midlands rose two points during July to 38 per cent**, according to the latest **Business Barometer from Lloyds Bank Commercial Banking**. Companies in the region reported higher confidence in their own business prospects month-on-month, up 12 points at 51 per cent. When taken alongside their optimism in the economy, down seven points to 25 per cent, this gives a headline confidence reading of 38 per cent. West Midlands businesses identified their top target areas for growth in the next six months as introducing new technology (38 per cent), evolving their offer (38 per cent) and diversifying into new markets (32 per cent).
- **Visitor numbers to the UK are nearing pre-pandemic levels**, with figures from the Office for National Statistics showing there were 7.7 million trips from overseas between January and March of this year – just 8 per cent lower than the number made in the first quarter of 2019.
- Wet weather has been blamed for a **worse-than-expected fall in retail sales** last month. The Office for National Statistics found that the quantity of goods bought fell 1.2 per cent month on month in July. It follows a 0.6 per cent rise in June.
- **Pubs in England and Wales will be allowed to continue selling takeaway drinks after the Government decided to continue Covid licensing rules.** The rules were due to expire on 30 September, but they will now continue.

Labour Market

- Overall **employment has seen a slight recent decline and remains well below pre-pandemic levels, however during the last month we saw payrolled employees increase so people are finding work and at the same time as others are unfortunately becoming unemployed during these challenging economic conditions**.
- We are also seeing **more people moving from being economically inactive to being unemployed and actively looking for work**, this is a positive and could help address continuing labour shortage and skills gaps. However, **economic inactivity**

remains well above pre-pandemic levels.

- **For those that have either lost work or are now looking for work, although new job vacancies have slightly declined there remain high levels of recruitment demand across the economy with vacancies still well above pre-pandemic levels.**
- The following charts shows the latest **labour market position** and the latest Office for National Statistics data for April 2023 to June 2023:

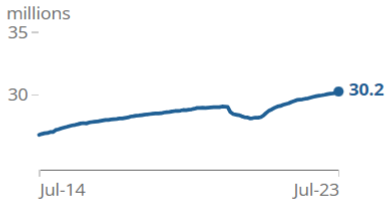
Payrolled employees

The number of payrolled employees

Monthly change: ▲ 97,000
Since Feb 2020: ▲1,211,000

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

Source: PAYE RTI from HMRC



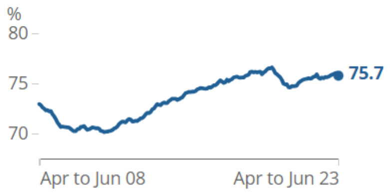
Employment rate

Employment rate (all aged 16 to 64)

Quarterly change: ▼-0.1pps
Since Dec-Feb 2020: ▼-0.8pps

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

Source: LFS from ONS



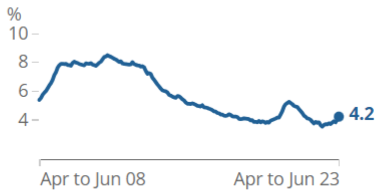
Unemployment rate

Unemployment rate (all aged 16+)

Quarterly change: ▲0.3pps
Since Dec-Feb 2020: ▲0.2pps

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

Source: LFS from ONS



Inactivity rate

Economic inactivity rate (all aged 16 to 64)

Quarterly change: ▼-0.1pps
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

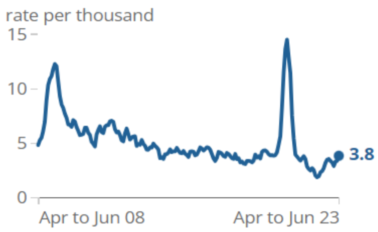
Redundancy rate

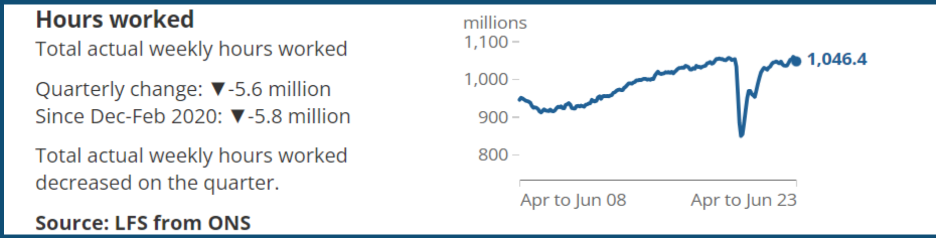
Redundancy rate (per 1000 employees)

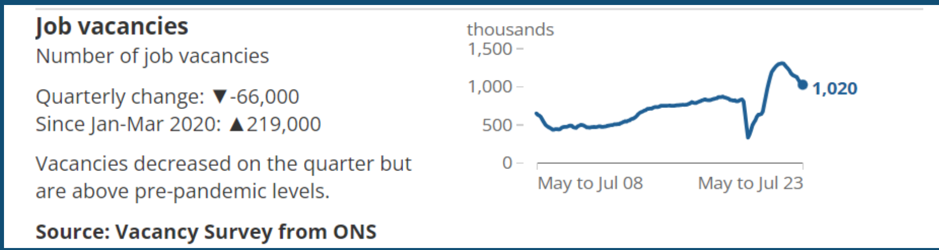
Quarterly change: ▲0.9 people per thousand
Since Dec-Feb 2020: ▼-0.1 people per thousand

The redundancy rate increased on the quarter.

Source: LFS from ONS







- The UK **employment rate** was estimated at 75.7% in April to June 2023, 0.1 percentage points lower than January to March 2023. The quarterly decrease in employment was driven by full-time employees and self-employed workers. **Employment now 144,000 below pre-pandemic levels.**
- The estimate of **payrolled employees** for July 2023 shows a monthly increase, up 97,000 on June 2023, to 30.2 million.
- The **unemployment rate** for April to June 2023 increased by 0.3 percentage points on the quarter to 4.2%. The increase in unemployment was driven by people unemployed for up to 6 months. **Unemployment is 75,000 above pre-pandemic levels.**
- The **economic inactivity rate** decreased by 0.1 percentage points on the quarter, to 20.9% in April to June 2023. The decrease in economic inactivity during the latest quarter was largely driven by those inactive because they are looking after family or home. Meanwhile, those inactive because of long-term sickness increased to a record high. **Those economically inactive are 323,000 above pre-pandemic levels.**
- **Flows estimates show that, between January to March 2023 and April to June 2023, there was a large net movement from economic inactivity into unemployment.**
- In May to July 2023, the estimated number of **vacancies** fell by 66,000 on the quarter to 1,020,000. Vacancies fell on the quarter for the 13th consecutive period, although they **remained 219,000 above their pre-pandemic levels**.
- **There is a growing shortage of childcare minders according to figures from Ofsted**, this could limit the ability of parents to remain in the workforce. Between March 2022 and 2023, registered childminders in England fell by 3,500 (11 per cent), meaning a loss of more than 20,000 childcare places. Childminders have warned that the Government's expansion of free childcare places are not adequately funded.
- **Social care leaders have backed news that previously-pledged investment in the sector will go towards helping with the recruitment and retention of staff.** The Government announced £600 million to support the social care workforce and

boost capacity. However, it is recognised that secure long-term funding and a comprehensive plan for reform remain vital" for the future.

