Staffordshire & Stoke-on-Trent Economic Bulletin

Issue 37 – September 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. Positively this month we have **seen the Claimant Count decrease following the rise seen last month and showing that claimants are finding work locally. We have also seen job vacancies increase, with 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 **decreased by 90 this month to a total of 14,955 claimants.** This was a higher proportional decrease than seen regionally and better than the increase seen nationally.
- **The claimant rate for Staffordshire remained the same at 2.8%** 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 has seen an **increase of 65 in the youth claimant count in Staffordshire with a total of 2,885 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 month. This is lower than the national rate of 5.0% and far lower than the regional rate of 6.7%.
- Although youth claimants remain a priority for further support, it is positive to see the overall decline in working age claimants in Staffordshire this month. The **decrease in the claimant count overall is likely to be reflective of the extensive support that is in place to help people that unfortunately find themselves unemployed to move into the high number of job vacancies that are present across Staffordshire. Given the current challenging economic environment this decline in work related benefit claimants is a real positive and shows the strength and resilience of our local economy.**
- In terms of **job vacancies there was a 15% increase in Staffordshire and a 13% increase nationally between July and August. Demand for labour and skills remains high, with there currently being 1.6 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 24.1% or 2,905 higher than the level seen in March 2020 (pre-COVID)**, which is largely in-line with the 26.0% increase seen nationally and 24.6% 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 2.8% of the working age population compared to 4.9% regionally and 3.8% nationally.**
- In terms of job vacancies, **Staffordshire saw a 15% increase in the number of available job vacancies between July and August to a total of 24,000 which continues to remain higher than the number of work-related benefit claimants. Stoke-on-Trent saw a 13% increase in vacancies to a total of 11,000 which is also higher than the number of claimants. Across the region in the last month there was a 16% increase, and nationally there was a 13% increase in job vacancies.**
- This increase in job vacancies may well indicate that businesses are becoming more confident over recruitment , although it may also indicate that some business sectors are still struggling to fill vacancies. Overall, the outlook is more positive and 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' 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.'**
- 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 Education sector there is particularly high demand for **'Teaching Assistants,' 'Teaching and Other Educational Professionals.'**
- In the Manufacturing sector **'Engineering Technicians,' 'Science, Engineering and Production Technicians'** are most in demand.
- There continues to be high demand for digital roles, particularly, '**Programmers and Software Development Professionals.'**
- Demand for **'Sales and Retail Assistants'** in the Retail sector also remain strong.
- 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**.
- **Stoke-On-Trent & Staffordshire Growth Hub have partnered with the Federation of Small Businesses (FSB) to offer free 1-2-1 virtual business**

support sessions. Are you looking to start a business or in the embryonic stages of growth? Are you:

- keen to identify potential new markets?
- interested in bidding for public procurement opportunities?
- in need of advice on chasing late payments?
- seeking general advice and support?

Through one of these invaluable 1-2-1 sessions, you can:

- get in touch with international trade specialists
- find sources of local authority support
- learn key steps in starting a business and get assistance with many more issues/challenges your business faces

If you feel you might benefit from one of these virtual sessions, please email karen.woolley@fsb.org.uk to book a slot. This offer is open to FSB members and non-members.

- **Do you know what your employees need to be their most productive?**
  Any business' most valuable asset is its people, and with adults spending most of their time at work, businesses need to know how to best support their health and wellbeing. The **Staffordshire County Council Workplace Health Service**, working with public health and local health experts, offers businesses a comprehensive and funded package of online and in-person support, including:
    - mental health and wellbeing
    - smoking cessation
    - healthy activity and healthy eating in the workplace, and more.

  But where do you start?
  1) Check out the business wellbeing support available online
  2) Join the Healthy Workplace Newsletter
  3) Check out the Everyone Health offer - in-business support
  4) Consider starting the Thrive at Work Workplace Wellbeing Award Programme.

  CHECK OUT HEALTH AND WELLBEING SUPPORT FOR BUSINESS
- **Free HR business growth webinar for small businesses -** from construction to hospitality, professional to real estate, logistics to retail, business leaders are once again looking to firmly get back on top of their growth plans and take advantage of the emerging opportunities across Staffordshire and beyond. But one of the major barriers is people. You know that you need more people in your team, but even if you're desperate to hire, there's so many horror stories out there that many bosses just do more of the doing themselves. Long term, that actively stops your business booming. But have no fear! Any business:
    - in Staffordshire
    - under 5 years old...

  ..is eligible for fully funded expert support from local experts Centric HR, through the county council's Get Started and Grow scheme, including fully bespoke packages of support to both grow and protect your business.

  Interested, but need convincing?

Centric HR is holding a free, one hour webinar to introduce you to their offer of a fully bespoke package of support for your business and give you some great advice on hiring your first employee, managing grievances, contacts, training and GDPR.
'Everything a small business needs to know about HR'
TUESDAY 3rd October
1pm to 2pm
Online
Places are limited so book now.

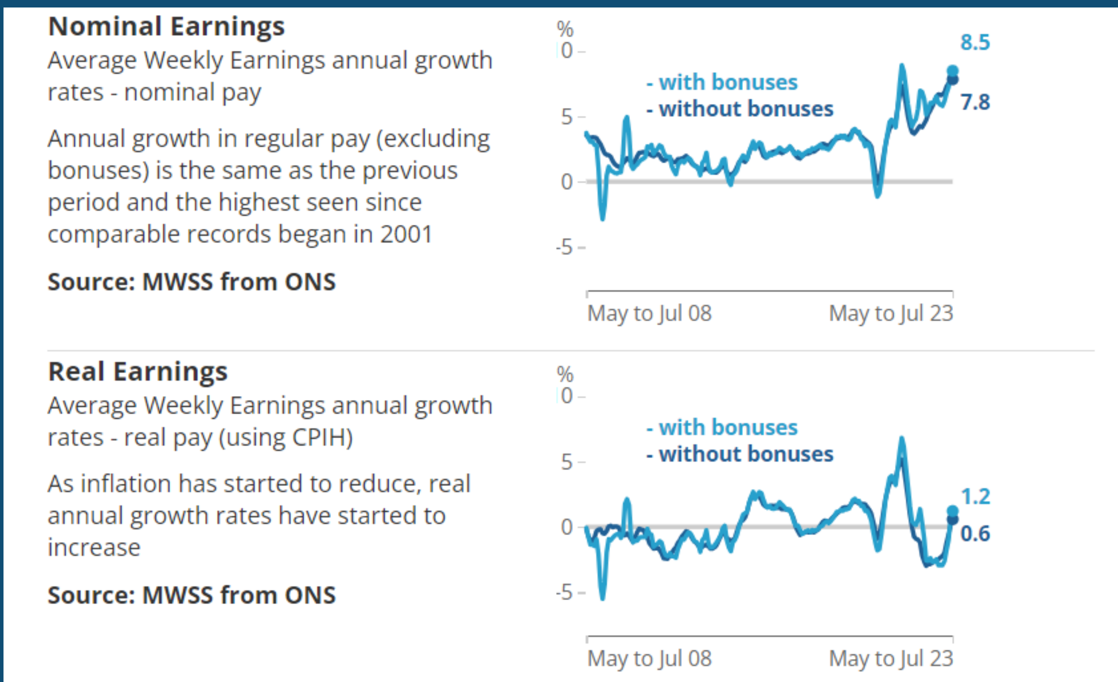
National Context

- This month we have seen a **further surprise fall in inflation** which is a positive for residents, businesses and public sector organisations that have seen their costs significantly increase during the cost-of-living crisis.
- Worryingly we heard that **Birmingham City Council has been forced to issue a Section 114 notice**, the seventh local authority to do so since 2000, leading to a block on all non-essential spending, as it struggles to repay a historic equal pay claim of £760 million and cope with wider underlying funding pressures.
- This comes as **councils in England face a funding gap of £3 billion over the next two years**, just to keep services standing still.
- **Many other councils are indicating they are reaching Section 114 territory due to soaring demand for their services, rising costs and funding shortfalls.**
- Clearly there is **a question for the Government about how councils will be funded to deliver services and ensure that there is the necessary investment in local economies.**

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

- The Office for National Statistics (ONS) said **Consumer Prices Index inflation was 6.7 per cent in August, down from 6.8 per cent in July,** the lowest rate since February last year. Economists had expected an increase due to a sharp rise in motor fuel amid a rebound in oil prices, but this was offset by a drop in hotel and air fare costs and a slowdown in food price rises.
- **Core inflation also saw a decline in August with the rate down from 6.9 per cent in July to 6.2 per cent in the 12 months to August 2023,** driven by lower services prices.
- In light of this, **the Bank of England has kept interest rates on hold for the first time in nearly two years**. They remain at 5.25% - bringing an end to 14 consecutive rises since late 2021 designed to curb inflation.
- However, there is still work to be done in bringing inflation down further with the **UK forecast to have the highest inflation of any major economy this year**, with the Organisation for Economic Co-operation and Development (OECD) expecting UK inflation to average 7.2 per cent in 2023. This would be the highest rate in the G7 group of major economies and third highest in the G20.
- Clearly, **inflation remains elevated and therefore an ongoing policy priority for Government** if it is to achieve its January pledge to halve inflation from 10.7% to around 5.3% by the end of the year.
- Although it is good news that inflation has continued to decline, the impact of higher costs is still hitting people in the pocket. A recent poll by consumer body Which? has shown that a record level of **80 per cent of mortgage holders and renters are now worried about rising housing costs**.

