Staffordshire & Stoke-on-Trent Economic Bulletin

Issue 39 – November 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 a further increase in the Claimant Count. Whilst there has been no change in job vacancies this month, there is still 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, high interest rates, increasing wage levels and lower consumer demand**. Positively, we are starting to see **signs of 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 335 this month to a total of 14,955 claimants.** This was a higher proportional increase this month of 2.3% than seen nationally (1.3%) or regionally (0.7%).
- **The claimant rate for Staffordshire increased from 2.7% to 2.8%** of the working age population. Positively though, Staffordshire remains one of the lowest rates in the West Midlands, far lower than the average for the region of 4.8% and lower than the average for England at 3.8%.
- This month has seen an **increase of 40 claimants in the youth claimant count in Staffordshire with a total of 2,900 young people**. The proportion of young people in Staffordshire aged 18-24 that are claiming work-related Universal Credit has remains unchanged at 4.6% this month. This is lower than the national rate of 5.1% and far lower than the regional rate of 6.8%, both of which saw increases this month from 5.0% and 6.7% respectively.
- Whilst there has been an increase this month in the overall claimant count and youth claimant count**, Staffordshire still has one of the lowest claimant rates in the region.** Youth claimants will remain a priority for further support that is already in place to help people that unfortunately find themselves unemployed to move into the high number of job vacancies that are present across Staffordshire.
- **Demand for labour and skills remains strong, with there currently being 1.1 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 24.0% 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 23.0% 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 4.8% regionally and 3.8% nationally.**
- In terms of job vacancies, **Staffordshire saw no change in the number of available job vacancies between September and October to a total of 15,700 which continues to remain higher than the number of work-related benefit claimants. Stoke-on-Trent saw a 7% decrease in vacancies to a total of 6,400 however which is lower than the number of claimants this month. Across the region in the last month there was no change, and nationally there was a 1% decrease in job vacancies.**
- This recent declining trend indicates a slowing down in the jobs market as a result of some business sectors being more cautious about recruitment due to the uncertainty in the economy. **Overall, though the outlook is positive and recruitment demand remains strong with new job postings higher than pre-pandemic levels with Staffordshire job vacancies 32% higher than pre-pandemic levels and Stoke-on-Trent 17% higher.**
- 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 **'Sales Related,' 'Cleaners & Domestics,' and 'Warehouse Operatives' occupations also have strong demand.**
- There is **strong demand for 'Bookkeepers, Payroll Managers and Wages Clerks,' 'Customer Service,' 'Administrative,' '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,' 'Secondary Education Teaching Professionals.'**
- In the Hospitality sector, **'Kitchen and Catering Assistants' remain the roles most in demand.**
- Demand for **'Sales and Retail Assistants,' 'Managers & Directors in Retail & Wholesale'** in the Retail and Wholesale sector also remain strong.
- There is high demand in the Health and Social Care sector for **'Social Workers,' 'Registered Nursing Professionals.'**
- In the Manufacturing sector **'Mechanical Engineers,' 'Plant & Machine Operatives,'** are most in demand.
- The Logistics sector continues to have high demand for **'Large Goods Vehicle Drivers.'**
- In ICT demand for **'Programmers & Software Development Professionals'** is high.
- In the Motor Trade **'Vehicle Technicians, Mechanics and Electricians'** are in demand.

- 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 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 the West Midlands Freight Interchange which will create 8,500 new jobs. Also **advanced logistics** with ecommerce creating continued demand and the recent announcement by 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.
- **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
- **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

- Businesses across Staffordshire have the opportunity to build confidence and skill-up their staff for free with the government's **Multiply scheme**. Multiply is a programme that helps employees build confidence and lifelong numeracy skills through bitesize courses, bespoke help for businesses and functional maths qualifications. In a recent poll, over 60% of businesses in Staffordshire say that they need more functional maths capacity in their workforce, for increased performance, personal and professional confidence, and team motivation, alongside career progression.
  Eligibility:
  - Staffordshire based business.
  - Adults aged 19 plus.
  - Individuals that have not achieved a Level 2 maths qualification, i.e., GCSE of at least a Grade C or equivalent.
  - Individuals who may want to develop numeracy skills for work or progression.
  - Individuals that want to brush up and develop their numeracy skills for everyday life and work.

  Contact Multiply@staffordshire.gov.uk to explore your options.
- **The Stoke-on-Trent and Staffordshire Growth Hub is working in partnership with creative marketing agency, Nuddy Media, to deliver 'Practical Marketing,' a step-by-step course to help local businesses create a Marketing Strategy.** This will provide an overview of Marketing and cover the following:
  - Session 1 - 25 October: Introduction to Marketing and Customer Profiling
  - Session 2 - 15 November: Branding & Understanding the Marketing Instruments
  - Session 3 - 13 December: Promotions, Incentives and Loyalty Schemes
  - Session 4 - January 2024: Creating A Marketing Strategy
  - Session 5 - February 2024: The Marketing Calendar & Marketing Plan
  - Session 6 - March 2024: Implementing your Plan and working with Suppliers

Each session will provide standalone knowledge which can be applied to your business, but the benefit will be maximised if you attend all 6. Interested businesses can currently book onto the first 3 sessions.
BOOK YOUR FREE PLACE

National Context

- This month we have heard the **first King's Speech for 70 years** which set out the **legislative programme for the next session of Parliament**, with new laws on leaseholds and no-fault evictions, licensing for oil and gas projects in the North Sea, and a legal framework for self-driving cars. There was also a Trade Bill will enable the UK to join the 11-nation CPTPP trade pact with several countries in Asia and the Pacific.
- The **Prime Minister has reshaped his government ahead of the Autumn Statement**, with Suella Braverman replaced by James Cleverly as Home Secretary and former prime minister David Cameron unexpectedly being appointed as Foreign Secretary. Steve Barclay has replaced Therese Coffey as Environment Secretary, with Treasury minister Victoria Atkins promoted to replace him as Health and Social Care Secretary.
- **The chancellor, Jeremy Hunt, made his Autumn Statement**, where he announced a wide range of new policy decisions including a decrease in the rate of National Insurance and unfreezing the local housing allowance rate. The following a quick summary of the main measures:
- **The Prime Minister has announced** 5 New Government Priorities**:**

  1. Debt reduction & Cutting Inflation
  2. Cutting Taxes
  3. Energy Security
  4. Increasing Business Investment
  5. Education – Advanced British Standard, technical education.

  The Autumn Statement reflects these new priorities.
- **'An Autumn Statement for Growth'**
  - The Chancellors Autumn Statement can be read in full here.
  - Some of the specific measures outlined in the Statement are of direct relevance to the **A50/A500 scheme** with Toyota and other companies along the corridor mentioned.
- **The Economy**
  - Interest rates**:** the Governor of the Bank of England told MPs that the Bank rate is likely to be kept at an elevated level for a "significant" period to bring down inflation.
  - The OBR has published figures showing lower economic growth in 2024 and 2025 than previously forecast [1.8% to 0.7% and 2.5 to 1.4% respectively].
  - It has also stated it expects inflation to remain higher for longer and will not return to the 2% target by the second quarter of 2025.
  - The OBR further states that 'real' GDP per person remains 0.6% below its pre-pandemic peak; and forecast it only recovers that peak at the start of 2025.
- **Taxation and National Insurance [NI]**
  - The Chancellor did **not** make any changes to income taxes or thresholds.
  - National Living Wage increased to £11.44 p/h from April 2024 and **expanded**

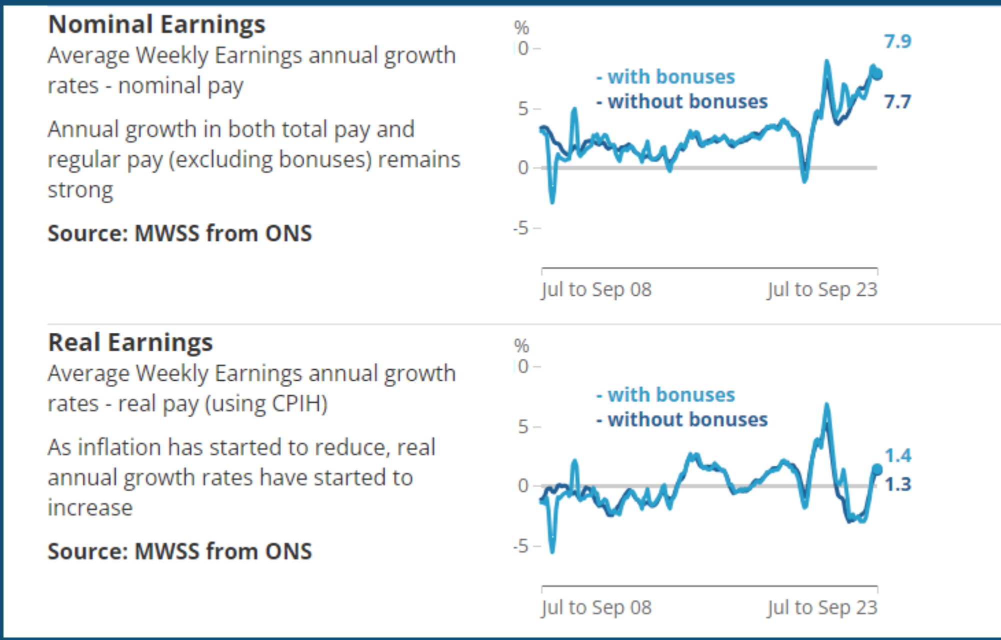
to 21 & 22-year-olds.
    - The main 12% rate of Employee NI contributions will be reduced from 10%. This will be introduced from 6 January 2024.
    - Class 2 NI paid by self-employed to be abolished with Class 4 contributions reduced.
- **Cost of Living**
    - Benefits including Universal Credit will increase by 6.7% in line with the September 2023 inflation figure, with local housing allowances unfrozen and increasing.
    - Welfare recipients will be made to undertake mandatory work placements if still looking for a job after 18 months. Failure to cooperate will see benefits stopped.
    - The state pension will increase by 8.5% next year, in line with average earnings and reach £221 p/w from April.
    - Tobacco duty increased by 10%, but alcohol taxes have been frozen until 1 August.
- **Business and Industry**
    - The taxbreak for businesses allowing the offset of investment in machinery, IT and equipment against corporation tax is being made permanent.
    - Business rate relief for many small firms e.g. pubs and other hospitality businesses will be extended and the small business multiplier frozen for a further year.
    - There will be support for investment in "strategic manufacturing" with an additional £4.5bn of support between 2025 and 2030. This includes £975m for aerospace firms, £520m for life sciences, and £960m for the new green industry firms. AI research will receive an additional £500m of funding.
- **Research, Skills and Education**
    - £50m in funding over the next two years to increase the number of apprentices in engineering and "other key growth sectors" inc. AI, Pharmaceuticals, Aviation and Automotive.