Skills

- **Research conducted for the LGA has found 93 per cent of council-maintained schools were ranked "outstanding" or "good" by Ofsted as of 31 January 2023, compared with 87 per cent of academies that have been graded since they were converted.** Cllr Louise Gittins, Chair of the LGA's Children and Young People Board, said the figures provide "yet further evidence" of why councils should be allowed to open their own schools again. She added: "Councils want to ensure that every child gets the very best education and schooling in life. That is why it is vital they are given a central role in providing education and that government recognises councils as the excellent education partner they are."

Green Economy

- **The Prime Minister has met with industry leaders to emphasise the need to strengthen Britain's energy security, outlining details of the Government's plans for the UK's fossil fuel and green industries.**
- **New proposed changes to the planning process would create a new fast-track route for major infrastructure projects**. The changes promise to bypass "slow and burdensome" planning processes for major works such as offshore wind farms, transport connections, waste facilities and nuclear power stations.
- **Levelling Up Secretary Michael Gove has called for certain net-zero measures to be slowed down warning that the "inflexible" application of rules designed to reduce pollution "leads to a backlash".** He called for Natural England, to "pause" a push to block new housing near more than 330 designated areas across the country unless councils agree to introduce schemes such as ultra-low emission zones (Ulez) and low-traffic neighbourhoods.
- **Landlords are set to get more time to improve their rental properties' energy efficiency after Levelling Up Secretary Michael Gove said he wanted to "ease up" on hitting certain net zero rules**. A delay is now expected to plans which would have forced all homes for rent to have the environmental rating EPC C, with some 2.4 million rental homes in England having a lower rating.
- **The Government has delayed its flagship recycling reforms for a year as part of a reported wider re-examination of every net zero policy**. Plans to force manufacturers to cover the costs of collecting and recycling packaging, under what is known as the Extended Producers Responsibility (EPR) scheme, were due to come into effect next year and will now be pushed back until 2025. The Government said the decision will provide industry, local authorities and waste management companies with more time to prepare to ensure the success of the scheme.
- Alongside this **proposals to tackle plastic pollution by ensuring households in**

England can recycle the same types of packaging wherever they live have been delayed by at least two years. In a "waste prevention programme" published yesterday, officials confirmed delays until late 2025.

- **The public are more in favour of keeping the 2030 ban on new petrol and diesel car sales than of delaying it**, according to new polling. When 2,000 UK adults were asked by the polling firm **Focaldata** if they supported a delay, 46 per cent said the Government should stick with its plans, 34 per cent wanted to see the ban pushed back, 8 per cent said neither and the rest did not know.
- **Sales of second-hand electric vehicles rose by more than 80 per cent in the three months to June, indicating increasing demand for more affordable zero and low-emission cars.** More than 30,500 of the battery-powered vehicles changed hands in the second quarter this year, an 81.8 per cent rise on the same period last year, but those sales accounted for only 1.7 per cent of the total second-hand market.
- **UK households are making more green energy upgrades than ever before after installing a record number of solar panels and heat pumps in the first half of the year**, according to the industry's official standards body **MCS**. However, **the Energy and Utilities Alliance, which represents boiler and heat pump manufacturers, has suggested that the high cost of heat pumps will render the government target for them to make up 6 per cent of all new boiler sales by 2026 unachievable.**
- **Thousands of trees will be planted to mark the King's Coronation, the Government has announced. Ministers have invited councils to bid for a share of a £2.5 million fund "celebrating His Majesty's passion for the environment".**

Housing

- The **Government has announced plans to increase housebuilding levels on brownfield sites in urban areas**. The plans will see further relaxation of permitted development rules to allow for more business to residential conversions, such as turning shops, takeaways and betting shops into living spaces. As well as this, the Government will cut rules limiting barn conversions and the repurposing of agricultural buildings.
- **Around half of councils did not build any council housing last year**, according to Freedom of Information requests from the Independent. The LGA has called for greater support to kickstart a for a "genuine renaissance in council house building". The LGA has urged the Government to allow councils to retain 100 per cent of right to buy receipts on a permanent basis and for a new national task force to be set up that would provide additional help for councils who want to get building.

Conclusion

- In conclusion, **the fact that the UK economy has seen growth during these challenging economic conditions is a real positive and hopefully a sign of a**

more positive outlook for the economy.

- **Inflation continues to move 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 July 2023, which show the number of new companies and individuals who are unable to pay debts and enter a formal insolvency procedure.

Company Insolvencies

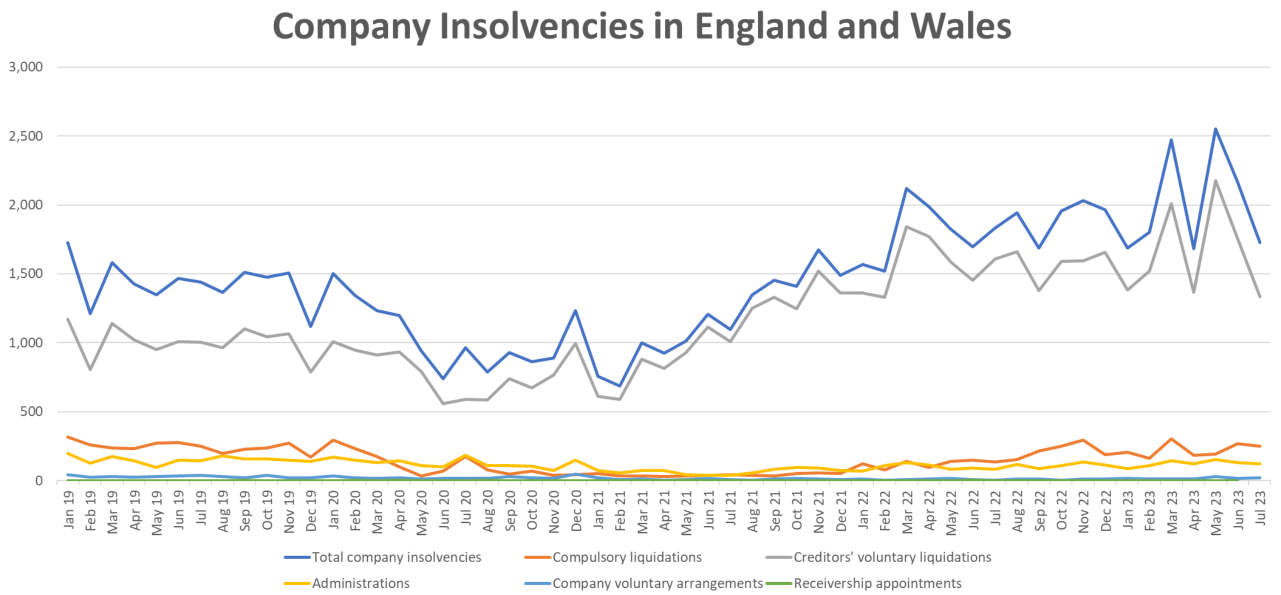
In July 2023 there were a total of 1,727 company insolvencies in England and Wales.