- There is some good news for homeowners, with **mortgage rates starting to fall**, with the cheapest rates falling below 5 per cent for the first time since July.
- For those **renting affordability is at its worst level for a decade, with average UK rent increasing by an average of £110 per month or £1,320 a year**. Research by Zoopla shows that the proportion of earnings needed to cover the average rent is now at 28.4 per cent, the highest it has been since 2013.
- As we approach winter the **National Grid has announced that it will pay households to cut electricity use during peak hours** for a second year running to help reduce the strain on the network and reduce the risk of blackouts. The company introduced the voluntary scheme, known as the demand flexibility service, last winter to address concerns that Britain could face power shortages.
- **As inflation has started to reduce, real annual growth rates have started to increase.** Annual growth in **regular pay (excluding bonuses)** was 7.8% in May to July 2023, the same as the previous 3-month period and is the highest regular annual growth rate since comparable records began in 2001. Annual growth in employees' **average total pay (including bonuses)** was 8.5%; this total annual growth rate is affected by the NHS and Civil Service one-off payments made in June and July 2023. **In real terms (adjusted for inflation), annual growth for total pay rose on the year by 1.2% and for regular pay rose on the year by 0.6%.**



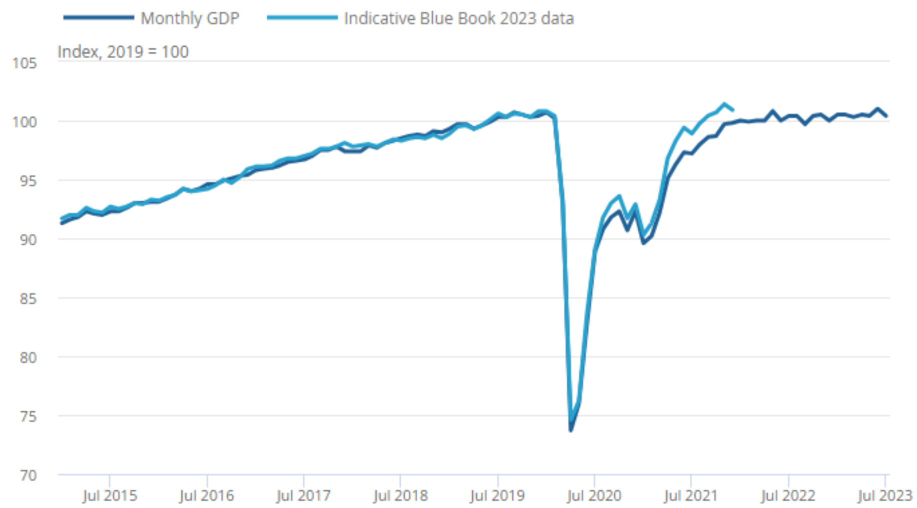
- **There still remain strikes in important parts of the economy, including NHS consultants, junior doctors, and rail workers.** There were 281,000 working days lost because of labour disputes in July 2023. The majority of the strikes were in the Education and Health and social work sectors.

Economy

- Official figures from the Office for National Statistics showing the impact of the pandemic on the UK economy have been sharpy revised to show that the **UK economy made a stronger recovery during Covid at the end of 2021 than previously estimated.**
- **The revised data now reveals that the economy was 0.6% bigger in the final three months of 2021 compared to pre-pandemic levels, compared to the previous figures which said that the UK economy was 1.2% smaller.**
- The Office for National Statistics said changes were mainly because it had "richer data" from its annual survey.
- The revised figures also show the **pandemic lockdown collapse in the economy was smaller than thought in 2020, with output declining by 10.4% rather than 11%.**
- The **recovery in 2021 was also faster with growth of 8.7% rather than 7.6%.**
- Recently, the ONS estimated that between April and June this year, the UK economy was still 0.2% smaller than the final three months of 2019 - the last full quarter before Covid struck the following March.
- This meant the UK was at the bottom of the biggest G7 economies in terms of its recovery from the pandemic.
- **The net result of the upward revision is that by 2022, the UK was not the outlier within the G7 in terms of the damage done by the pandemic. In fact, the UK economy was hit pretty much in line with the other major European nations.**
- Only the UK and the US have made any changes to their 2021 economic data. The likes of Germany, France and Italy have not. If they choose to, it could show their economic performance was worse than initially thought - or better.
- Nonetheless, the revision by the ONS gives an important insight into the lasting impact of the pandemic on the UK economy.
- Looking at the latest monthly GDP data from the ONS shows that the **UK economy is estimated to have fallen by 0.5% in July 2023,** with falls in all three main sectors, following growth of 0.5% in June 2023. There was a notable impact of strikes in July, particularly in health, education and transport.
- More positively, **looking at the broader picture, GDP increased by 0.2% in the three months to July 2023**, with growth in all three main sectors.
- **Services** output was down 0.5% in July 2023, after growth of 0.2% in June 2023, and was the main contributor to the fall in GDP in July.
- Output in **consumer-facing services** showed no growth in July 2023, following growth of 0.5% in June 2023.
- **Production** output fell by 0.7% in July 2023, after growth of 1.8% in June 2023.
- The **construction** sector fell by 0.5% in July 2023, after growth of 1.6% in June 2023.

GDP Monthly index, January 2007 to July 2023, UK

Monthly index, January 2015 to July 2023, UK



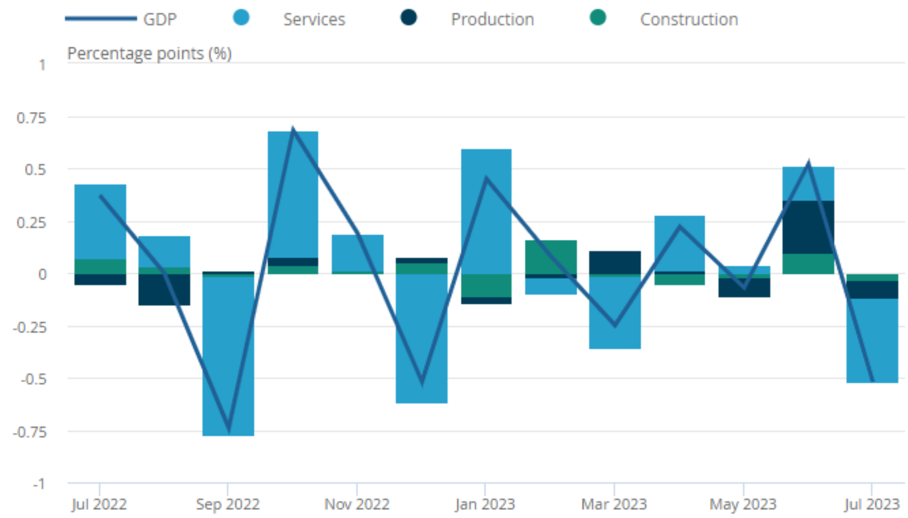
Source: GDP monthly estimate from the Office for National Statistics

Notes:

1. The indicative Blue Book 2023 data provides an estimate from our Impact of Blue Book 2023 article for context. These will be incorporated in the Quarterly National Accounts release on 29 September and the next monthly GDP release on 12 October.
2. Indicative Blue Book 2023 data are only available up to December 2021.

All of the main sectors contributed to the fall in GDP in July 2023

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

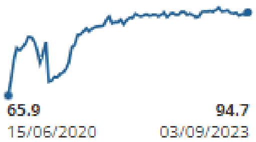
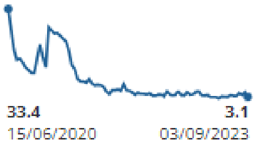
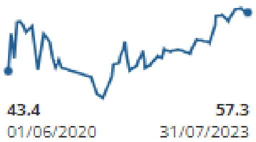
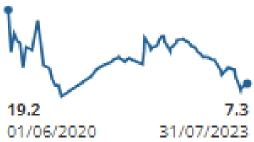
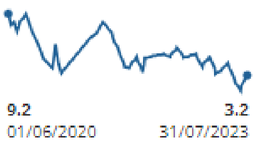
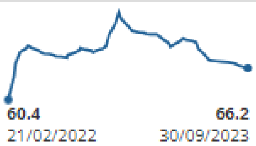


Source: GDP monthly estimate from the Office for National Statistics

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 signs of improvement in conditions and confidence.**
- The following charts show the latest results from Wave 90 of the **Business Insights and Conditions Survey (BICS)**, which was live from 21 August to 3 September 2023.