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

- There is the welcomed news that **pay growth has outstripped inflation by the most for two years**, in a further sign that the pressure on living costs may be starting to ease. Official figures show regular pay rose at an annual rate of 7.7 per cent between July and September, which was higher than average inflation over the same three months.
- **Nearly 3 million low-paid workers will receive a pay increase of almost 10% next spring after the chancellor announced an increase in the national living wage to £11.44 an hour.**
- There is more good news in seeing a **sharp fall in UK inflation in the year to October, down to 4.6 per cent the lowest rate since November 2021**, with the

fall mainly down to lower energy prices following the energy price cap rise last year. Although this decline is clearly welcomed there is concern that due to there being less Government support with energy bills this winter, the benefits of this drop in inflation will be limited for many.

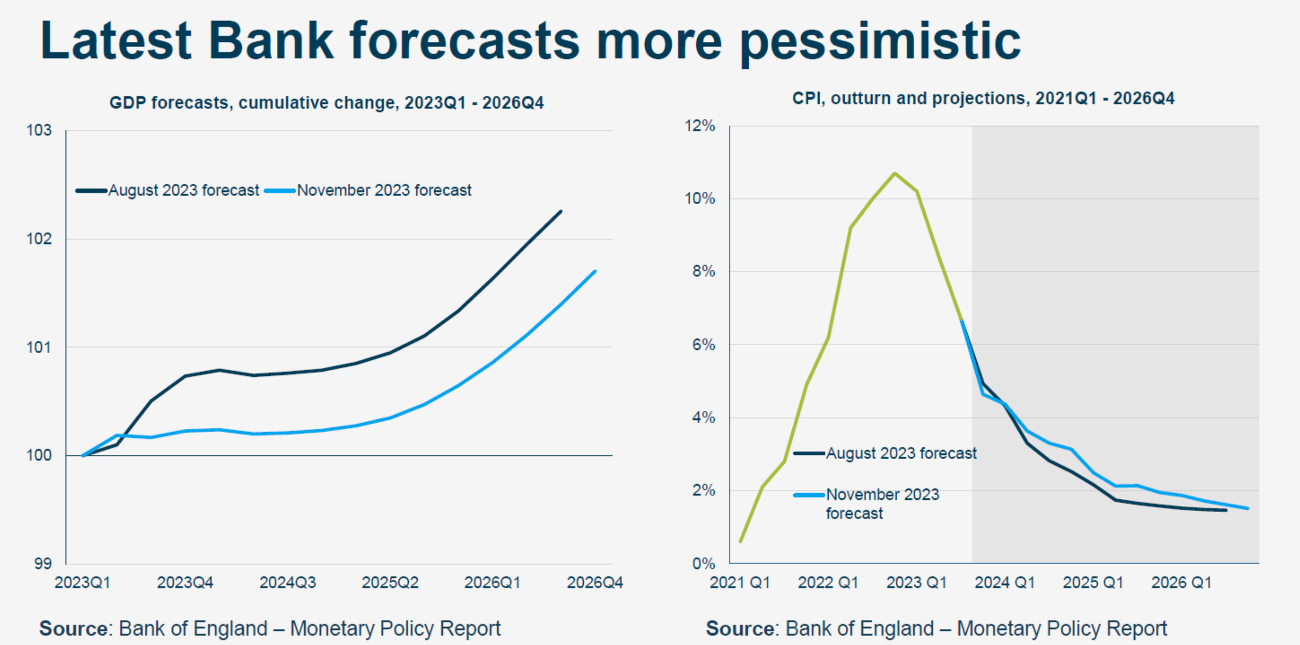
- **Household energy prices will rise in January putting more financial pressure on billpayers**. Energy regulator Ofgem said the typical annual household bill would go up from £1,834 to £1,928, a rise of £94 or 5 per cent.
- **Analysis by Cornwall Insight have found that households could face further higher energy bills next year**. They found that prices would rise from an average of £96.64 per megawatt-hour (MWh) so far this year to £129/MWh next year because of higher gas prices due to the war in Ukraine.
- Interest rates were held this month at 5.25 per cent the highest level for 15 years but Andrew Bailey, Governor of the Bank of England, told MPs that **Bank rate is likely to be kept at an elevated level for a "significant" period in order to bring down inflation**. Mr Bailey told the Treasury Select Committee that despite inflation having passed the Government's target of halving this year, domestic "second-round" impacts mean the "last mile will be the hardest" as the Bank focuses on its mandate to return inflation to the 2% target.
- **Millions of low-income households across the UK are starting to receive the latest instalment of cost-of-living payments**. Eight million people on means-tested benefits, such as Universal Credit, will receive £300 directly by 19 November without having to make a claim.
- The **LGA is calling for Healthy Start payments to increase by 20 per cent to compensate for increases in food costs**. The scheme helps pregnant women or families with children under the age of four with the cost of food and milk. The LGA says the payments currently do not cover the price of any available first infant formula and is asking for the Government to increase Healthy Start payments, in line with current inflation and commit to reviewing the value of the scheme every six months.
- **A petition calling on the Government for help with a "homelessness and temporary accommodation crisis" has been signed by 119 district council leaders**. They have asked Chancellor Jeremy Hunt for additional funding for homelessness prevention and an increase to Local Housing Allowance payments.
- Looking at pay growth in more detail, **annual growth in regular pay (excluding bonuses) in Great Britain was 7.7%** in July to September 2023, slightly down on the previous periods, but is still among the highest annual growth rates since comparable records began in 2001. Annual growth in employees' **average total pay (including bonuses) was 7.9%**. This total annual growth rate is affected by the Civil Service one-off payments made in July and August 2023. **In real terms (adjusted for inflation using Consumer Prices Index including owner occupier's housing costs (CPIH)), annual growth for total pay rose on the year by 1.4%, and regular pay rose on the year by 1.3%.**



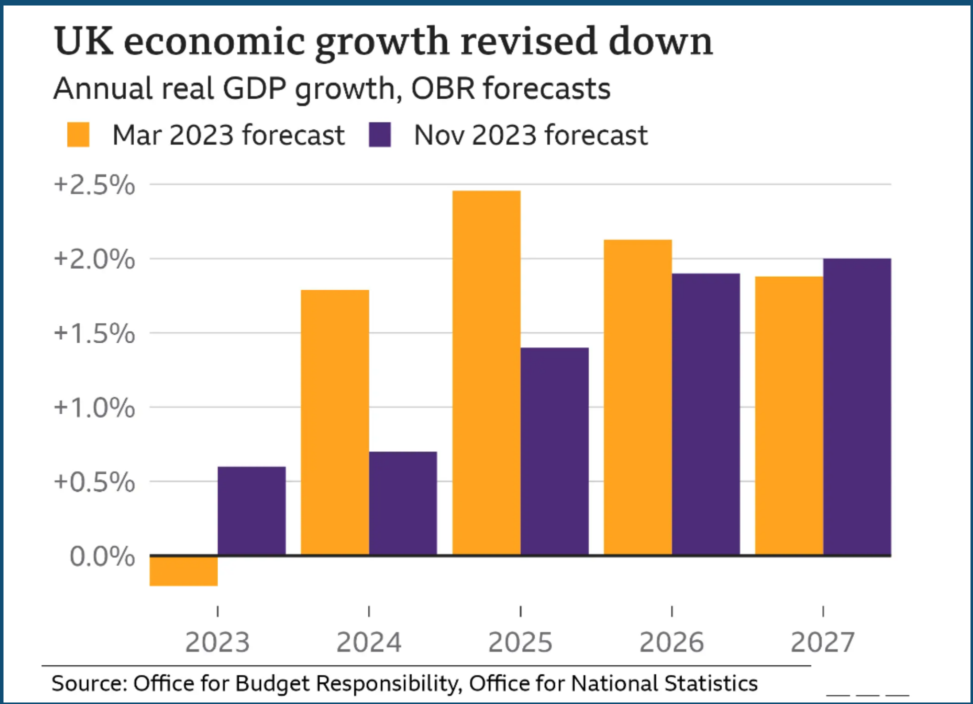
- **There still remain strikes in important parts of the economy, including NHS consultants, junior doctors, and rail workers.** There were 229,000 working days lost because of labour disputes across the UK in September 2023. The majority of the strikes were in the health and social work and education sectors.