The overall number of **company insolvencies are 6% lower than the number registered in the previous year (1,831 in July 2022), and 79% higher than the number registered three years previously: 964 in July 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 248 compulsory liquidations in July 2023, which is 81% higher than the number in July 2022, and 42% higher than in July 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 July 2023 there were 1,336 Creditors' Voluntary Liquidations (CVLs), 17% lower than July 2022, and 126% higher than July 2020. Numbers of administrations are now lower this month than pandemic levels at 32% lower than July 2020, whilst Company Voluntary Arrangements (CVAs) are higher than pandemic levels at 12% above July 2020 levels.

Company insolvencies between August 2022 and July 2023 are 19% higher compared to a year earlier, representing 3,700 more businesses.



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

[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 July 2022 and June 2023 continue to be the Construction sector (4,282), Wholesale & Retail sector (3,710) and Accommodation & Food Service sector (3,274). Levels exceed those seen for the same period the previous year with the Construction sector 16% higher, Wholesale & Retail sector 45% higher, and Accommodation & Food Service sector 48% 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.

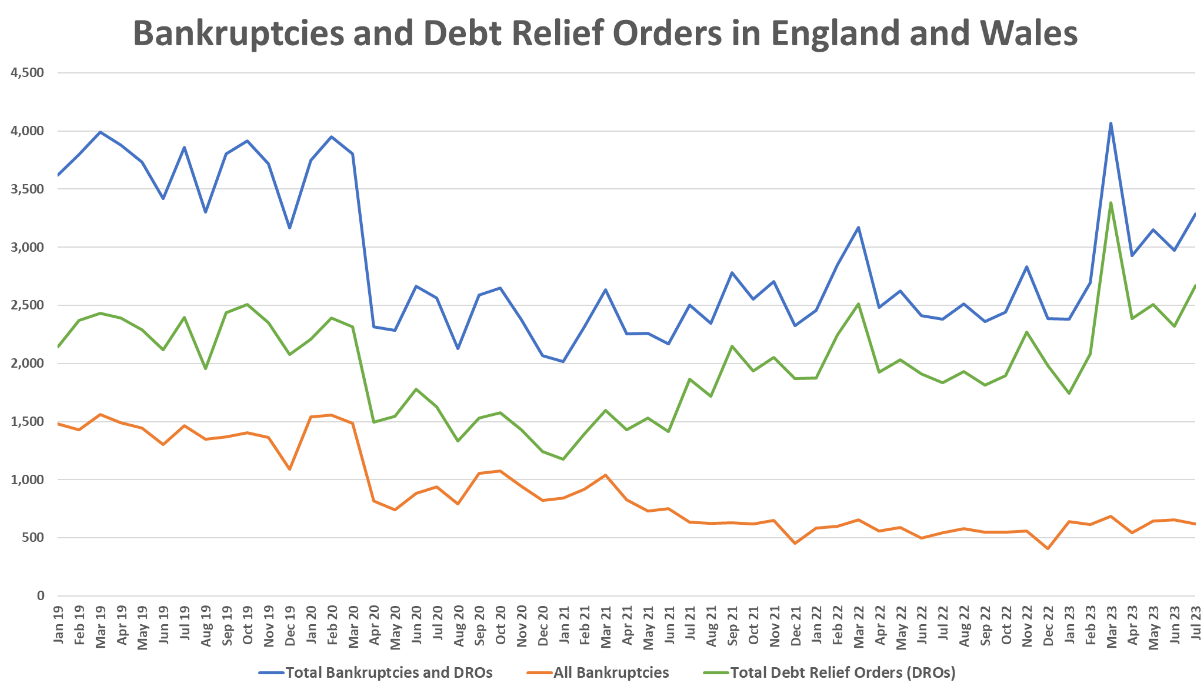
Individual Insolvencies

For individuals, **620 bankruptcies were registered in July 2023**, which was 14% higher than in July 2022, but 34% lower than in July 2020.

There were **2,667 Debt Relief Orders (DROs) in July 2023**, which was 45% higher than in July 2022, and 64% higher than in July 2020.

There were, on average, **5,659 Individual Voluntary Arrangements (IVAs)** registered per month in the three-month period ending July 2023, which is 26% lower than the three-month period ending July 2022, and also 23% lower than the three-month period ending July 2020.

Total Bankruptcies and DROs between August 2022 and July 2023 are 9% higher than the same period a year earlier, representing an increase of 2,929.



Sources: Insolvency Service

There were 7,794 Breathing Space registrations in July 2023, which is 28% higher than the number registered in July 2022. Of these, 7,660 were Standard Breathing Space registrations, which is 28% higher than in July 2022, and 134 were Mental Health Breathing Space registrations, which is 14% higher than the number in July 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 higher than pre-pandemic levels.

The main concern around company and individual insolvencies are associated issues such as mental health and homelessness.