Headline figures from the Business Insights and Conditions Survey

Indicator	Latest data compared with **previous wave**	Latest data compared with **equivalent period the previous year**	**Timeline**
Trading status Currently trading Units	0.9▲	0.3▲	
Trading status Temporarily closed or paused trading Units	-1.5▼	-0.5▼	
Intra UK Procurement Yes, the business has been able to get the materials, goods or services it needed Units	-1.0▼	9.3▲	
Intra UK Procurement Yes, but the business had to change suppliers or find alternative solutions Units	1.1▲	-5.2▼	
Intra UK Procurement No, the business has not been able to get the materials, goods or services needed Units	1.5▲	-1.8▼	
Business concern Some concern for my business Units	-0.8▼	-2.9▼	

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

- In July 2023, 67% of trading businesses with 10 or more employees reported that they were **able to get the materials, goods or services they needed from within the UK without experiencing supply issues,** up from 58% in June; this rises to 78% when including businesses that had to change suppliers or find alternative solutions to do so.
- In July 2023, 7% of businesses with 10 or more employees **experienced global supply chain disruption**, broadly stable with June 2023; however, this is the lowest proportion reported since the question was introduced in December 2021.
- Two-thirds (66%) of businesses **reported some form of concern for their business for September 2023**; this has slowly fallen over time and is the lowest percentage reported since a peak of 76% in November 2022.
- Fewer than 1 in 10 (7%) businesses were **affected by industrial action** in July 2023; the professional, scientific and technical activities industry reported the highest proportion of businesses directly or indirectly affected, at 10%.
- Approximately 1 in 10 (11%) businesses reported that their **employees' hourly wages had increased in July 2023 compared with June 2023**; this was 19% for businesses with 10 or more employees.
- Approximately 1 in 10 (11%) businesses were **experiencing worker shortages in late August 2023**, this is down 2 percentage points from mid-July 2023; 45% of those businesses reported they were unable to meet demands because of the shortages.
- Although there are signs of improvement it is clear that some businesses continue to struggle. **In August 2023 there were a total of 2,308 company insolvencies in England and Wales, 19% higher than the number registered in the previous year (1,941 in August 2022), and 193% higher than the number registered three years previously: 789 in August 2020).** The main concern around company and individual insolvencies are associated issues such as mental health and homelessness.

Labour Market

- Overall **employment has seen a further slight decline and remains well below pre-pandemic levels, while payrolled employees has remained largely unchanged and unemployment has increased 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 again 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 May 2023 to July 2023:

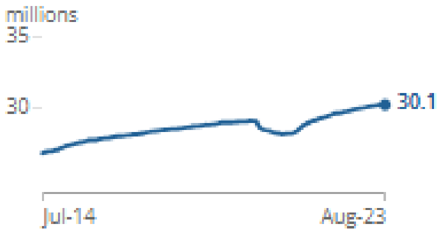
Payrolled employees

The number of payrolled employees

Monthly change: ▼ -1,000
Since Feb 2020: ▲1,120,000

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

Source: PAYE RTI from HMRC



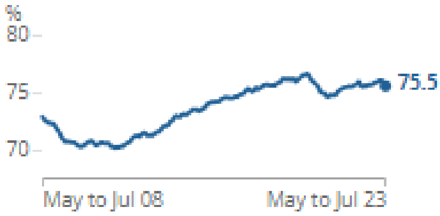
Employment rate

Employment rate (all aged 16 to 64)

Quarterly change: ▼-0.5pps
Since Dec-Feb 2020: ▼-1.1pps

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

Source: LFS from ONS



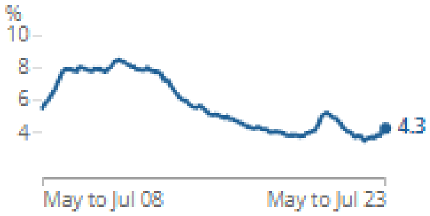
Unemployment rate

Unemployment rate (all aged 16+)

Quarterly change: ▲0.5pps
Since Dec-Feb 2020: ▲0.3pps

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

Source: LFS from ONS



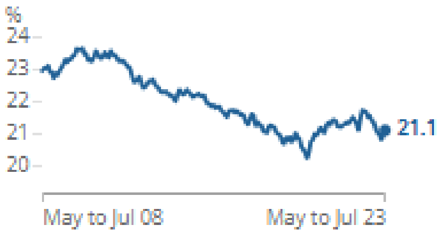
Inactivity rate

Economic inactivity rate (all aged 16 to 64)

Quarterly change: ▲0.1pps
Since Dec-Feb 2020: ▲0.9pps

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

Source: LFS from ONS



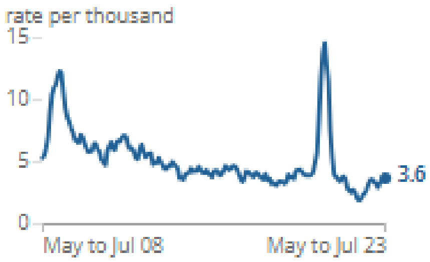
Redundancy rate

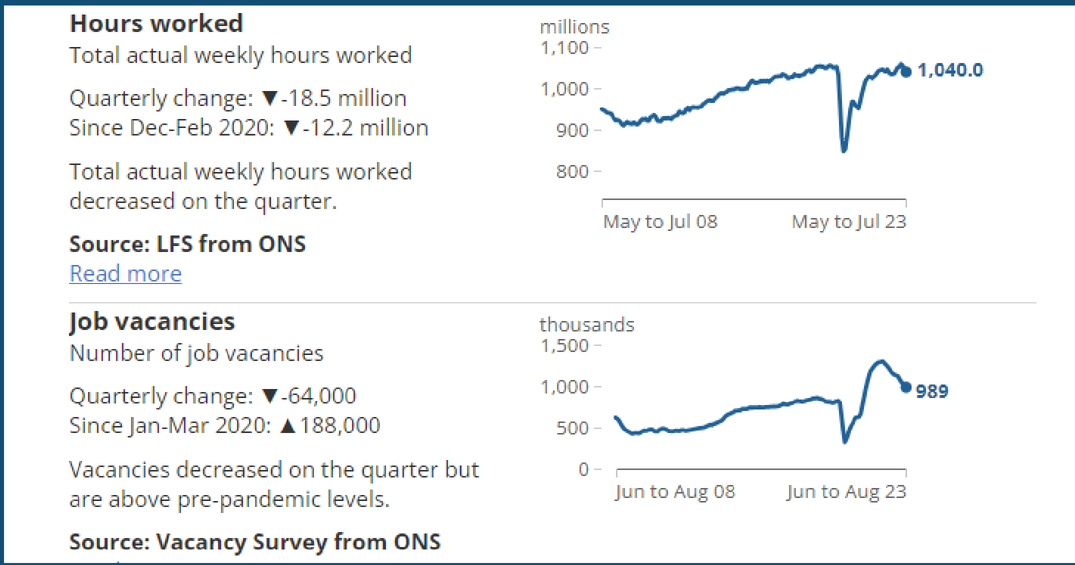
Redundancy rate (per 1000 employees)

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

The redundancy rate increased on the quarter.