Economy

- The **UK's economy failed to grow between July to September compared to the previous three months**. Many economists had expected the UK to shrink over the period by around 0.1 per cent, but a stronger September meant the economy showed zero growth, according to the **Office for National Statistics**.
- **Productivity in the UK has barely grown since the financial crisis, underscoring the challenge facing Chancellor Jeremy Hunt as he attempts to use the Autumn Statement to lift growth and investment**. Total factor productivity – a measure of how efficiently resources are used in the economy – was last year only 1.7 per cent above the level recorded in 2007, when the country was heading into the credit crunch, according to the Office for National Statistics.
- The latest **Bank of England forecast for the UK economy is more pessimistic than previously forecasting four consecutive quarters of zero growth in gross domestic product (GDP) and has warned that there is 50:50 chance of a recession by mid-2024.**



- The **latest forecasts from the Office for Budget Responsibility (OBR) show that it expects the UK to grow by 0.6% this year**, considerably better than what it expected last autumn, when it predicted the economy would fall into recession and shrink. However, it **slashed its growth outlook to 0.7% in 2024 and 1.4% in 2025** - down from a previous forecast of 1.8% and 2.5%.



- More positively the **latest monthly GDP data shows that the UK economy grew by 0.2% in September 2023, following growth of 0.1% in August 2023.**
- **Services** output rose by 0.2% in September 2023, driven by growth in professional, scientific and technical activities, and human health and social work activities, and was the main contributor to the growth in GDP; this follows growth of 0.3% in services output in August 2023.
- Output in **consumer facing services** fell by 0.2% in September 2023 after a fall of

0.7% in August 2023.

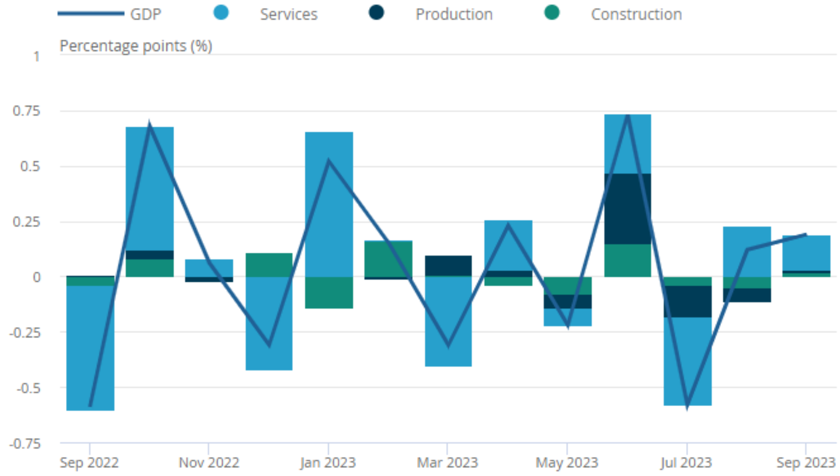
- **Production** output showed no growth in September 2023 after falling by 0.5% in August 2023.
- The **construction** sector grew by 0.4% in September 2023 after a fall of 0.8% in August 2023.

GDP Monthly index, January 2007 to September 2023, UK

Source: GDP monthly estimate from the Office for National Statistics

: The services sector was the main contributor to the 0.2% growth in GDP in September 2023

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

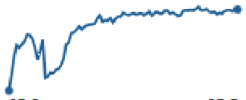
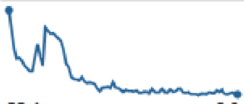
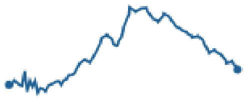
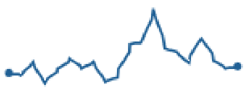
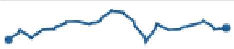


Source: GDP monthly estimate from the Office for National Statistics

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 some conditions and confidence. Examples include, a smaller proportion of businesses reporting higher prices for goods or services they bought and sold, and a smaller proportion expecting to raise the prices of goods they sell.**
- The following charts show the latest results from Wave 95 of the **Business Insights and Conditions Survey (BICS)**, which was live from 30 October to 12 November 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	-0.4▼	1.5▲	 65.9 15/06/2020 95.3 12/11/2023
Trading status Temporarily closed or paused trading Units	-0.1▼	-1.8▼	 33.4 15/06/2020 2.9 12/11/2023
Prices Prices bought increased Units	-3.7▼	-22.9▼	 16.3 01/06/2020 23.0 31/10/2023
Prices Prices sold increased Units	-0.3▼	-9.9▼	 4.9 01/06/2020 9.9 31/10/2023
Financial performance Turnover increased Units	0.2▲	-0.4▼	 13.6 01/03/2022 14.2 31/10/2023
Financial performance Turnover stayed the same Units	0▲	3.2▲	 54.6 01/03/2022 53.3 31/10/2023
Financial performance Turnover decreased Units	0.4▲	-1.3▼	 19.9 01/03/2022 24.0 31/10/2023

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

- Nearly a quarter (24%) of trading businesses reported **turnover had decreased** in October 2023 compared with the previous calendar month; in comparison 14% reported that their **turnover was higher**, both broadly stable with September 2023.
- Approximately one in six (16%) trading businesses **expect their turnover to increase in December 2023**, broadly stable with the proportion that had these expectations for November 2023; meanwhile 23% reported that they **expect their turnover to decrease**, down 8 percentage points over the same period.
- Nearly a quarter (23%) of trading businesses reported an **increase in the prices of goods or services bought** in October 2023 compared with September 2023, down 4 percentage points when comparing September 2023 with August 2023.
- Of trading businesses, 10% e**xpect to raise the prices of goods or services that they sell** in December 2023, down 3 percentage points from expectations for November 2023.
- Nearly two-thirds (62%) of businesses reported **some form of concern for their business when looking ahead to December 2023**; broadly stable with November 2023.
- Although there are some signs of improvement it is clear that some businesses continue to struggle. **In October 2023 there were a total of 2,315 company insolvencies in England and Wales, 18% higher than the number registered in the previous year (1,954 in October 2022), and 168% higher than the number registered three years previously: 863 in October 2020).** The main concern around company and individual insolvencies are associated issues such as mental health and homelessness.
- Insolvency data also suggests there has been a **sharp rise in the number of UK companies at risk of going bust**. The number of firms in "critical financial distress" increased by 25 per cent in the last three months, according to insolvency experts **Begbies Traynor**.
- **British Steel has confirmed it plans to close down its blast furnaces in Scunthorpe, putting up to 2,000 jobs at risk**. They will be replaced with two electric arc furnaces - one at Scunthorpe and one at Teesside.
- The **Office for National Statistics** has reported **a decline of 1.4 per cent in September in retail sales, returning figures to those during the Covid-19 lockdowns.** High streets remain affected by this reduction which precipitated by bad weather, cost pressured and lower footfall.

Labour Market

- In summary, **the number of payrolled employees this month increased, while employment is down this quarter. At the same time unemployment and economic inactivity have remained largely unchanged. Job vacancies have seen a further decline which reflects the long-term trend.**
- The following charts shows the latest **labour market position** and the latest Office for National Statistics data for July 2023 to September 2023:

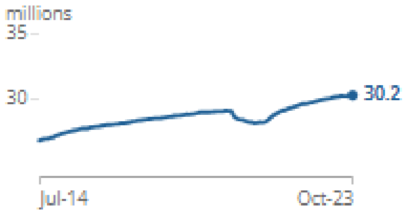
Payrolled employees

The number of payrolled employees

Monthly change: ▲ 33,000
Since Feb 2020: ▲1,190,000

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

Source: PAYE RTI from HMRC



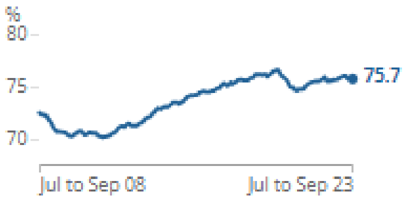
Adjusted experimental employment rate

Employment rate (all aged 16 to 64)

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

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

Source: LFS from ONS, PAYE RTI from HMRC and Claimant Count from ONS



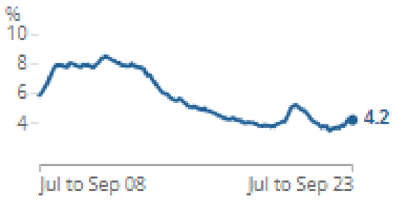
Adjusted experimental unemployment rate

Unemployment rate (all aged 16+)

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

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

Source: LFS from ONS, PAYE RTI from HMRC and Claimant Count from ONS



Adjusted experimental inactivity rate

Economic inactivity rate (all aged 16 to 64)

Quarterly change: ◀▶ 0pps
Since Dec-Feb 2020: ▲0.7pps

The adjusted experimental economic inactivity rate is unchanged on the quarter and down on the year, but still above pre-pandemic rates.