Claimant Count[2]

The following table highlights the level of Universal Credit claimants in the Staffordshire Districts and each of the Strategic Authorities in the West Midlands Region:

Claimant Count (Universal Credit) Statistics: July 2023

Area	Claimant Count Rate (July 2022)	Claimant Count Rate (June 2023)	Claimant Count Rate[1] (July 2023)	Number of Claimants (July 2023)	Monthly Change in Claimants (Numbers)	Monthly Change in Claimants (%)	Change in Claimants since March 2020 (Numbers)	Change in Claimants since March 2020 (%)
England	3.7	3.7	3.8	1,353,460	24,965	1.9%	289,955	27.3%
West Midlands	4.8	4.9	4.9	182,200	2,430	1.4%	37,850	26.2%
SSLEP	3.3	3.4	3.5	24,185	390	1.6%	4,815	24.9%
Birmingham	8.3	8.5	8.6	63,695	1,300	2.1%	14,325	29.0%
Wolverhampton	7.2	7.6	7.7	12,705	80	0.6%	2,325	22.4%
Sandwell	6.1	6.2	6.3	13,675	355	2.7%	2,895	26.9%
Coventry	5.2	5.7	5.8	12,990	85	0.7%	4,990	62.4%
Walsall	5.5	5.7	5.6	9,810	-30	-0.3%	1,205	14.0%
Stoke-on-Trent	5.2	5.4	5.5	8,915	185	2.1%	1,595	21.8%
Dudley	4.8	4.6	4.7	9,165	135	1.5%	650	7.6%
Telford and Wrekin	3.5	3.4	3.5	4,010	35	0.9%	580	16.9%
Solihull	3.4	3.2	3.2	4,085	-30	-0.7%	435	11.9%
Worcestershire	3.0	3.0	3.0	10,915	65	0.6%	2,610	31.4%
Staffordshire	2.7	2.8	2.9	15,270	205	1.4%	3,220	26.7%
Warwickshire	2.7	2.7	2.6	9,785	-85	-0.9%	1,955	25.0%
Herefordshire, County of	2.4	2.4	2.5	2,690	70	2.7%	580	27.5%
Shropshire	2.4	2.3	2.4	4,495	55	1.2%	485	12.1%
Cannock Chase	3.1	3.4	3.5	2,225	100	4.7%	570	34.4%
Tamworth	3.4	3.4	3.5	1,705	45	2.7%	215	14.4%
East Staffordshire	2.8	3.4	3.4	2,660	55	2.1%	940	54.7%
Newcastle-under-Lyme	2.9	3.1	3.1	2,335	-5	-0.2%	355	17.9%
South Staffordshire	2.6	2.6	2.6	1,710	-15	-0.9%	400	30.5%
Lichfield	2.4	2.4	2.4	1,530	20	1.3%	210	15.9%
Stafford	2.4	2.5	2.4	1,995	-45	-2.2%	340	20.5%
Staffordshire Moorlands	1.9	1.9	2.0	1,105	50	4.7%	185	20.1%

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

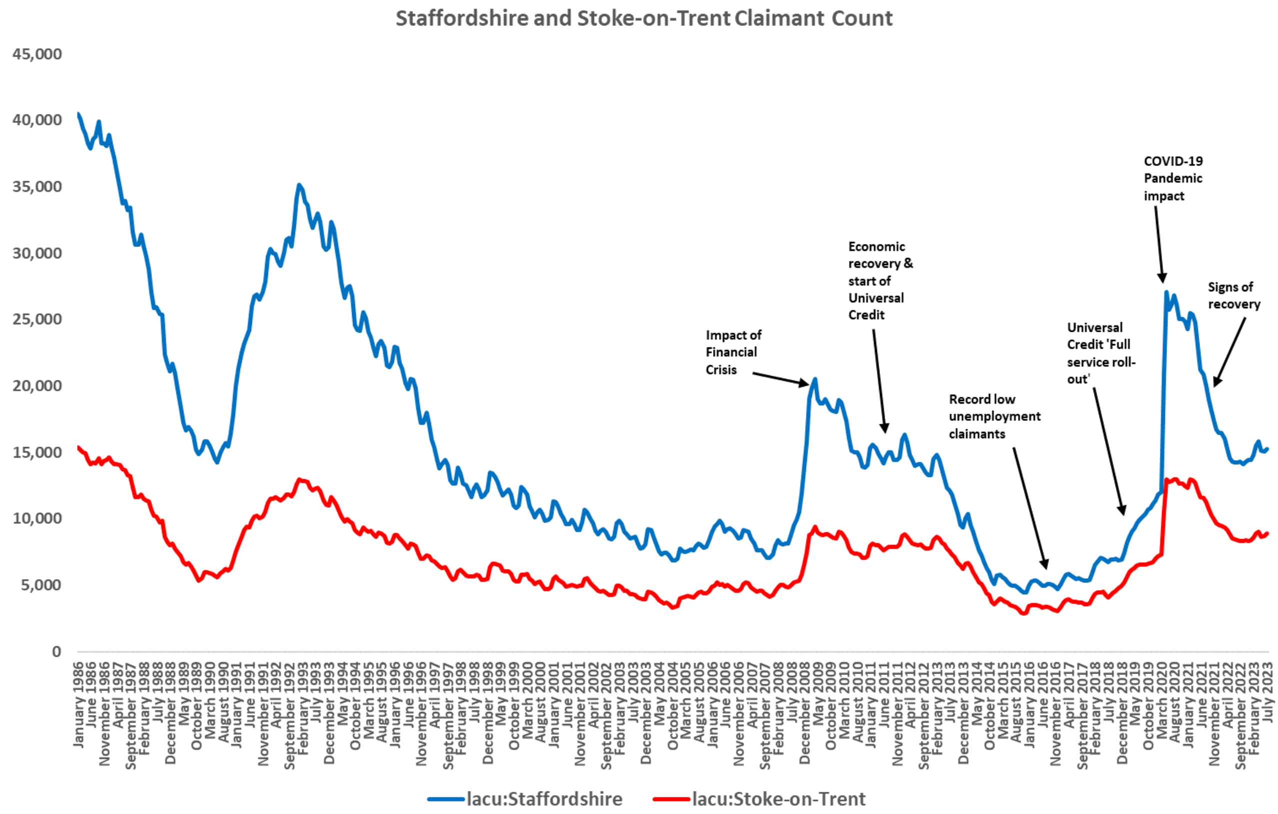
- The claimant count in Staffordshire saw an **increase of 205 claimants** over the last month, with the **total number of claimants now standing at 15,270**. This was a lower proportional increase than seen nationally and in-line with the change seen regionally.
- Over the last month, the **claimant rate for Staffordshire increased from 2.8% to 2.9%** of the working age population.
- The **rate in Staffordshire remains 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%**.
- Stoke-on-Trent saw an **increase of 185 claimants** over the same period with **a total of 8,915 claimants in July**, with the **rate increasing from 5.4% to 5.5%.**
- The **increase in the claimant count overall may be due to a combination of factors including reports that due to the cost of living crisis there is an increased number of people looking to re-join the labour market, alongside the slowing economy and increase in costs affecting businesses.**

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

- **In terms of job vacancies there was a 9% fall seen across Staffordshire and a 6% fall nationally seen between June and July.**

- **Demand for labour and skills still remains high across the local economy with there currently being 1.4 job vacancies available for every claimant within the county,** and therefore our focus continues 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 26.7% or 3,220 higher than the level seen in March 2020 (pre-COVID)**, which is largely in-line with the 27.3% increase seen nationally and 26.2% seen 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 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 Newcastle-under-Lyme, South Staffordshire and Stafford saw decreases. Cannock Chase saw the highest increase in claimants with 100 more claimants than the previous month.
- East Staffordshire and Newcastle-under-Lyme have the highest number of claimants with 2,660 and 2,335 respectively, whilst Staffordshire Moorlands has the lowest at 1,105. Cannock Chase and Tamworth have the highest claimant rates both at 3.5%, and Staffordshire Moorlands has the lowest at 2.0%. Significantly, all the Districts and Boroughs of Staffordshire remain lower than national and regional rates.