Source: LFS from ONS





- The **UK employment rate** was estimated at 75.5% in May to July 2023, 0.5 percentage points lower than February to April 2023. The quarterly decrease in employment was mainly driven by full-time self-employed workers. **Employment now 191,000 below pre-pandemic levels.**
- The estimate of **payrolled employees** for August 2023 is largely unchanged on the month, down 1,000 on the revised July 2023 figure, to 30.1 million.
- The **unemployment rate** for May to July 2023 increased by 0.5 percentage points on the quarter to 4.3%. The increase in unemployment was largely driven by people unemployed for up to 12 months. **Unemployment is 100,000 above pre-pandemic levels.**
- The **economic inactivity rate** increased by 0.1 percentage points on the quarter, to 21.1% in May to July 2023. The increase in economic inactivity during the latest quarter was driven by people aged 16 to 24 years. **Those inactive because of long-term sickness increased to another record high. Meanwhile, those inactive because they were looking after family or home decreased to a record low. Those economically inactive are 411,000 above pre-pandemic levels.**
- **The number of benefit claimants judged too ill to work has increased by more than 300,000 in a year**, according to official figures from the **Department for Work and Pensions**. Some 1.8 million people are now claiming universal credit because of a limited ability to work, up from 1.4 million in the same time last year. This includes 1.2 million people deemed too ill to work at all, up 300,000 in a year.
- This news comes as the **Government has announced plans for people with disabilities to be given "more support" so they can work from home**. **Work and Pensions Secretary Mel Stride** has set out a number of benefit reforms to help people find work and reduce government spending.
- In June to August 2023, the estimated number of **vacancies** fell by 64,000 on the quarter to 989,000. Vacancies fell on the quarter for the 14th consecutive period, although they **remained 188,000 above their pre-pandemic levels**.
- **Many parents are struggling to find suitable childcare, with some forced to**

give up work or change their careers due to a shortfall of nursery spaces and others spending hundreds of pounds on waiting lists, only to be declined at the final hour. There were 4,800 fewer childcare providers at the end of March compared with the same time last year, according to **Ofsted**. In March, the Government announced plans to increase provision of free childcare, but the LGA warned that 88 per cent of councils are concerned that nursery closures this year will undermine these expansions.

- **Care home bosses are recommending the next government funds a £15-per-hour minimum wage for frontline staff to stabilise the crisis-hit sector and boost a system that is "in an extremely precarious state".** There are currently over 152,000 vacant posts, 430,000 people are on care waiting lists and scores of facilities are rated inadequate in the care system.

Skills

- **Councils in England have urged the Government to hand them greater powers over apprenticeships and adult learning after figures showed a decline in almost 200,000 people taking part in adult education in their areas over the past five years.** The **County Councils Network** said urgent action was needed to address the drop-off, which has come despite repeated government pledges to reform adult education and boost the uptake of apprenticeships.

Green Economy

- **The Prime Minster has delayed a ban on new petrol and diesel cars in a major change to the Government's approach to achieving net zero by 2050.** The Prime Minister announced exemptions and delays to several key green policies, alongside a 50 per cent increase in cash incentives to replace gas boilers, as he said the Government could not impose "unacceptable costs" linked to reducing emissions on British families. Among the key changes announced were:
  - A five-year delay in the ban on the sale of new petrol and diesel cars, meaning a requirement for all new cars to be "zero emission" will not come into force until 2035.
  - A nine-year delay in the ban on new fossil fuel heating for off-gas-grid homes to 2035.
  - Raising the Boiler Upgrade Grant by 50% to £7,500 to help households who want to replace their gas boilers.
  - The ban on the sale of new gas boilers in 2035 remains, but the government will introduce new exemption for poorer households.
  - Scrapping the requirement on landlords to ensure all rental properties had a Energy Performance Certificate (EPC) of grade C or higher, from 2025.

Conclusion

- In conclusion, **the news that the UK economy faired far better during the pandemic than previously suggested is very welcomed news. Clearly, we remain in challenging economic conditions but hopefully with a stronger and more resilient economy than previously thought.**
- **Inflation continues to move in the right direction which hopefully signals the further easing of the cost-of-living crisis.**
- Positively, there continues to be **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 others are finding themselves unemployed. However, vacancies remain high so there are opportunities available for those out of work.**
- **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 higher value better paid jobs will be key.

Business and Individual Insolvencies

This section covers the latest Insolvency Service monthly insolvency statistics[1] for August 2023, which show the number of new companies and individuals who are unable to pay debts and enter a formal insolvency procedure.

Company Insolvencies

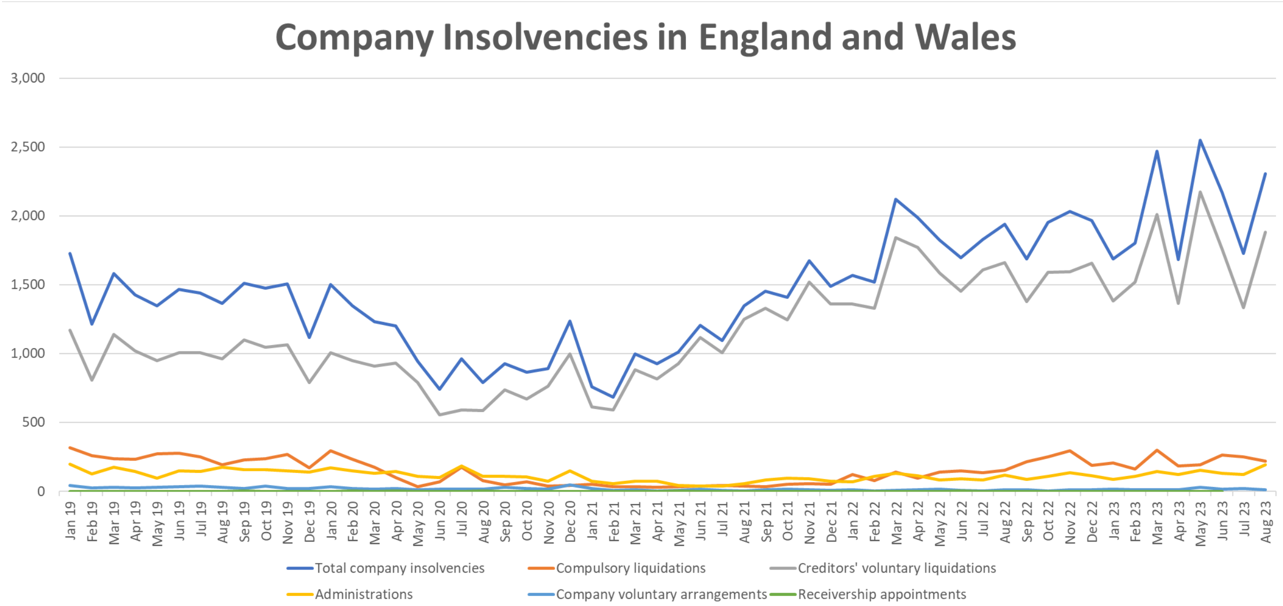
In August 2023 there were a total of 2,308 company insolvencies in England and Wales.

The overall number of **company insolvencies are 19% higher than the number registered in the previous year (1,941 in August 2022), and 193% higher than the number registered three years previously: 789 in August 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 221 compulsory liquidations in August 2023, which is 45% higher than the number in August 2022, and 180% higher than in August 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 August 2023 there were 1,880 Creditors' Voluntary Liquidations (CVLs), 13% higher than August 2022, and 221% higher than August 2020. Numbers of administrations are higher this month than pandemic levels at 79% higher than August 2020, whilst Company Voluntary Arrangements (CVAs) are lower than pandemic levels at 27% below August 2020 levels.

Company insolvencies between September 2022 and August 2023 are 17% higher compared to a year earlier, representing 3,500 more businesses.



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

[1]Source: The Insolvency Service – Monthly Insolvency Statistics, August 2023 - GOV.UK (www.gov.uk)

The sectors to have seen the largest number of company insolvencies between August 2022 and July 2023 continue to be the Construction sector (4,205), Wholesale & Retail sector (3,667) and Accommodation & Food Service sector (3,289). Levels exceed those seen for the same period the previous year with the Construction sector 9% higher, Wholesale & Retail sector 35% higher, and Accommodation & Food Service sector 41% 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