Source: LFS from ONS, PAYE RTI from HMRC and Claimant Count from ONS

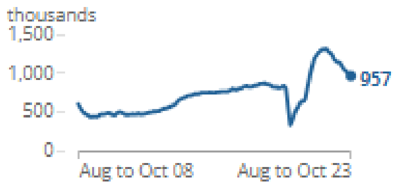
Job vacancies

Number of job vacancies

Quarterly change: ▼-58,000
Since Jan-Mar 2020: ▲156,000

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

Source: Vacancy Survey from ONS



- The estimate of **payrolled employees** in the UK for October 2023 increased by 33,000 on September 2023, to 30.2 million. The October 2023 estimate should be treated as a provisional estimate and is likely to be revised when more data are received next month. **Payrolled employees are 1.19m above pre-pandemic levels.**

- Because of the increased uncertainty around the Labour Force Survey (LFS) estimates, ONS are publishing an alternative series of estimates of UK employment, unemployment, and economic inactivity. These figures were derived using growth rates from Pay As You Earn Real-Time Information (excluding the early flash estimate) and the Claimant Count for the periods from May to July 2023 onwards. This is to provide a more holistic view of the state of the labour market while the LFS estimates are uncertain.
- These alternative estimates for July to September 2023 show:
  - the UK **employment rate** decreased by 0.1 percentage points on the quarter to 75.7% and **0.9 percentage points below pre-pandemic**.
  - the UK **unemployment rate** was largely unchanged on the quarter at 4.2% and **0.2 percentage points above pre-pandemic**.
  - the UK **economic inactivity rate** was largely unchanged on the quarter at 20.9% and **0.7 percentage points above pre-pandemic**.
- In August to October 2023, the estimated number of **vacancies** in the UK fell by 58,000 on the quarter to 957,000. Vacancies fell on the quarter for the 16th consecutive period, with vacancies falling in 16 of the 18 industry sectors. **Vacancies remained 156,000 above their pre-pandemic levels**.
- The **Chancellor has launched a £2.5 billion Back to Work Plan**. The plan will aim to increase participation by increasing sanctions for those who "refuse" to engage, giving work coaches the ability to close claims for those on sanctions for over six months, ending their access to additional benefits such as free prescriptions, dental care, legal aid and help with energy costs. This includes:
  - Directing more help towards the long-term sick and disabled to help people stay in work or get back into work.
  - Improving the support for claimants to return to work, providing additional support for the long-term unemployed alongside more rigorous expectations and working to understand and address their needs while taking stronger action against those who fail to engage with back-to-work support.
- **Analysis by the Health Foundation has found 12 per cent of people in work had a "work-limiting" condition**. This equates to 3.7 million, a rise of 1.4 million in the last decade.
- **Around 459,000 people are estimated to be out of work because of illnesses such as type 2 diabetes and lung cancer**, a coalition of health charities have warned. Their report warned that failure to crack down on the junk food industry is hampering economic growth and placing strain on the NHS.
- The **Department for Education has announced £100 million in extra funding to ensure that childcare is accessible for families** of primary school age children between 8am and 6pm and therefore able to cope with an expected surge in demand.

- **Poorer families are being "locked out" of a big expansion in free nursery hours, experts have warned, as exclusive Guardian analysis reveals that the number of not-for-profit nurseries in England's most-deprived areas has fallen sharply**.
- **A report by the New Economics Foundation has found that more affluent families in England are almost six times as likely to benefit from the Government's childcare expansion as low-income ones**. The report found that only 12 per cent of poorer families will have access to the full 30 hours free childcare scheme from September 2025, compared with 68 per cent of families in the top 30 per cent of earners in England.
- Also **a new coalition of early years providers and campaigners say a mass exodus of childminders and nursery staff risks scuppering the Government's flagship new funding for parents of young children in England**. Over half of all nursery workers surveyed by the Early Education and Childcare Coalition said they were considering or planning on leaving the sector in the next 12 months. Meanwhile research by the Fawcett Society has found about a quarter of a million mothers with young children have left their jobs due to childcare pressures.

Green Economy

- Polling conducted by YouGov for the LGA ahead of the Autumn Statement found that **just 5% of the British public feel prepared for climate change**. The survey found that **63% of respondents are worried about climate change while only 12% think it will not impact their local area**.
- **The Government has received no new applications for onshore wind farms in England since cabinet ministers eased planning rules earlier this year**. So far this year, only one new project, with a single turbine, has become fully operational in England, with many more being built in the EU as well as in Scotland and Wales, where planning rules are less burdensome.
- **The head of National Grid has repeated a call for reforms to reduce delays to the rollout of renewable energy across the UK**. Wind and solar farms are being forced to wait as long as 14 years before they can be connected to the grid and start producing electricity. LGA research this summer showed more than 1,000 clean energy projects are in limbo due to waiting for a connection to the grid.
- **Ministers have been told that heat pumps are too loud to be installed in millions of homes under the Government's noise guidelines**. The Government wants to install 600,000 heat pumps a year by 2028 to meet net zero targets but a report by sound specialists warns uptake could be limited. The report reveals most heat pumps are too loud for many homes and that councils are braced for a rise in noise complaints as more of the green appliances are installed in urban areas.

Housing

- **Britain's housing market is past "peak pain" with prices expected to bottom out next year and then begin to rise**, according to property experts. **Savills** said that the average UK price would fall by 3 per cent in 2024 to reach £246,950 after a 7 per cent fall between the mini-budget in September last year and the end of this year.
- However, **private housebuilding in England is set to fall to its lowest level since the financial crisis**, according to a study by a former government housing economist. The research, by **Chris Walker in collaboration with Liverpool University**, found that the number of homes due to be completed next year would be 87,000 lower than it was two years ago, while the number of private sector homes being started is predicted to fall from 144,000 last year to 70,400, the lowest since the 2008 financial crash.
- **From the new year, housing developers in England will have to make sure their projects deliver 10 per cent more nature, called biodiversity net gain**. Conservation groups are broadly supportive but are concerned about how natural gain will be measured and how it will be policed, including about whether local authorities will have enough trained ecologists or the money to buy the necessary expertise.

Conclusion

- In conclusion, **the Government has set out its stall for the year ahead and how it plans to grow the economy.** The success of its package of new measures will be **fundamental to hopefully avoiding a recession next year and helping inflation to fall further and faster**.
- Clearly, the **economy remains in a challenging position with flatlining growth and productivity remaining a significant challenge for the UK economy**.
- Positively, we have seen **continued pay growth above the rate of inflation** and **inflation is expected to continue to fall** over coming months. However, **interest rates are likely to remain high** for some time until inflation is brought back down to the 2% target.
- We also continue to see **some signs of improvement in business conditions and confidence**, although there are **still businesses that are unfortunately failing or at risk of failure that require continued support** during these challenging times.
- The **labour market has softened** with job vacancies continuing to decline and at the same time we are unfortunately seeing people laid off, which points to the **increased need for unemployment support** to move people quickly back into 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 October 2023, which show the number of new companies and individuals who are unable to pay debts and enter a formal insolvency procedure.

Company Insolvencies

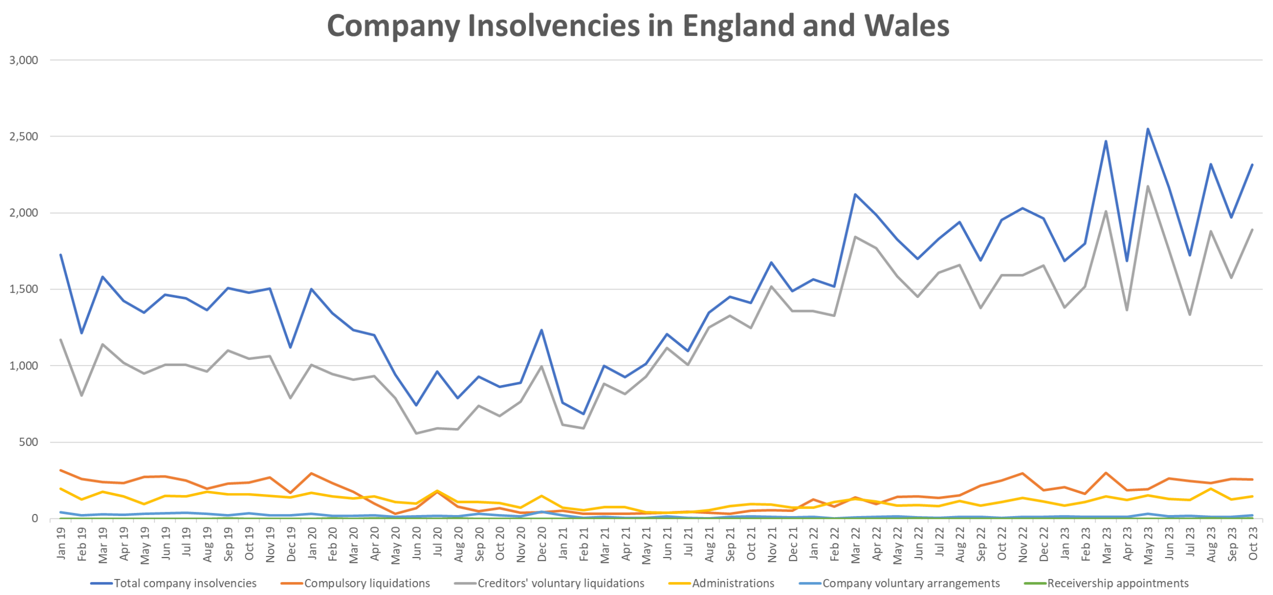
In October 2023 there were a total of 2,315 company insolvencies in England and Wales.

The overall number of **company insolvencies are 18% higher than the number registered in the previous year (1,954 in October 2022), and 168% higher than the number registered three years previously: 863 in October 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 256 compulsory liquidations in October 2023, which is 2% higher than the number in October 2022, and 282% higher than in October 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 October 2023 there were 1,889 Creditors' Voluntary Liquidations (CVLs), 19% higher than October 2022, and 181% higher than October 2020. Numbers of administrations are higher than pandemic levels at 42% higher than October 2020, and Company Voluntary Arrangements (CVAs) are also higher than pandemic levels at 10% above October 2020 levels.

Company insolvencies between November 2022 and October 2023 are 16% higher compared to a year earlier, representing 3,400 more businesses.