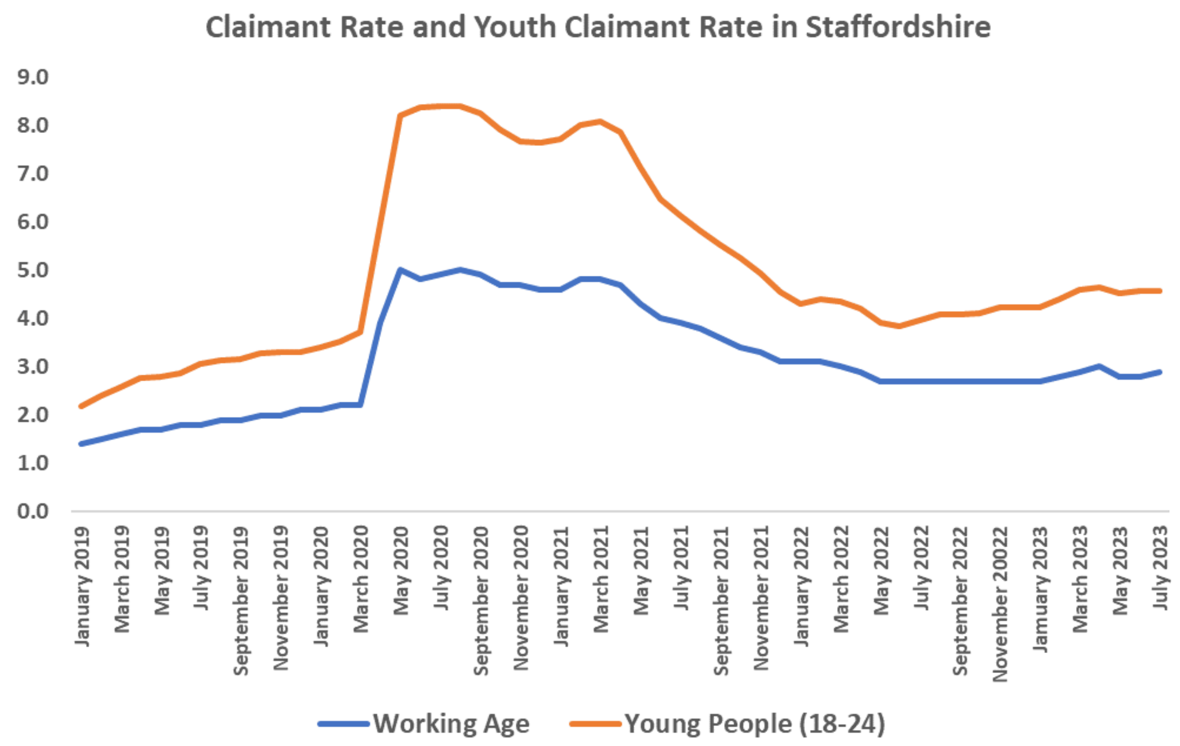
Youth Claimant Count

- This month the **youth claimant count in Staffordshire saw no change in claimants with a total of 2,865 young people**.
- **The proportion of young people in Staffordshire aged 18-24 that are claiming work-related Universal Credit remained the same at 4.6% this month.** This is lower than the national rate of 4.9% and far lower than the regional rate of 6.6%.
- This month, **Stoke-on-Trent saw an increase of 30 claimants to a total of 1,695 claimants with the rate increasing from 7.4% the previous month to 7.5%.**

Youth Claimant Count (Universal Credit) Statistics: July 2023

Area	Youth Claimant Count Rate (July 2022)	Youth Claimant Count Rate (June 2023)	Youth Claimant Count Rate[1] (July 2023)	Number of Youth Claimants (July 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	4.8	4.9	230,610	4,620	2.0%	32,880	16.6%
West Midlands	5.9	6.5	6.6	33,480	560	1.7%	5,575	20.0%
SSLEP	4.7	5.3	5.3	4,560	30	0.7%	740	19.4%
Wolverhampton	9.2	10.6	10.8	2,305	30	1.3%	395	20.7%
Sandwell	8.1	8.8	9.1	2,590	75	3.0%	475	22.5%
Walsall	7.9	8.9	9.0	2,030	15	0.7%	115	6.0%
Birmingham	8.0	8.8	9.0	11,645	275	2.4%	2,540	27.9%
Stoke-on-Trent	6.6	7.4	7.5	1,695	30	1.8%	290	20.6%
Dudley	6.8	7.3	7.4	1,760	30	1.7%	10	0.6%
Telford and Wrekin	5.7	5.5	5.4	800	-15	-1.8%	40	5.3%
Solihull	5.3	5.0	5.2	780	25	3.3%	-45	-5.5%
Coventry	4.5	5.1	5.1	2,205	10	0.5%	670	43.6%
Staffordshire	4.0	4.6	4.6	2,865	0	0.0%	450	18.6%
Worcestershire	4.3	4.4	4.5	1,900	40	2.2%	305	19.1%
Herefordshire, County of	3.1	4.0	4.0	465	0	0.0%	50	12.0%
Warwickshire	3.4	3.7	3.8	1,690	25	1.5%	355	26.6%
Shropshire	3.1	3.3	3.4	745	10	1.4%	-80	-9.7%
Cannock Chase	5.3	6.5	6.4	455	-5	-1.1%	90	24.7%
Tamworth	5.7	6.4	6.3	360	-5	-1.4%	65	22.0%
East Staffordshire	3.7	5.2	5.1	455	-10	-2.2%	135	42.2%
South Staffordshire	3.9	4.8	4.8	355	0	0.0%	105	42.0%
Stafford	4.0	4.0	4.0	345	0	0.0%	30	9.5%
Newcastle-under-Lyme	3.3	3.8	3.9	455	10	2.2%	30	7.1%
Lichfield	3.7	3.7	3.7	265	0	0.0%	-5	-1.9%
Staffordshire Moorlands	2.4	2.8	3.0	175	10	6.1%	0	0.0%

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



- This month has seen a decrease in youth claimants in Cannock Chase, East Staffordshire and Tamworth, with only Newcastle-under-Lyme and Staffordshire Moorlands seeing an increase. Lichfield, South Staffordshire and Stafford saw no change.