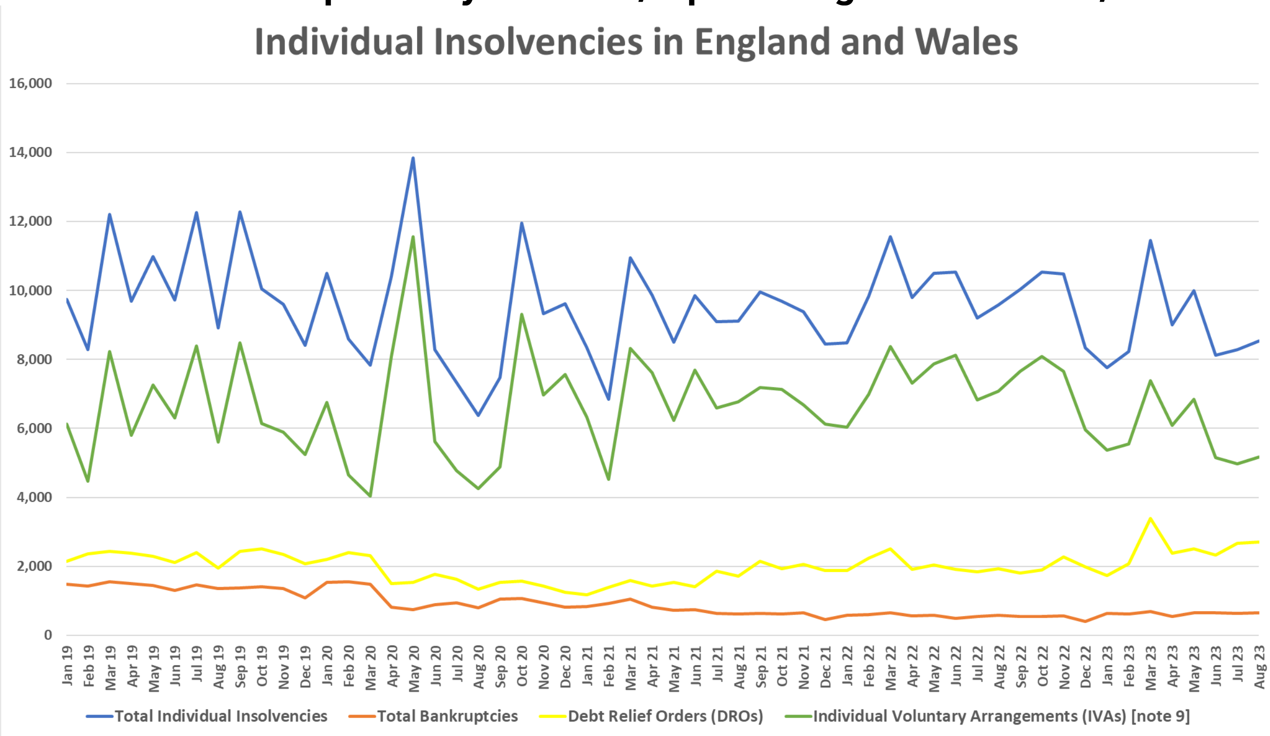
There were **8,536 total individual insolvencies in August 2023**, which was 11% lower than in August 2022, but 34% higher than in August 2020.

For individuals, **648 bankruptcies were registered in August 2023**, which was 12% higher than in August 2022, but 18% lower than in August 2020.

There were **2,714 Debt Relief Orders (DROs) in August 2023**, which was 40% higher than in August 2022, and 103% higher than in August 2020.

There were, on average, **5,174 Individual Voluntary Arrangements (IVAs)** registered in August 2023, which is 27% lower than August 2022, but 22% higher than August 2020.

Total Individual Insolvencies between September 2022 and August 2023 are 5% lower than the same period a year earlier, representing a decrease of 6,199.



Sources: Insolvency Service

There were **7,235 Breathing Space registrations in August 2023, which is 19% higher than the number registered in August 2022**. Of these, 7,119 were Standard Breathing Space registrations, which is 19% higher than in August 2022, and 116 were Mental Health Breathing Space registrations, which is 33% higher than the number in August 2022.

From the start of the coronavirus (COVID-19) pandemic until mid-2021, overall numbers of company and individual insolvencies were low when compared with pre-pandemic levels. This is likely to have been partly driven by government measures put in place to support businesses and individuals during this time. **Company insolvency numbers have now returned to and exceeded pre-pandemic levels. For individuals, numbers of bankruptcies remain lower, but debt relief orders and individual voluntary arrangements 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: August 2023

Area	Claimant Count Rate (August 2022)	Claimant Count Rate (July 2023)	Claimant Count Rate[1] (August 2023)	Number of Claimants (August 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	3.8	3.8	1,339,660	3,580	0.3%	276,155	26.0%
West Midlands	4.8	4.9	4.9	179,805	-195	-0.1%	35,455	24.6%
SSLEP	3.3	3.4	3.4	23,830	-25	-0.1%	4,460	23.0%
Birmingham	8.3	8.5	8.6	63,475	650	1.0%	14,105	28.6%
Wolverhampton	7.2	7.6	7.5	12,325	-205	-1.6%	1,945	18.7%
Sandwell	6.1	6.2	6.2	13,495	80	0.6%	2,715	25.2%
Coventry	5.2	5.7	5.7	12,760	-70	-0.5%	4,760	59.5%
Stoke-on-Trent	**5.2**	**5.5**	**5.5**	**8,870**	**60**	**0.7%**	**1,550**	**21.2%**
Walsall	5.5	5.6	5.5	9,600	-155	-1.6%	995	11.6%
Dudley	4.7	4.6	4.6	9,040	-15	-0.2%	525	6.2%
Telford and Wrekin	3.5	3.4	3.4	4,000	65	1.7%	570	16.6%
Solihull	3.3	3.2	3.2	4,085	-15	-0.4%	435	11.9%
Worcestershire	3.0	3.0	2.9	10,665	-185	-1.7%	2,360	28.4%
Staffordshire	**2.7**	**2.8**	**2.8**	**14,955**	**-90**	**-0.6%**	**2,905**	**24.1%**
Warwickshire	2.6	2.6	2.6	9,505	-255	-2.6%	1,675	21.4%
Herefordshire, County of	2.3	2.4	2.4	2,630	-25	-0.9%	520	24.6%
Shropshire	2.4	2.3	2.3	4,400	-45	-1.0%	390	9.7%
Cannock Chase	3.1	3.5	3.4	2,160	-25	-1.1%	505	30.5%
East Staffordshire	2.8	3.4	3.4	2,630	5	0.2%	910	52.9%
Tamworth	3.4	3.4	3.4	1,645	-30	-1.8%	155	10.4%
Newcastle-under-Lyme	2.8	3.0	3.1	2,325	20	0.9%	345	17.4%
South Staffordshire	2.6	2.5	2.5	1,660	-15	-0.9%	350	26.7%
Lichfield	2.5	2.4	2.4	1,490	-30	-2.0%	170	12.9%
Stafford	2.4	2.4	2.4	1,980	15	0.8%	325	19.6%
Staffordshire Moorlands	1.9	2.0	1.9	1,065	-30	-2.7%	145	15.8%

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

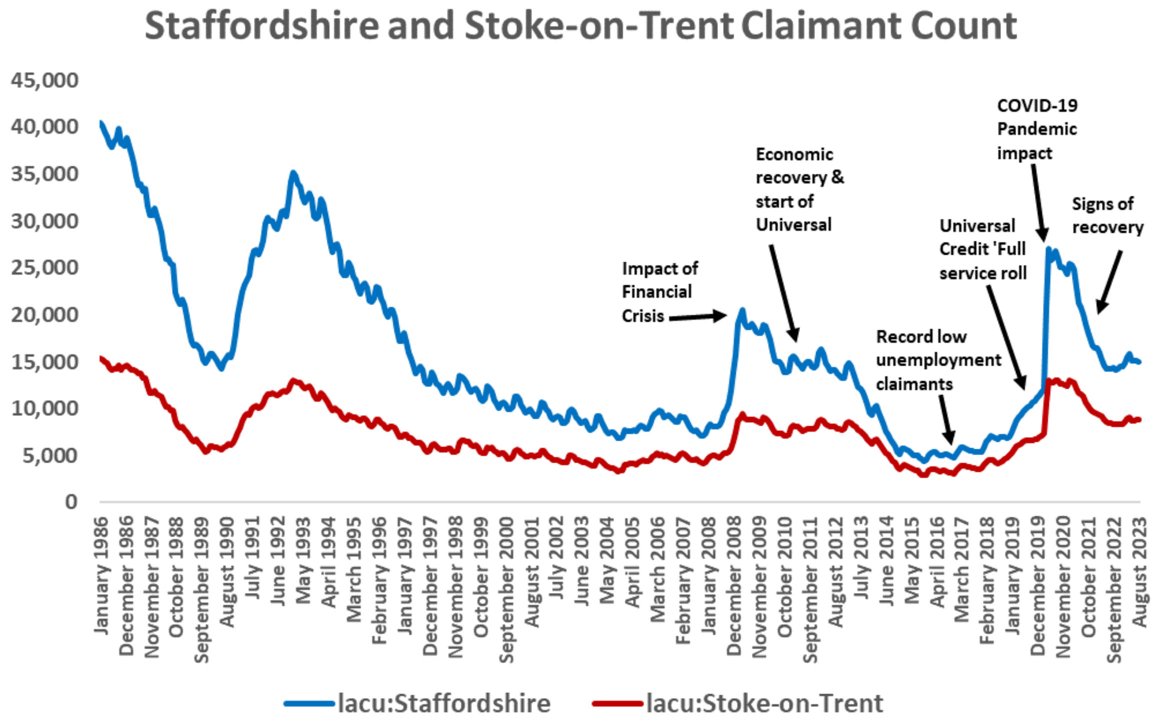
- The claimant count in Staffordshire saw a **decrease of 90 claimants in August**, with the **total number now at 14,955**. This was in contrast to the increase seen nationally.
- Over the last month, the **claimant rate for Staffordshire remained unchanged at 2.8%** of the working age population.
- 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 60 claimants** over the same period with **a total of 8,870 claimants in August**, with the **rate remaining the same at 5.5%.**
- The **decrease in the claimant count overall is likely to be reflective of the extensive support that is in place to help people that unfortunately find themselves unemployed to move into the high number of job vacancies that are present across Staffordshire. Given the current challenging economic environment this decline in work related benefit claimants is a real positive and shows the strength and resilience of our local economy.**

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

- **In terms of job vacancies there was a 15% increase seen across Staffordshire and a 13% increase nationally seen between July and August.**

- **Demand for labour and skills still remains high across the local economy with there currently being 1.6 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 24.1% or 2,905 higher than the level seen in March 2020 (pre-COVID)**, which is largely in-line with the 26.0% increase seen nationally and 24.6% 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 2.8% 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 the majority of districts saw decreases with Lichfield, Staffordshire Moorlands and Tamworth having the highest decreases.