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

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

The sectors to have seen the largest number of company insolvencies between October 2022 and September 2023 continue to be the Construction sector (4,287), Wholesale & Retail sector (3,786) and Accommodation & Food Service sector (3,487). Levels exceed those seen for the same period the previous year with the Construction sector 8% higher, Wholesale & Retail sector 30% 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

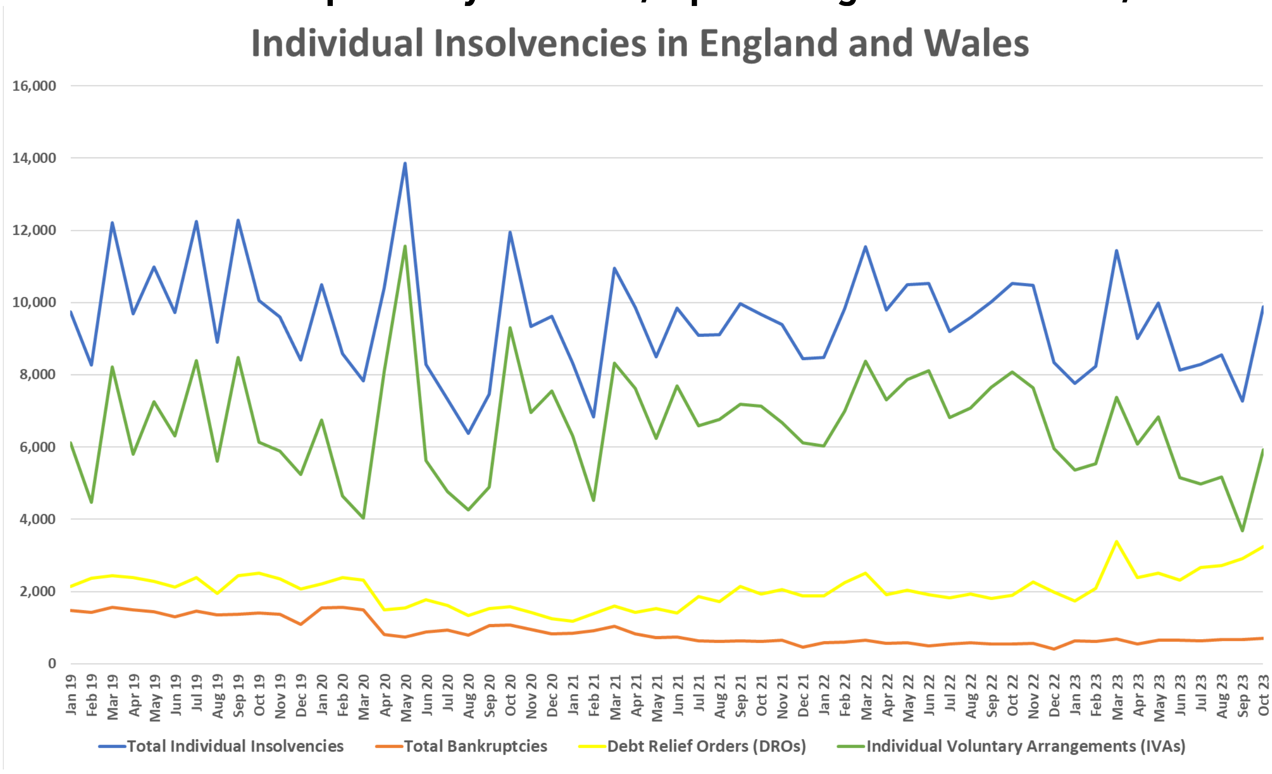
There were **9,881 total individual insolvencies in October 2023**, which was 6% lower than in October 2022, and 17% lower than in October 2020.

For individuals, **703 bankruptcies were registered in October 2023**, which was 28% higher than in October 2022, but 35% lower than in October 2020.

There were **3,245 Debt Relief Orders (DROs) in October 2023**, which was 71% higher than in October 2022, and 106% higher than in October 2020.

There were, on average, **5,933 Individual Voluntary Arrangements (IVAs)** registered in October 2023, which is 27% lower than October 2022, and 36% lower than October 2020.

Total Individual Insolvencies between November 2022 and October 2023 are 9% lower than the same period a year earlier, representing a decrease of 10,500.



Sources: Insolvency Service

There were **7,637 Breathing Space registrations in October 2023, which is 20% higher than the number registered in October 2022**. Of these, 7,509 were Standard Breathing Space registrations, which is 21% higher than in October 2022, and 128 were Mental Health Breathing Space registrations, which is 14% higher than the number in October 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 as do individual voluntary arrangements, but debt relief orders are 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: October 2023

Area	Claimant Count Rate (October 2022)	Claimant Count Rate (September 2023)	Claimant Count Rate (October 2023)	Number of Claimants (October 2023)	Monthly Change in Claimants (Numbers)	Monthly Change in Claimants (%)	Change in Claimants since March 2020 (Numbers)	Change in Claimants since March 2020 (%)
England	3.6	3.7	3.8	1,338,285	16,980	1.3	274,780	26.0%
West Midlands	4.7	4.8	4.8	177,940	1,230	0.7	33,590	23.0%
SSLEP	3.2	3.3	3.4	23,590	380	1.6	4,220	22.0%
Birmingham	8.1	8.5	8.6	63,150	455	0.7	13,780	28.0%
Wolverhampton	7.2	7.4	7.4	12,180	10	0.1	1,800	17.0%
Sandwell	6.1	6.1	6.2	13,505	275	2.1	2,725	25.0%
Coventry	5.2	5.5	5.6	12,505	50	0.4	4,505	56.0%
Walsall	5.4	5.5	5.5	9,520	45	0.5	915	11.0%
Stoke-on-Trent	5.2	5.3	5.4	8,635	45	0.5	1,315	18.0%
Dudley	4.6	4.6	4.6	9,050	70	0.8	535	6.0%
Telford and Wrekin	3.4	3.4	3.5	4,045	120	3.1	615	18.0%
Solihull	3.1	3.1	3.2	4,085	65	1.6	435	12.0%
Worcestershire	3.0	2.9	2.9	10,320	-95	-0.9	2,015	24.0%
Staffordshire	2.7	2.7	2.8	14,955	335	2.3	2,905	24.0%
Warwickshire	2.6	2.5	2.5	9,295	-95	-1.0	1,465	19.0%
Herefordshire, County of	2.3	2.3	2.2	2,440	-25	-1.0	330	16.0%
Shropshire	2.4	2.2	2.2	4,255	-20	-0.5	245	6.0%
East Staffordshire	2.7	3.3	3.4	2,625	75	2.9	905	53.0%
Tamworth	3.3	3.3	3.4	1,645	30	1.9	155	10.0%
Cannock Chase	3.2	3.3	3.3	2,075	15	0.7	420	25.0%
Newcastle-under-Lyme	2.8	3.0	3.0	2,305	15	0.7	325	16.0%
South Staffordshire	2.6	2.5	2.6	1,720	85	5.2	410	31.0%
Stafford	2.4	2.4	2.5	2,025	65	3.3	370	22.0%
Lichfield	2.3	2.3	2.3	1,460	-10	-0.7	140	11.0%
Staffordshire Moorlands	1.9	1.9	2.0	1,095	55	5.3	175	19.0%

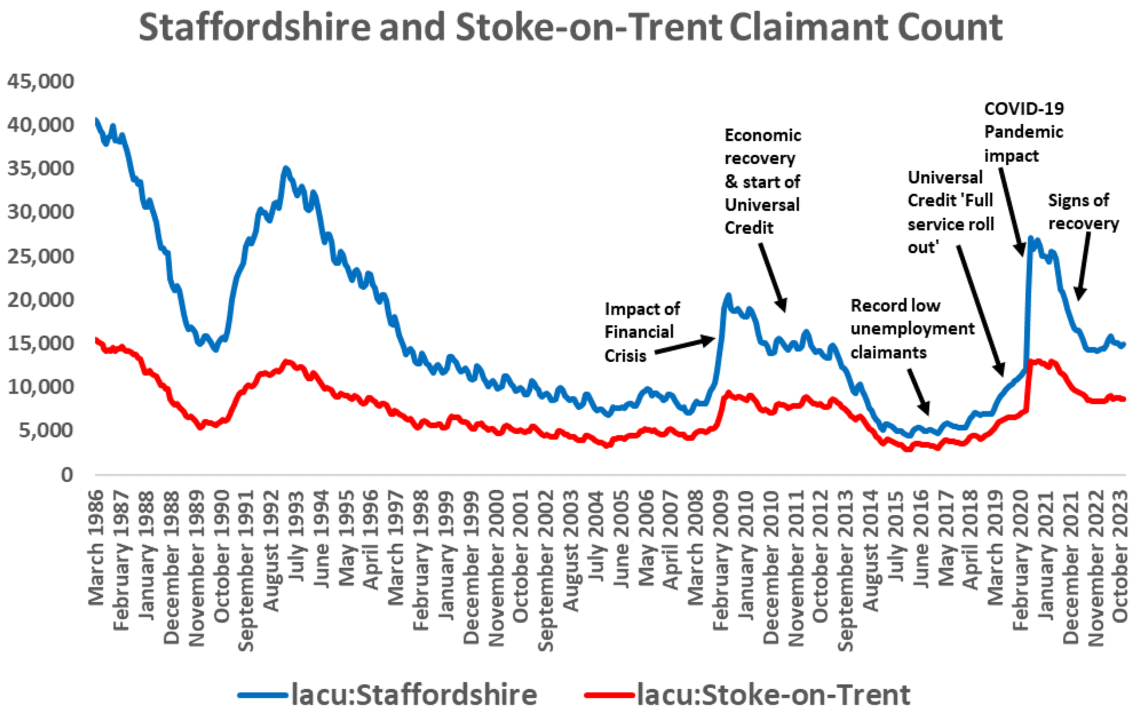
The claimant rate is the proportion of the working age population claiming Universal Credit

- The claimant count in Staffordshire saw an **increase of 335 claimants in October**, with the **total number now at 14,955**.
- Over the last month, the **claimant rate for Staffordshire has increased from 2.7% to 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 4.8%, and lower than the average for England at 3.8%**.
- Stoke-on-Trent saw an **increase of 45 claimants** over the same period with **a total of 8,635 claimants in October**, with the **rate increasing from 5.3% to 5.4%.**
- Whilst there was a higher proportional increase this month in Staffordshire of 2.3% than seen nationally (1.3%) or regionally (0.7%), **Staffordshire still has one of the lowest claimant rates in the region.** Youth claimants will remain a priority for further support that is already in place to help people that unfortunately find themselves unemployed to move into the high number of job vacancies that are present across Staffordshire.
- **In terms of job vacancies there was no change across Staffordshire compared with a 1% decrease nationally seen between September and October.**

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

- **Demand for labour and skills still remains strong across the local economy with there currently being 1.1 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 24.0% 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 23.0% seen regionally.