- Cannock Chase and Tamworth continue to have the highest rates at 6.4% and 6.3% respectively, whilst Staffordshire Moorlands has the lowest rate at 3.0%. Cannock Chase, East Staffordshire and Newcastle-under-Lyme have the highest number of youth claimants at 455 whilst Staffordshire Moorlands has the lowest number of youth claimants at 175.

- 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

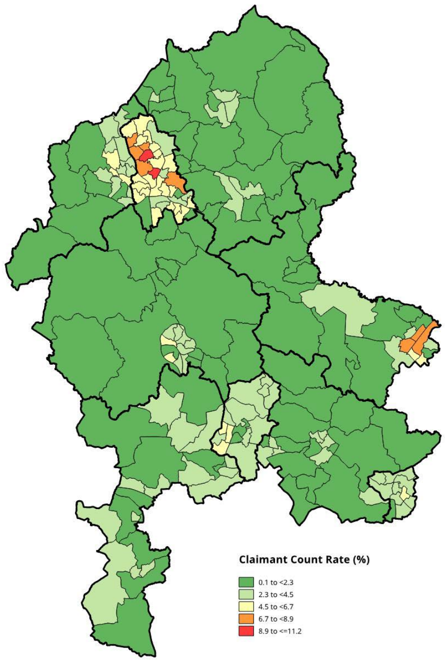
The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

Claimant Count Rate June 2023

Of the 201 wards in Staffordshire & Stoke-on-Trent, 61 were above the England average of 3.8% for the number of claimants as a proportion of the working age population.

Within the twenty highest claimant count rate wards, sixteen were in Stoke-on-Trent with Joiner's Square: 11.2%/515; Moorcroft: 9%/335; Burslem Central: 8.8%/405; Etruria and Hanley: 8.7%/465 total claimants.

In Staffordshire, the four wards all in East Staffordshire with the highest claimant count rates were Burton: 7.4%/225 total claimants; Shobnall: 6.9%/375; Eton Park: 6.8%/335; Anglesey: 6.5%/355.

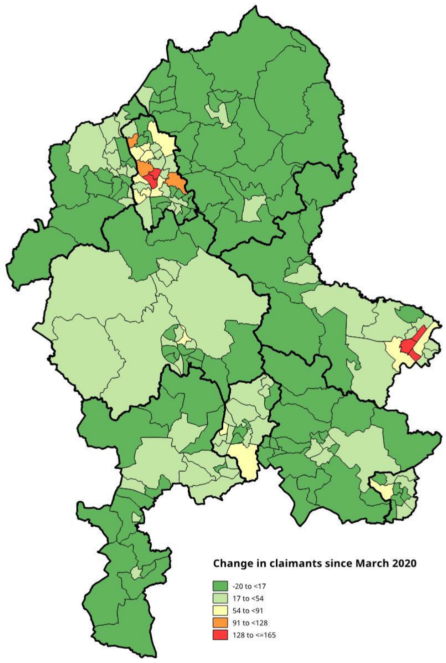


Staffordshire County Council

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 (145 increase to 330); Joiner's Square (140 increase to 515); Etruria & Hanley (110 increase to 465); Tunstall (105 increase to 355); Bentilee & Ubberley (95 increase to 495); Burslem Central (80 increase to 405).

Of the remaining four wards in the top ten, all were in East Staffordshire including Shobnall with a 165 increase to 375 claimants; Anglesey with a 165 increase to 355 claimants; Eton Park with a 155 increase to 335 claimants; Branston with a 90 increase to 165 claimants.



Staffordshire County Council

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

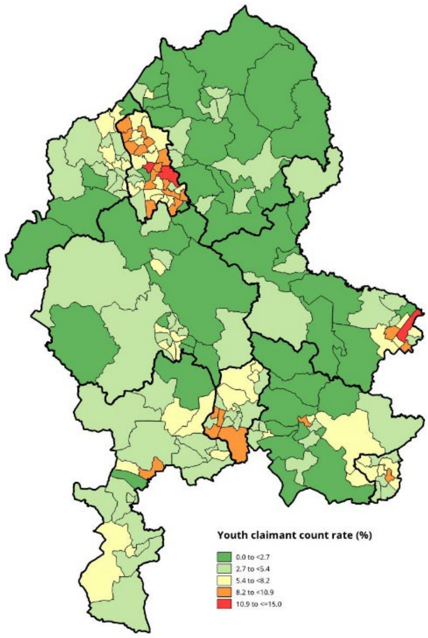
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

Youth Claimant Count Rate July 2023

Of the 201 wards in Staffordshire & Stoke-on-Trent, 88 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, seven were in Stoke-on-Trent including Joiner's Square: 15%/115; Bentilee & Ubberley: 11.6%/105; Meir North: 10.8%/60; Sandford Hill: 10%/50 total youth claimants.

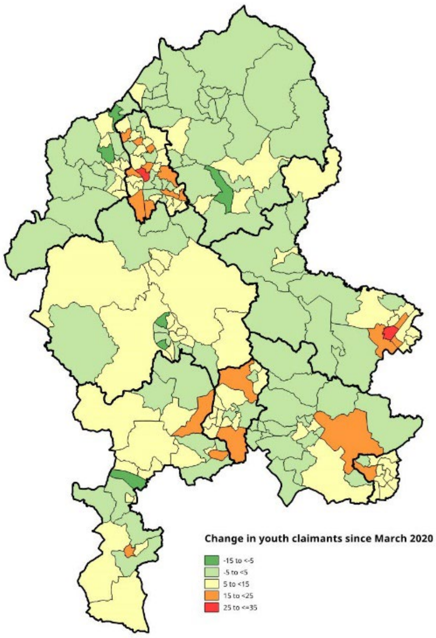
In Staffordshire, the wards with the highest claimant count rates were Burton (East Staffordshire): 11.7%/45; Glascote (Tamworth): 10.4%/60; Shobnall (East Staffordshire): 9.6%/70 total youth claimants.



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, six were in Stoke-on-Trent including Hanley Park & Shelton (35 increase to 65); Broadway & Longton East (20 increase to 35); Tunstall (20 increase to 60); Blurton West & Newstead (20 increase to 55).

In Staffordshire, the four wards with the highest change in the number of youth claimants since March 2020, were Shobnall (East Staffordshire) with a rise of 35 to 70; Norton Canes (Cannock Chase) with a rise of 20 to 45; Eton Park (East Staffordshire) with a rise of 20 to 50; Castle (Tamworth) with a rise of 20 to 35 total youth claimants.