- East Staffordshire and Newcastle-under-Lyme have the highest number of claimants with 2,630 and 2,325 respectively, whilst Staffordshire Moorlands has the lowest at 1,065. Cannock Chase, East Staffordshire and Tamworth have the highest claimant rates at 3.4%, 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

- This month the **youth claimant count in Staffordshire saw an increase of 65 claimants with a total of 2,885 young people**.

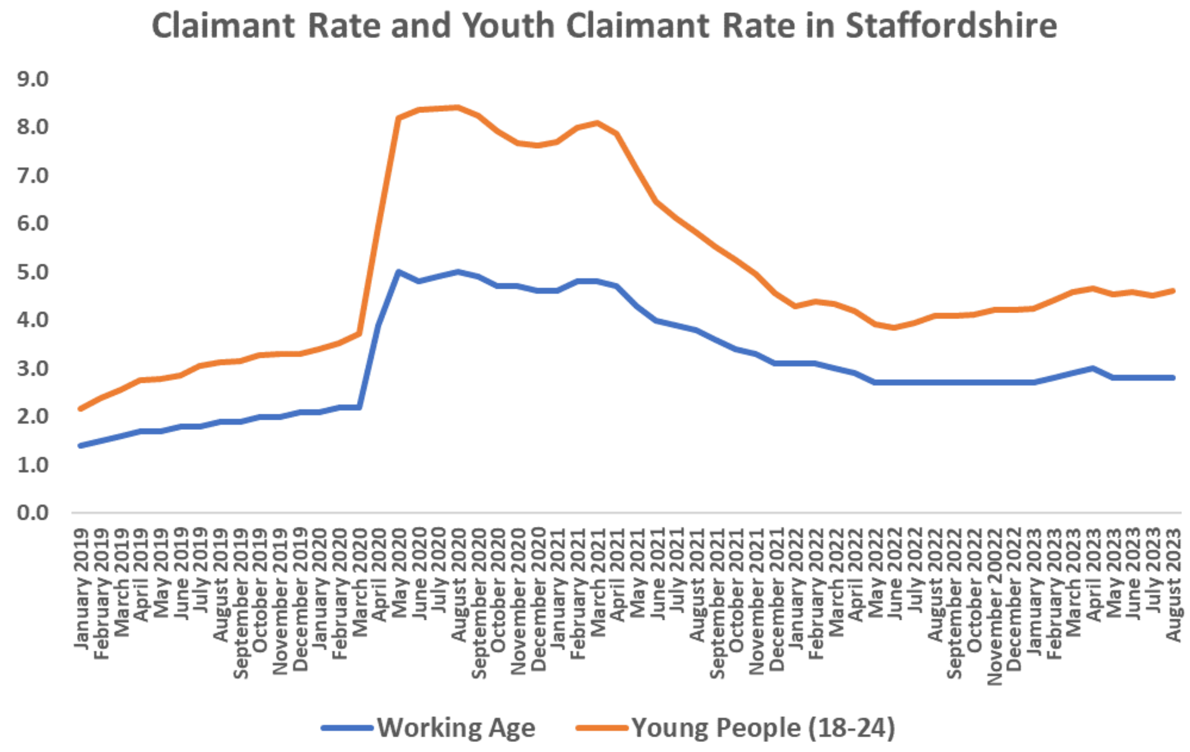
- **The proportion of young people in Staffordshire aged 18-24 that are claiming work-related Universal Credit increased from 4.5% to 4.6% this month.** This is lower than the national rate of 5.0% and far lower than the regional rate of 6.7%.

- This month, **Stoke-on-Trent saw an increase of 50 claimants to a total of 1,735 claimants with the rate increasing from 7.4% the previous month to 7.7%.**

Youth Claimant Count (Universal Credit) Statistics: August 2023

Area	Youth Claimant Count Rate (August 2022)	Youth Claimant Count Rate (July 2023)	Youth Claimant Count Rate[1] (August 2023)	Number of Youth Claimants (August 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	4.6	4.9	5.0	233,130	4,375	1.9%	35,400	17.9%
West Midlands	6.1	6.6	6.7	33,850	640	1.9%	5,945	21.3%
SSLEP	4.8	5.3	5.4	4,620	115	2.6%	800	20.9%
Wolverhampton	9.4	10.7	10.5	2,250	-35	-1.5%	340	17.8%
Birmingham	8.1	8.9	9.2	11,905	335	2.9%	2,800	30.8%
Walsall	8.2	9.0	9.2	2,070	45	2.2%	155	8.1%
Sandwell	8.3	9.0	9.1	2,600	35	1.4%	485	22.9%
Stoke-on-Trent	**6.8**	**7.4**	**7.7**	**1,735**	**50**	**3.0%**	**330**	**23.5%**
Dudley	6.9	7.4	7.5	1,770	25	1.4%	20	1.1%
Telford and Wrekin	5.8	5.3	5.4	810	20	2.5%	50	6.6%
Solihull	5.1	5.2	5.3	800	20	2.6%	-25	-3.0%
Coventry	4.6	5.1	5.1	2,200	20	0.9%	665	43.3%
Staffordshire	**4.1**	**4.5**	**4.6**	**2,885**	**65**	**2.3%**	**470**	**19.5%**
Worcestershire	4.5	4.5	4.6	1,915	25	1.3%	320	20.1%
Herefordshire, County of	3.3	4.0	4.1	475	10	2.2%	60	14.5%
Warwickshire	3.5	3.8	3.7	1,675	-5	-0.3%	340	25.5%
Shropshire	3.2	3.3	3.5	760	25	3.4%	-65	-7.9%
Cannock Chase	5.7	6.2	6.2	440	0	0.0%	75	20.5%
Tamworth	5.8	6.2	6.1	350	-5	-1.4%	55	18.6%
East Staffordshire	3.6	5.0	5.4	480	30	6.7%	160	50.0%
South Staffordshire	4.3	4.6	4.6	345	5	1.5%	95	38.0%
Stafford	4.0	3.9	4.2	365	25	7.4%	50	15.9%
Newcastle-under-Lyme	3.4	3.9	4.0	470	15	3.3%	45	10.6%
Lichfield	4.0	3.7	3.7	265	0	0.0%	-5	-1.9%
Staffordshire Moorlands	2.6	3.0	2.9	170	-5	-2.9%	-5	-2.9%

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



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

- Cannock Chase and Tamworth continue to have the highest rates at 6.2% and 6.1% respectively, whilst Staffordshire Moorlands has the lowest rate at 2.9%. East Staffordshire and Newcastle-under-Lyme have the highest number of youth claimants at 480 and 470 respectively, 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

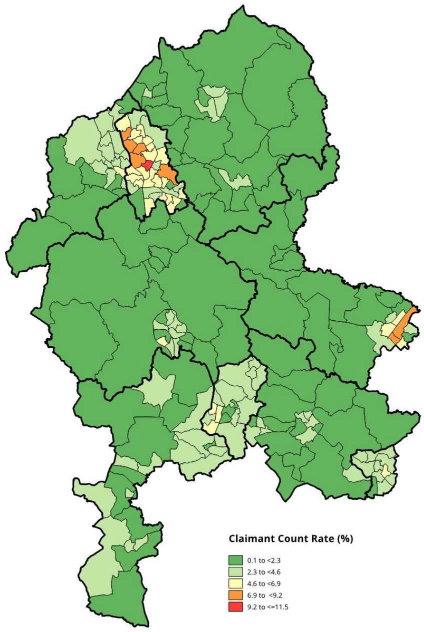
The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

Claimant Count Rate August 2023

Of the 201 wards in Staffordshire & Stoke-on-Trent, 60 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: 11.5%/530; Etruria & Hanley: 8.7%/470; Moorcroft: 8.6%/320; Burslem Central: 8.5%/390; Tunstall: 8.3%/350 total claimants.