- **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 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 claimants that are 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 4.8% regionally and 3.8% nationally. In Stoke-on-Trent, the Claimant Count remains above both the regional and national averages at 5.4%.**

- This month there were increases in the claimant count across all but one of the districts in Staffordshire, with Lichfield seeing a slight decrease.
- East Staffordshire and Tamworth have the highest claimant rates both at 3.4%, and Staffordshire Moorlands has the lowest at 2.0%. Significantly, all the Districts and Boroughs of Staffordshire remain lower than national and regional rates.

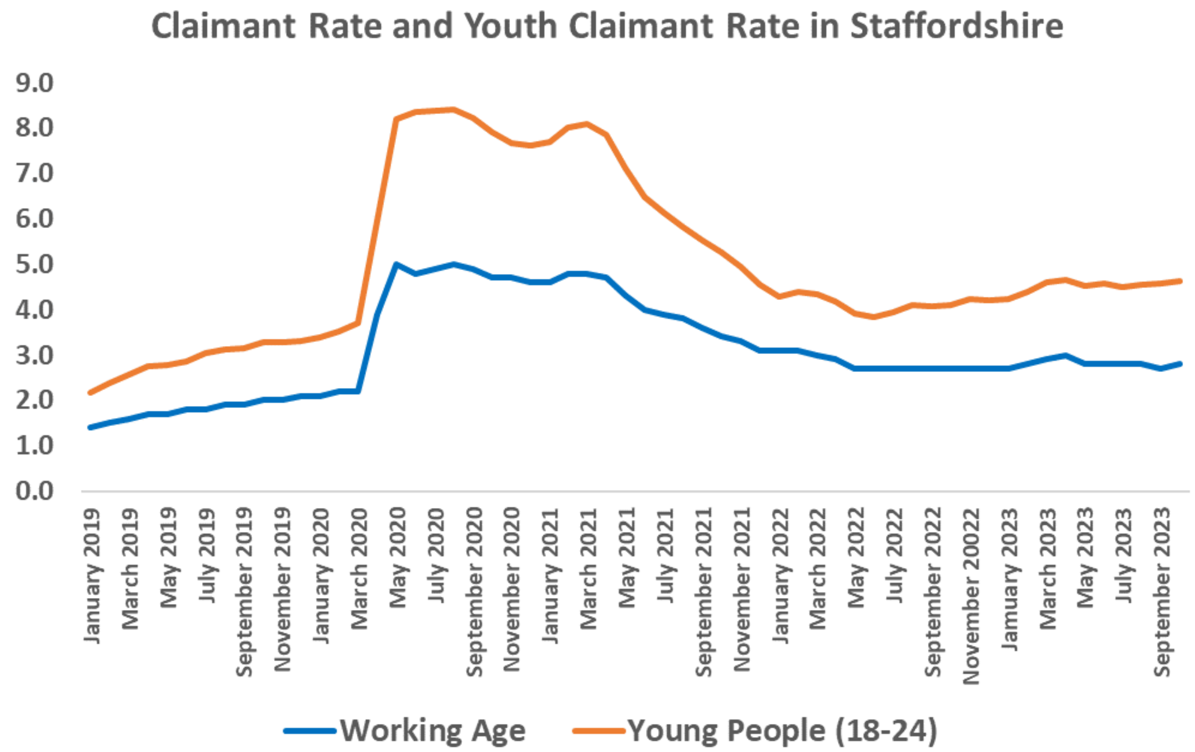
Youth Claimant Count

- This month the **youth claimant count in Staffordshire saw an increase of 40 claimants with a total of 2,900 young people**.
- **The proportion of young people in Staffordshire aged 18-24 that are claiming work-related Universal Credit remained unchanged at 4.6%.** This is lower than the national rate of 5.1% and far lower than the regional rate of 6.8%, both of which saw increases this month from 5.0% and 6.7% respectively.
- This month, **Stoke-on-Trent saw a decrease of 10 claimants to a total of 1,700 claimants with the rate decreasing from 7.6% the previous month to 7.5%.**

Youth Claimant Count (Universal Credit) Statistics: October 2023

Area	Youth Claimant Count Rate (October 2022)	Youth Claimant Count Rate (September 2023)	Youth Claimant Count Rate[1] (October 2023)	Number of Youth Claimants (October 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	5.0	5.1	237,080	4,795	2.1%	39,350	19.9%
West Midlands	6.1	6.7	6.8	34,180	450	1.3%	6,275	22.5%
SSLEP	4.9	5.4	5.4	4,600	30	0.7%	780	20.4%
Wolverhampton	9.6	10.6	10.8	2,310	45	2.0%	400	20.9%
Sandwell	8.4	9.1	9.4	2,685	95	3.7%	570	27.0%
Walsall	8.1	9.0	9.4	2,115	80	3.9%	200	10.4%
Birmingham	8.1	9.1	9.2	11,950	75	0.6%	2,845	31.2%
Dudley	7.1	7.6	7.6	1,800	10	0.6%	50	2.9%
Stoke-on-Trent	6.9	7.6	7.5	1,700	-10	-0.6%	295	21.0%
Telford and Wrekin	5.7	5.6	5.9	885	50	6.0%	125	16.4%
Solihull	4.9	5.2	5.3	800	20	2.6%	-25	-3.0%
Coventry	4.7	5.2	5.2	2,225	-15	-0.7%	690	45.0%
Staffordshire	4.1	4.6	4.6	2,900	40	1.4%	485	20.1%
Worcestershire	4.5	4.6	4.6	1,915	-5	-0.3%	320	20.1%
Warwickshire	3.5	3.7	3.9	1,725	75	4.5%	390	29.2%
Herefordshire, County of	3.1	3.7	3.7	430	5	1.2%	15	3.6%
Shropshire	3.3	3.4	3.4	745	-10	-1.3%	-80	-9.7%
Tamworth	5.7	6.1	6.3	360	10	2.9%	65	22.0%
Cannock Chase	5.9	6.1	6.1	430	0	0.0%	65	17.8%
East Staffordshire	3.7	5.2	5.1	455	-10	-2.2%	135	42.2%
South Staffordshire	4.3	4.4	4.8	360	30	9.1%	110	44.0%
Stafford	4.1	4.2	4.3	370	5	1.4%	55	17.5%
Newcastle-under-Lyme	3.3	4.1	4.1	485	5	1.0%	60	14.1%
Lichfield	3.6	3.8	3.7	265	-5	-1.9%	-5	-1.9%
Staffordshire Moorlands	2.7	2.9	3.0	175	5	2.9%	0	0.0%

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



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

- Cannock Chase and Tamworth have the highest rates at 6.1% and 6.3% respectively, whilst Staffordshire Moorlands has the lowest rate at 3.0%. East Staffordshire and Newcastle-under-Lyme have the highest number of youth claimants at 455 and 485 respectively, 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

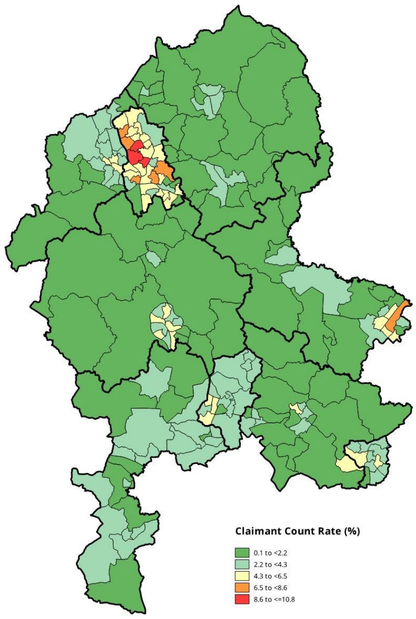
The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

Claimant Count Rate October 2023

Of the 201 wards in Staffordshire & Stoke-on-Trent, 57 were above the England average of 3.8% for the number of claimants as a proportion of the working age population.

Within the twenty highest claimant count rate wards, sixteen were in Stoke-on-Trent with Joiner's Square: 10.8%/495; Etruria & Hanley: 9.0%/485; Moorcroft: 8.9%/330; Burslem Central: 8.0%/365; Tunstall: 8.0%/335 total claimants.

In Staffordshire, the four wards all in East Staffordshire with the highest claimant count rates were Burton: 7.2%/215; Eton Park: 6.4%/315; Shobnall: 6.4%/350; Anglesey: 6.3%/340 total claimants.