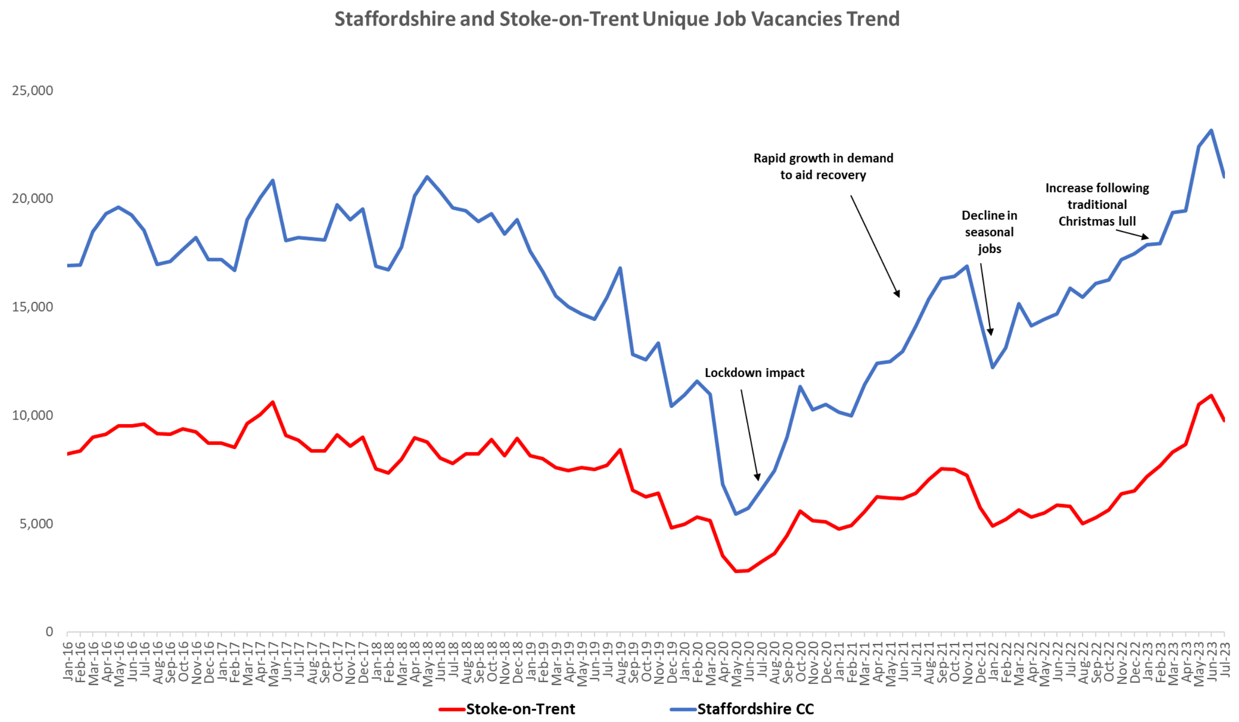
Job Vacancies[3]

- **Staffordshire saw a 9% fall in the number of available job vacancies between June and July to a total of 21,000 and this continues to remain higher than the number of work-related benefit claimants.**

- **Stoke-on-Trent saw an 11% fall in vacancies to a total of 9,800 which is higher than the number of claimants.**

- **Across the region in the last month there was a 7% fall, and nationally there was a 6% fall in job vacancies.**

- Although in July there has been a decrease in the number of available job vacancies, compared to a year ago in Staffordshire the number of job adverts being posted is still 33% higher, whilst Stoke-on-Trent is 68% higher. This fall in job vacancies may well indicate that businesses are being successful in filling vacancies and whilst some businesses may be more cautious over recruitment due to the challenging economy, overall recruitment demand remains strong with new job postings still 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.

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

Monthly Trends in recruitment

- All occupational groups saw a decrease in vacancies during July, with 'Associate Professional & Technical Occupations' (-6%) and 'Skilled Trades Occupations' (-7%) seeing the smallest decreases. 'Sales and Customer Service Occupations' saw the highest decrease of -14%.

- The occupations to see the most significant decreases during July include **Sales Related occupations, Administrative occupations, Logistics (Van Drivers), Education (Secondary Education Teaching Professionals; Teaching Assistants; Primary & Nursery Teaching Professionals), Hospitality (Kitchen & Catering Assistants), Cross sector occupations (Book Keepers, Payroll Managers and Wages Clerks; Customer Service; Marketing & Sales Directors).**

Annual Trends in job vacancies

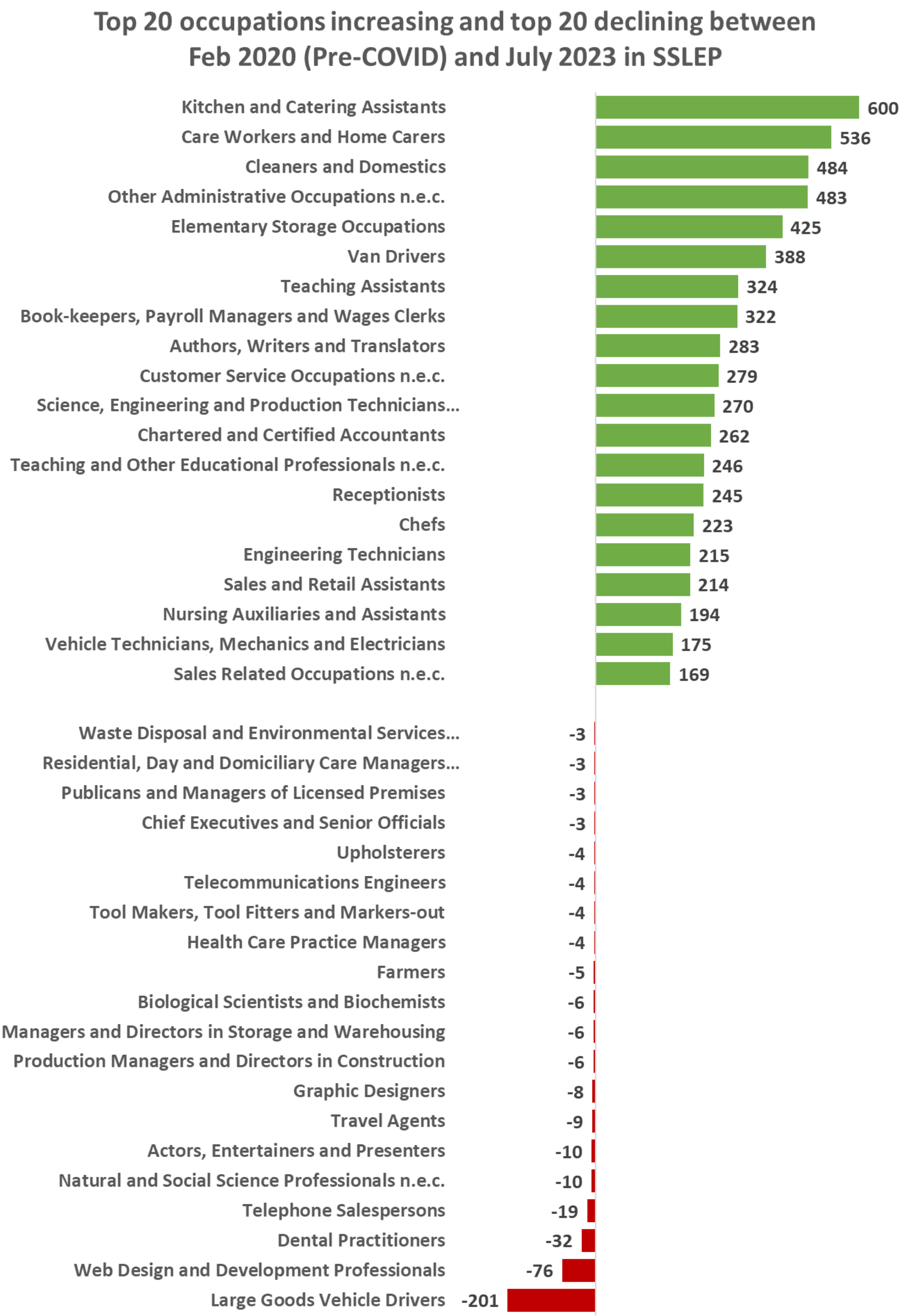
- The occupations to see the largest year-on-year increases include cross sector business roles (Administrative occupations; Bookkeepers, Payroll Managers and Wages Clerks; Chartered & Certified Accountants; Sales Related occupations), Education (Teaching Assistants), Literary & Media occupations (Authors, Writers & Translators), Hospitality sector (Kitchen and Catering Assistants), Logistics (Van Drivers); Housekeepers & related occupations (Cleaners & Domestics); Manufacturing (Engineering Technicians).