In Staffordshire, the four wards all in East Staffordshire with the highest claimant count rates were Burton: 7.3%/220; Anglesey: 6.9%/375; Eton Park: 6.6%/325; Shobnall: 6.5%/350 total claimants.

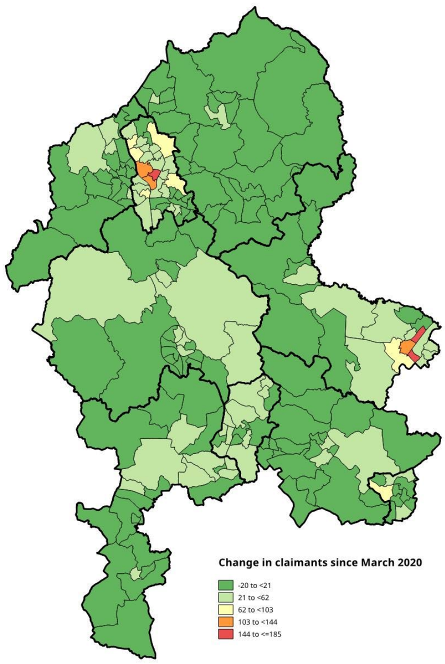


Staffordshire County Council

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 Joiner's Square (155 increase to 530); Hanley Park & Shelton (130 increase to 315); Etruria & Hanley (115 increase to 470); Tunstall (100 increase to 350); Bentilee & Ubberley (90 increase to 490); Boothen & Oak Hill (85 increase to 270).

Of the remaining four wards in the top ten, all were in East Staffordshire including Anglesey with a 185 increase to 375 claimants; Eton Park with a 145 increase to 325 claimants; Shobnall with a 140 increase to 350 claimants; Branston with a 90 increase to 165 claimants.



Staffordshire County Council

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

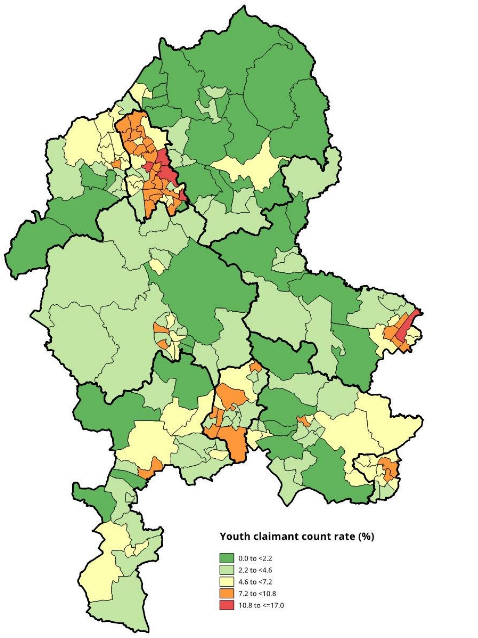
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

Youth Claimant Count Rate August 2023

Of the 201 wards in Staffordshire & Stoke-on-Trent, 83 were above the England average of 5.0% 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: 17%/130; Bentilee & Ubberley: 12.2%/110; Meir North: 11.7%/65; Abbey Hulton & Townsend: 10.8%/85 total youth claimants.

In Staffordshire, the wards with the highest claimant count rates were Burton (East Staffordshire): 13%/50; Shobnall (East Staffordshire): 9.6%/70; Glascote (Tamworth): 9.5%/55; total youth claimants.

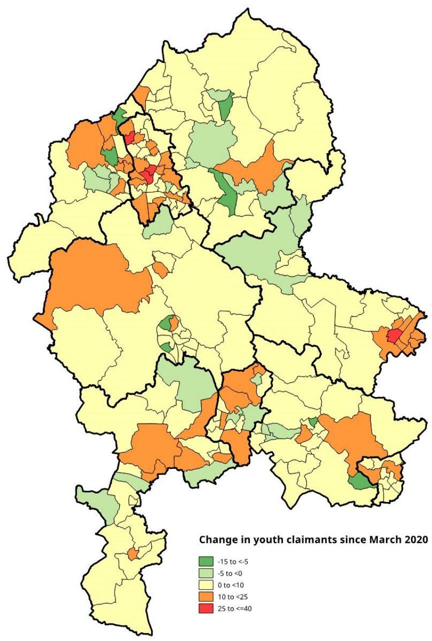


Staffordshire County Council

Change in Youth Claimant Count since March 2020

Of the top ten wards in Staffordshire with the highest change in the number of youth claimants since March 2020, seven were in Stoke-on-Trent including Hanley Park & Shelton (40 increase to 70); Joiner's Square (30 increase to 130); Tunstall (25 increase to 65); Bentilee & Ubberley (20 increase to 110).

In Staffordshire, the three 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; Anglesey (East Staffordshire) with a rise of 20 to 50 total youth claimants.



Staffordshire County Council

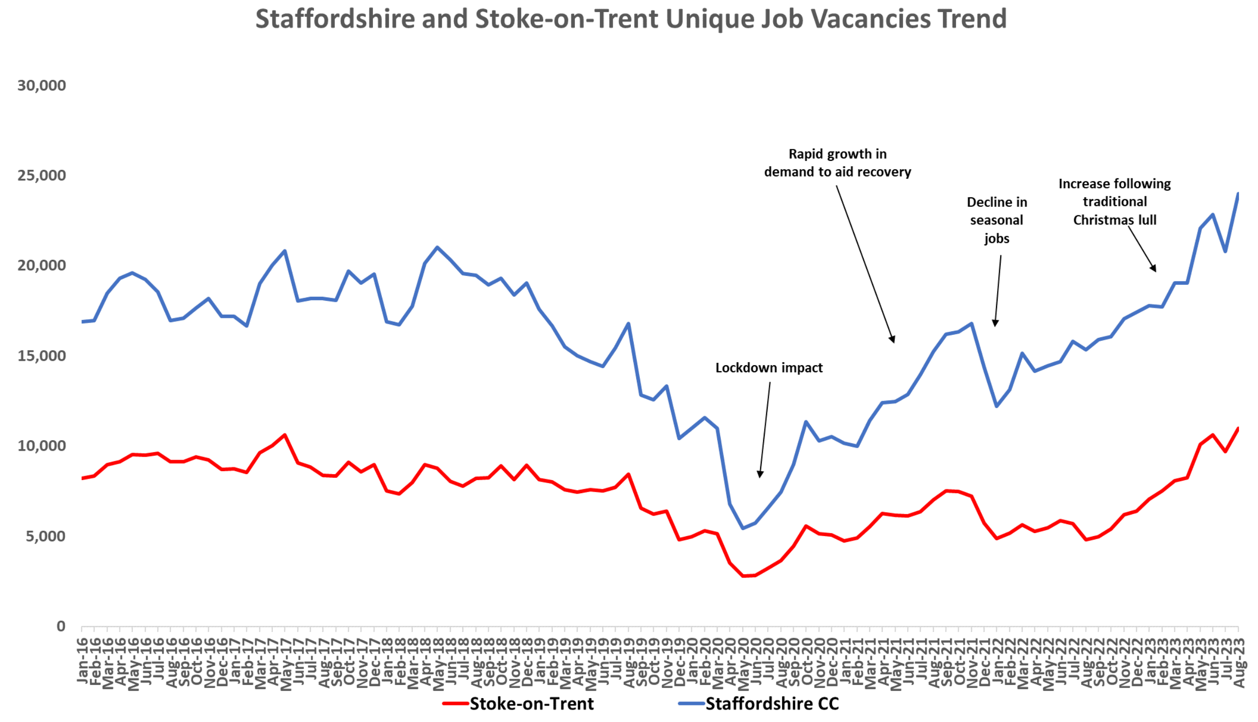
Job Vacancies[3]

- **Staffordshire saw a 15% increase in the number of available job vacancies between July and August to a total of 24,000 and this continues to remain higher than the number of work-related benefit claimants.**

- **Stoke-on-Trent saw a 13% increase in vacancies to a total of 11,000 which is higher than the number of claimants.**

- **Across the region in the last month there was a 16% increase, and nationally there was a 13% increase in job vacancies.**

- In August there has also been an increase in the number of available job vacancies, compared to a year ago in Staffordshire with the number of job adverts being posted 56% higher, whilst Stoke-on-Trent has increased more than double at 128% higher. This increase in job vacancies may well indicate that businesses are becoming more confident over recruitment, although it may also indicate that some business sectors are still struggling to fill vacancies. Overall, the outlook is more positive and 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.