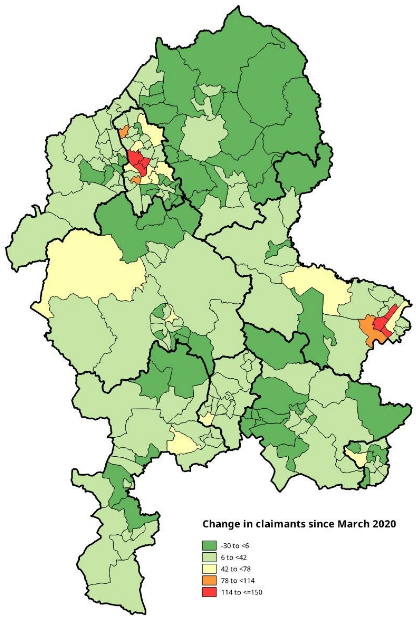


Staffordshire County Council

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 Etruria & Hanley (130 increase to 485); Joiner's Square (120 increase to 495); Hanley Park & Shelton (120 increase to 305); Tunstall (85 increase to 335); Boothen & Oak Hill (80 increase to 265); Baddeley, Milton & Norton (75 increase to 405).

Of the remaining four wards in the top ten, all were in East Staffordshire including Anglesey with a 150 increase to 340 claimants; Shobnall with a 140 increase to 350 claimants; Eton Park with a 135 increase to 315 claimants; Branston with a 100 increase to 175 claimants.



Staffordshire County Council

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

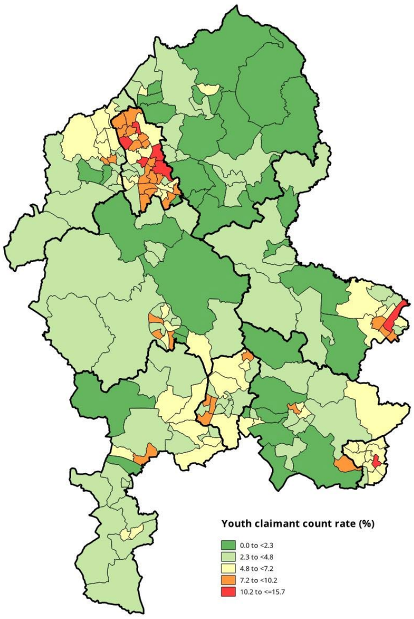
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

Youth Claimant Count Rate October 2023

Of the 201 wards in Staffordshire & Stoke-on-Trent, 81 were above the England average of 5.1% for the number of claimants aged 18-24 as a proportion of the 18-24 population.

Of the top ten wards with the highest youth claimant count rate, seven were in Stoke-on-Trent including Joiner's Square: 15.7%/120; Bentilee & Ubberley: 12.2%/120; Abbey Hulton & Townsend: 10.8%/85; Burslem Central: 10.6%/65; Bradeley & Chell Heath: 10.2%/45 total youth claimants.

In Staffordshire, the wards with the highest claimant count rates were Burton (East Staffordshire): 11.7%/45; Glascote (Tamworth): 11.2%/65; Doxey & Castletown (Stafford): 10.0%/30 total youth claimants.

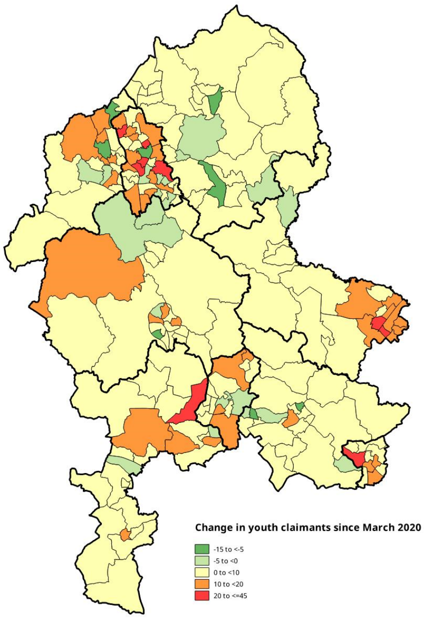


Staffordshire County Council

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, six were in Stoke-on-Trent including Hanley Park & Shelton (45 increase to 75); Joiner's Square (20 increase to 120); Bentilee & Ubberley (20 increase to 110); Tunstall (20 increase to 60).

In Staffordshire, the four wards with the highest change in the number of youth claimants since March 2020, were Shobnall (East Staffordshire) with a rise of 30 to 65; Anglesey (East Staffordshire) with a rise of 20 to 50; Huntington & Hatherton (South Staffordshire) with a rise of 20 to 35 and Castle (Tamworth) with a rise of 20 to 35 total youth claimants.



Staffordshire County Council

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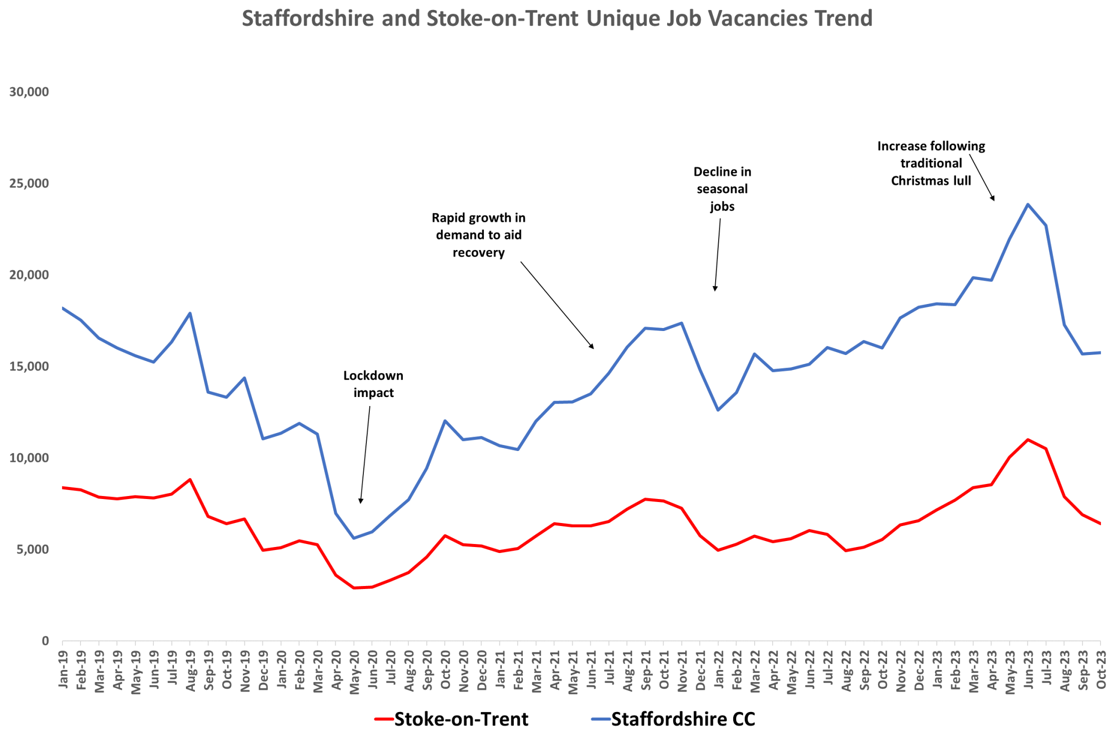
Job Vacancies[3]

- **Staffordshire saw no change in the number of available job vacancies between September and October with a total of 15,700[4]. This continues to remain higher than the number of work-related benefit claimants.**

- **Stoke-on-Trent saw a 7% decrease in vacancies to a total of 6,400 which is lower than the number of claimants.**

- **Across the region in the last month there was a no change, and nationally there was a 1% decrease in job vacancies.**

- In October there has been a decrease in the number of available job vacancies, compared to a year ago in Staffordshire with the number of job adverts being posted 2% lower, whilst Stoke-on-Trent has increased 15%. The chart below indicates a recent declining trend from July this year which indicates a slowing down in the jobs market as a result of some business sectors being more cautious about recruitment due to the uncertainty in the economy. Overall, though the outlook is positive and recruitment demand remains strong with new job postings higher than pre-pandemic levels with Staffordshire job vacancies 32% higher and Stoke-on-Trent 17% higher.



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)
[4] Lightcast updated its deduplication algorithm for UK job postings on 17 November 2023. As a result of this change historic posting counts have decreased on average by 2% to 4%.

Monthly Trends in recruitment

- The majority of occupational groups saw a decrease in vacancies during October, with 'Managers, Directors and Senior Officials' seeing the highest decrease (-21%). However, 'Process, Plant & Machine Operatives' saw a 1% increase.