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)
    - **Health and Social Care** (Care Workers and Home Carers; Nursing Auxiliaries and Assistants)
    - **Housekeepers & related occupations** (Cleaners & Domestics)
    - **Cross sector business roles** (Administrative occupations; Bookkeepers, Payroll Managers and Wages Clerks; Customer Service occupations; Chartered & Certified Accountants; Receptionists; Sales Related occupations)
    - **Logistics** (Elementary Storage occupations; Van Drivers)
    - **Education** (Teaching Assistants; Teaching & Other Educational Professionals)
    - **Literary & Media occupations** (Authors, Writers & Translators)
    - **Manufacturing** (Science, Engineering & Production Technicians; Engineering Technicians)
    - **Retail** (Sales & Retail Assistants)
    - **Motor Trade** (Vehicle Technicians, Mechanics and Electricians)

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



Top Occupations in Demand

- Considering the **top 20 job vacancy occupations in Stoke-on-Trent and Staffordshire**, demand for roles in social care continue to remain high with **'Care Workers and Home Carers' being the 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' and 'Chefs' 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,' 'Van Drivers' and 'Large Goods Vehicle Drivers.'**

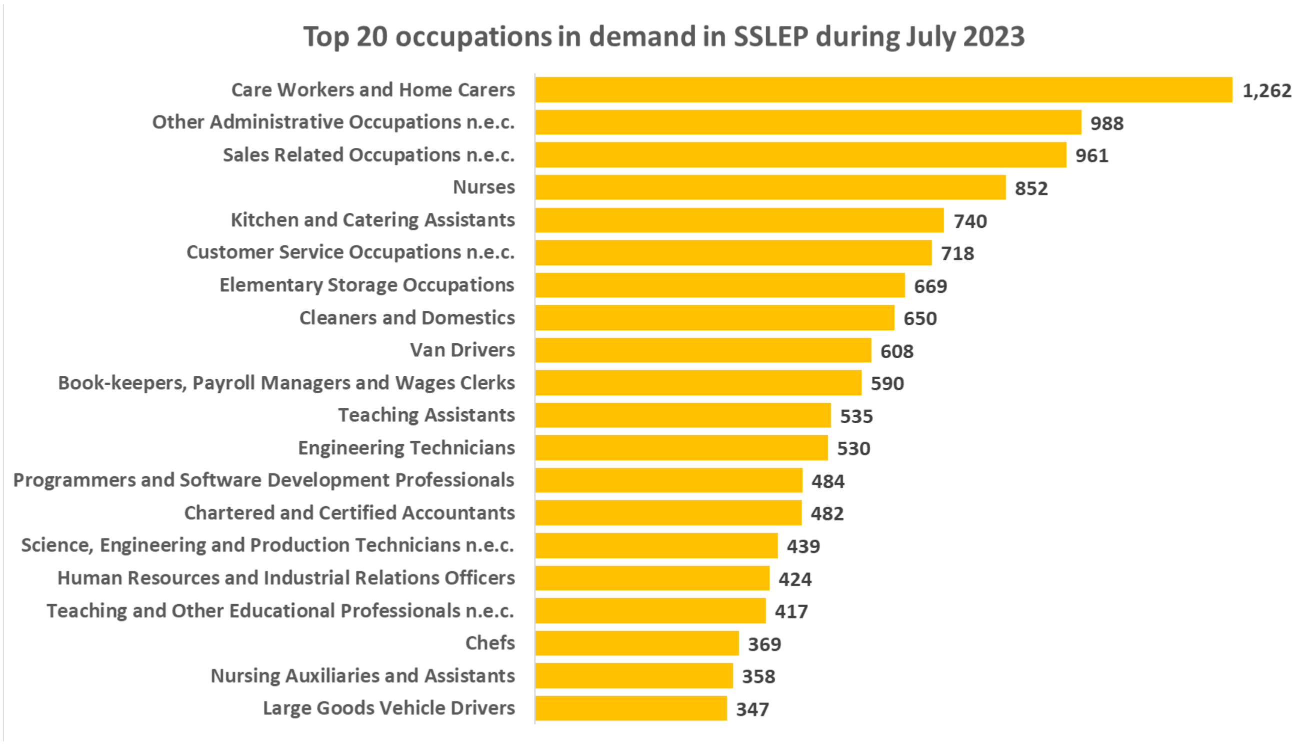
- In the Education sector there is particularly high demand for **'Teaching Assistants,' 'Teaching and Other Educational Professionals.'**

- There is **strong demand for 'Bookkeepers, Payroll Managers and Wages Clerks,' 'Human Resources and Industrial Relations Officers,' 'Chartered and Certified Accountants,'** 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 back into work 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.