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

Monthly Trends in recruitment

- All occupational groups saw an increase in vacancies during August, with 'Elementary Occupations' (+20%) and 'Sales & Customer Service Occupations' (+20%) seeing the highest increases.

- The occupations to see the most significant increases during August include **Care Workers & Home Carers, Customer Service, Administrative, Cleaners & Domestics, Elementary Storage, Kitchen & Catering Assistants, Nurses, Sales Related, Sales & Retail Assistants, and Van Drivers.**

Annual Trends in job vacancies

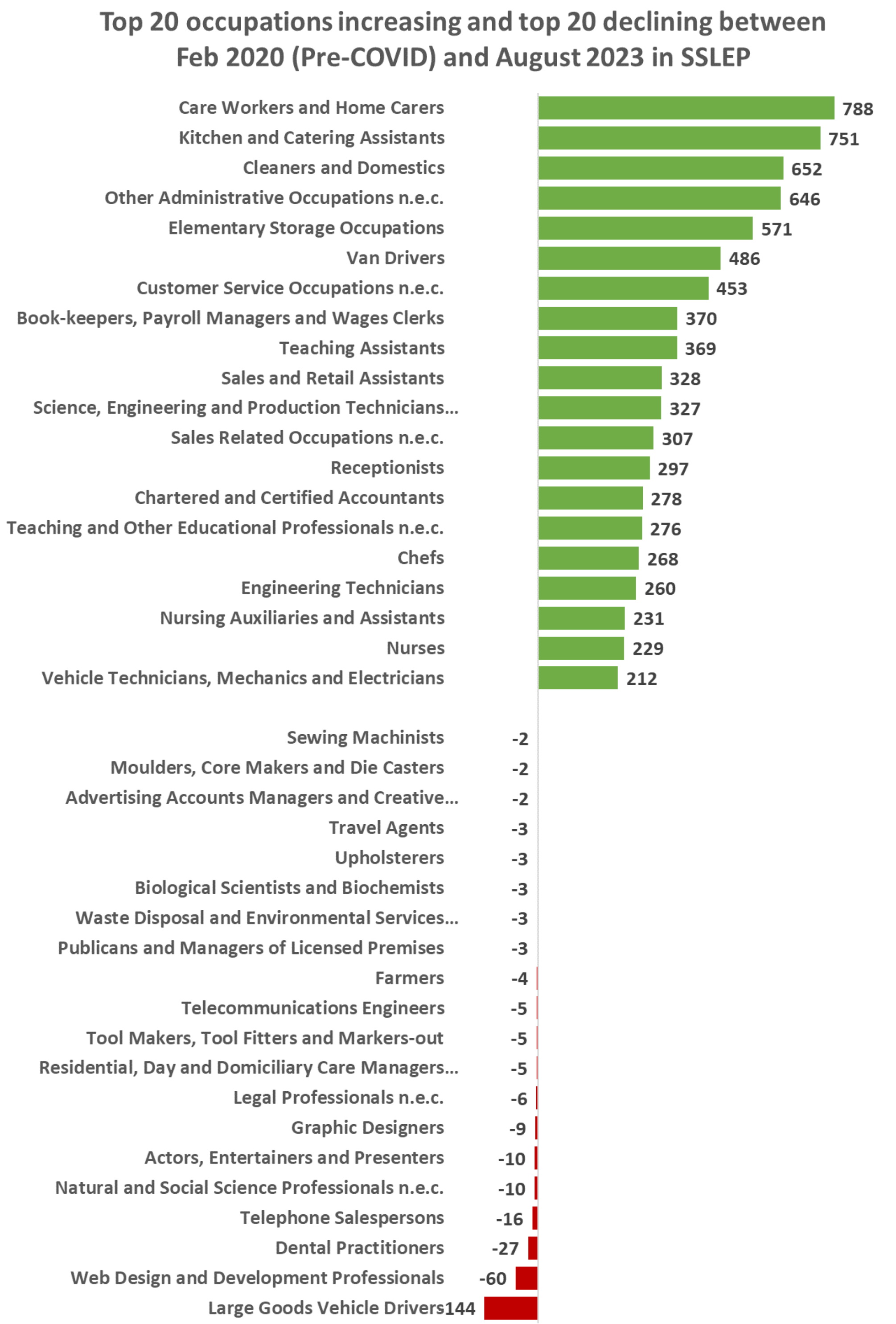
- The occupations to see the largest year-on-year increases include Care Workers & Home Carers, cross sector business roles (Administrative; Sales Related; Book Keepers, Payroll Managers & Wages Clerks; Customer Service occupations), Housekeepers & related occupations (Cleaners & Domestics), Hospitality sector (Kitchen and Catering Assistants), Logistics (Van Drivers), Education (Teaching Assistants; Teaching & other Educational 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:

    - **Health and Social Care** (Care Workers and Home Carers; Nursing Auxiliaries and Assistants; Nurses)
    - **Hospitality** (Kitchen and Catering Assistants; Chefs)
    - **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)
    - **Retail** (Sales & Retail Assistants)
    - **Manufacturing** (Science, Engineering & Production Technicians; Engineering Technicians)
    - **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.'**

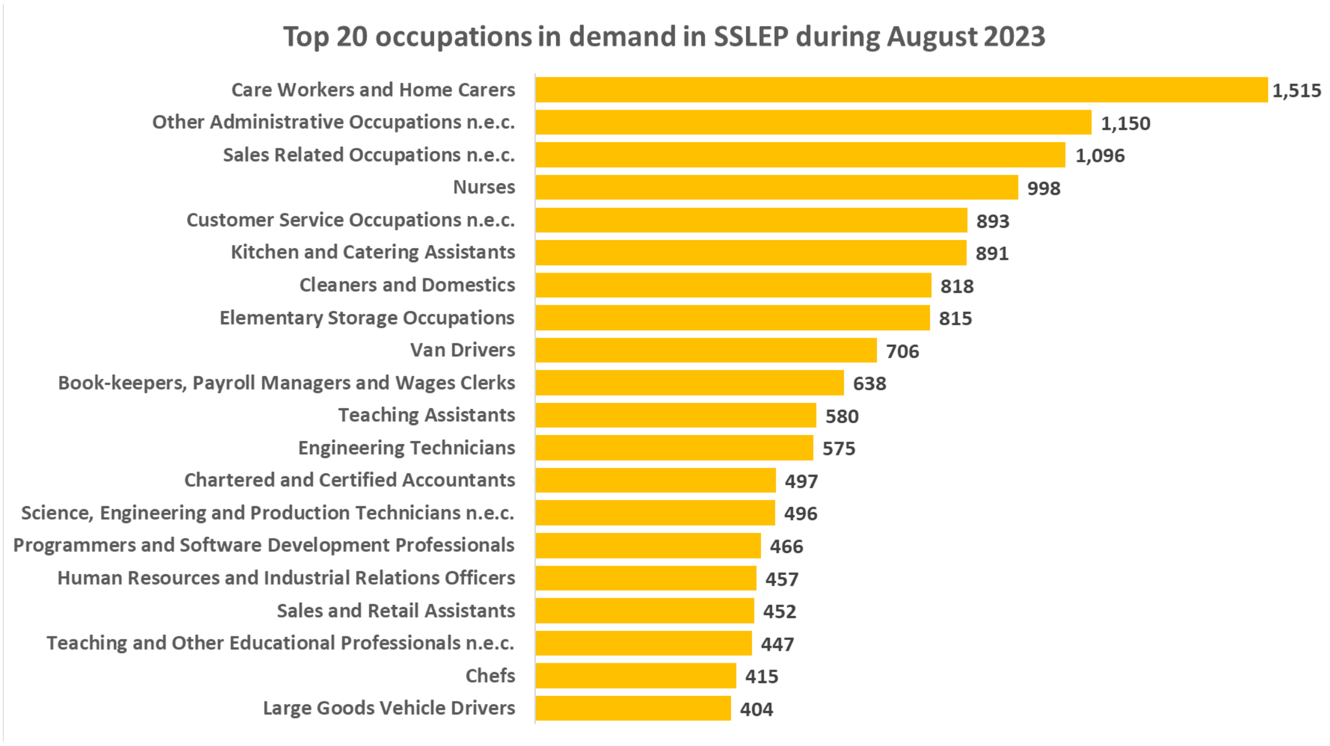
- There is **strong demand for 'Bookkeepers, Payroll Managers & Wages Clerks,' 'Chartered & Certified Accountants,' 'Human Resources & Industrial Relations Officers,'** across business sectors to support business in their recovery, survival, and new methods of working.

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

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

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

- Demand for **'Sales and Retail Assistants'** in the Retail sector also remain strong.



- 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.