- The occupations to see the most significant increases during October include **Secondary Education Teaching Professionals**, **Teaching Assistants, Roundspersons & Van Salespersons, Sales & Retail Assistants, Elementary Construction Occupations, managers & directors in Retail & Wholesale, warehouse operatives, Taxi & Cab Drivers & Chauffeurs, Primary Education Teaching Professionals, Education Managers, Residential, Day & Domiciliary Care Managers.**

Annual Trends in job vacancies

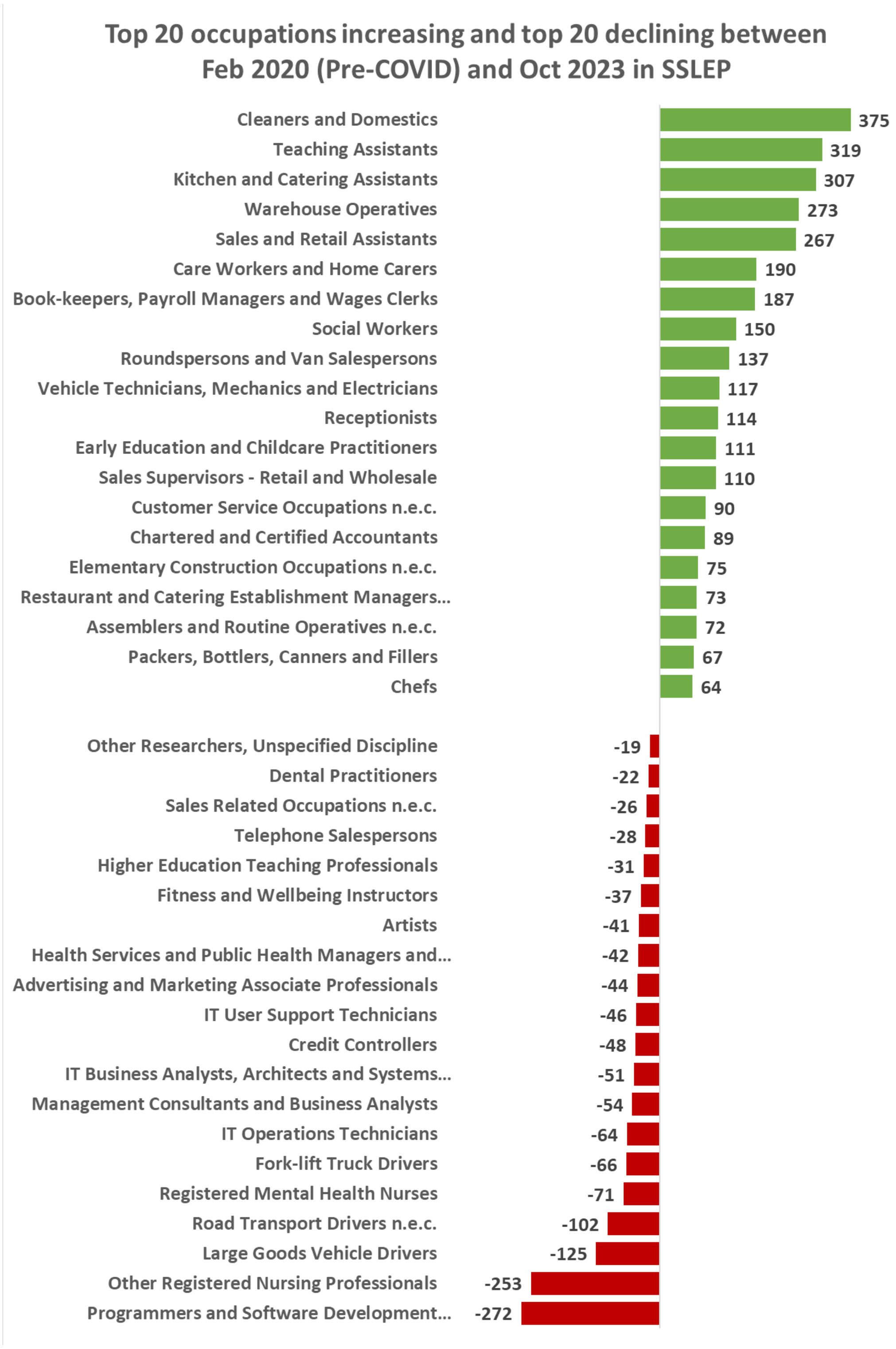
- The occupations to see the largest year-on-year increases include Housekeepers & related occupations (Cleaners & Domestics), cross sector business roles (Book Keepers, Payroll Managers & Wages Clerks; Receptionists; Administrative; Health & Safety Managers/Officers), Health & Social Care (Social Workers; Care Workers & Home Carers), Education (Teaching Assistants; Secondary Education Teaching Professionals), Childcare (Early Education & Childcare Practitioners), Logistics (Roundspersons & Van Salespersons), Wholesale & Retail sector (Sales related; Sales and Retail Assistants; Business Sales Executives), Engineering (Electrical Engineers), Hospitality sector (Kitchen and Catering Assistants; Restaurant & Catering Managers), Construction (Quantity Surveyors; Elementary Construction; Pipe Fitters).

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:

  - **Housekeepers & related occupations** (Cleaners & Domestics)
  - **Education** (Teaching Assistants)
  - **Hospitality** (Kitchen and Catering Assistants; Restaurant & Catering Managers; Chefs)
  - **Logistics** (Warehouse operatives; Roundspersons & Van Salespersons)
  - **Retail & Wholesale** (Sales & Retail Assistants; Sales Supervisors)
  - **Health and Social Care** (Care Workers and Home Carers; Social Workers)
  - **Cross sector business roles** (Bookkeepers, Payroll Managers and Wages Clerks; Receptionists; Customer Service; Chartered & Certified Accountants)
  - **Childcare** (Early Education & Childcare Practitioners)
  - **Motor Trade** (Vehicle Technicians, Mechanics and Electricians)
  - **Construction** (Elementary Construction)
  - **Manufacturing** (Assemblers & routine Operatives; Packers, Bottlers, Canners & Fillers).

  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 **'Sales Related,' 'Cleaners & Domestics' and 'Warehouse Operatives' also have strong demand.**

- There is **strong demand for 'Bookkeepers, Payroll Managers & Wages Clerks,' 'Customer Service,' 'Administrative,' 'Chartered & 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,' 'Secondary Education Teaching Professionals.'**

- In the Hospitality sector, **'Kitchen and Catering Assistants' remain the roles most in demand.**

- Demand for **'Sales and Retail Assistants,' 'Managers & Directors in Retail & Wholesale'** in the Retail and Wholesale sector also remain strong.

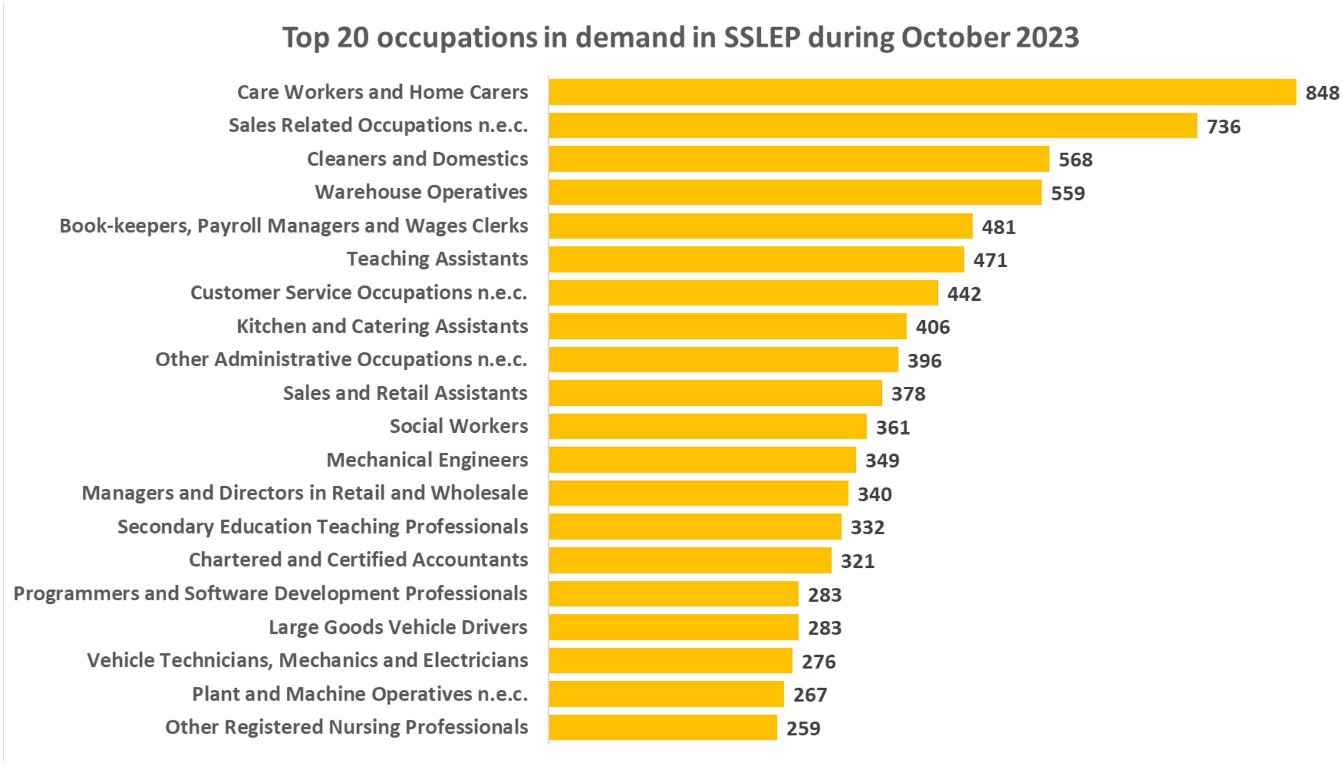
- There is high demand in the Health and Social Care sector for **'Social Workers,' 'Registered Nursing Professionals.'**

- In the Manufacturing sector **'Mechanical Engineers,' 'Plant & Machine Operatives'** are most in demand.

- The Logistics sector continues to have high demand for **'Large Goods Vehicle Drivers.'**

- In ICT demand for **'Programmers & Software Development Professionals'** is high.

- In the Motor Trade **'Vehicle Technicians, Mechanics and Electricians'** are in demand.



- 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 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 the West Midlands Freight Interchange, and **advanced logistics** with ecommerce creating continued demand and the recent announcement by Pets At Home in Stafford creating over 750 new jobs.

<u>Notes</u>

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 <u>single month estimates</u> (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 <u>required</u> to look/be available for work as a condition of benefit, while the ILO measure is those who say that they <u>actually are</u> 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.