Staffordshire & Stoke-on-Trent Economic Bulletin

Issue 41 – January 2024

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 is reflected in this month's **further increase in the Claimant Count. Although it is positive that there continues to be a high number of job vacancies available for those that unfortunately find themselves out of work. We will continue to support our residents into work and ensure that Staffordshire has the strong workforce it needs to grow the economy.**
- We also continue to support **local businesses that face ongoing challenging conditions** due to a wide range of factors including **high interest rates and energy prices, increased commodity costs, increasing wage levels and lower consumer demand**.
- 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 405 this month to a total of 15,165 claimants.** This was a higher proportional increase this month of 2.7% than seen nationally (1.5%) or regionally (1.2%).
- **The claimant rate for Staffordshire remained unchanged 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%, both of which saw increases from 4.8% and 3.7% respectively.
- This month has seen a **decrease of 25 claimants in the youth claimant count in Staffordshire with a total of 2,860 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 month. This is however lower than the national rate of 5.1% and far lower than the regional rate of 6.8%, both of which also remained unchanged this month.
- Whilst there has been an increase this month in the overall 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 though remains high with the number of vacancies still above pre-pandemic levels and there is currently estimated to be around 0.9 job vacancies available for every claimant within the county.** Therefore, our focus continues to be to support those that unfortunately find themselves unemployed, to transition into work.
- **The total number of Universal Credit (UC) claimants in Staffordshire is 26% or 3,115 higher than the level seen in March 2020 (pre-COVID)**, which is largely in-

line with the 27% increase seen nationally and 24% 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.**
- Turning now to jobs that are available for those that find themselves out of work, **Staffordshire saw a 24% decrease in the number of available job vacancies between November and December to a total of 13,600 which is now lower than the number of work-related benefit claimants. Stoke-on-Trent saw a 22% decrease in vacancies to a total of 5,700 which is also lower than the number of claimants. Across the region in the last month there was a 25% decrease, and nationally there was a 23% decrease in job vacancies. Therefore, Staffordshire is broadly in line with decreases seen both regionally and nationally.**
- There has been a declining trend from July this year with a particular fall in the number of job vacancies this month indicating a slowdown in the jobs market as a result of business sectors delaying recruitment due to increased costs and the uncertainty in the economy. Additionally, the seasonal impact at this time of year will also be attributable to the decline in job vacancies this month. **Overall, though the outlook remains positive and recruitment demand is strong with new job postings still higher than pre-pandemic levels with Staffordshire job vacancies 14% higher than pre-pandemic levels and Stoke-on-Trent 5% 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,' 'Teaching Assistants,' 'Cleaners & Domestics,' occupations also have strong demand.**
- The Logistics sector continues to have high demand for **'Warehouse Operatives' and 'Large Goods Vehicle Drivers.'**
- In the Education sector there is particularly high demand for **'Secondary Education Teaching Professionals,' and Teaching Professionals.'**
- There is **strong demand for 'Customer Service,' 'Administrative,' 'Bookkeepers, Payroll Managers and Wages Clerks,' 'Chartered and Certified Accountants,'** across business sectors to support business in their recovery, survival, and new methods of working.
- There is high demand in the Health and Social Care sector for **'Social Workers,' and 'Registered Nursing Professionals.'**
- In the Hospitality sector, **'Kitchen and Catering Assistants' remain the roles most in demand.**
- In the Motor Trade **'Vehicle Technicians, Mechanics and Electricians'** are in demand.
- Demand for **'Managers & Directors in Retail & Wholesale,' 'Sales and Retail**

Assistants' in the Retail and Wholesale sector also remain strong.

- In the Manufacturing sector **'Mechanical Engineers'** are most in demand.
- In ICT demand for **'Programmers & Software Development Professionals'** is high.
- 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 dedicated 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 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

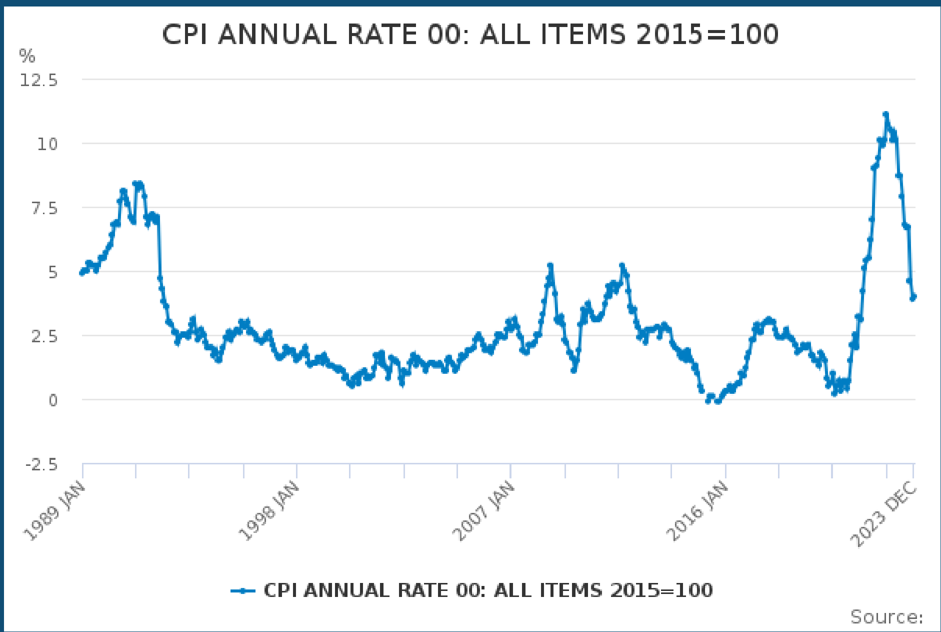
- **Businesses in Staffordshire can now apply for free energy assessments through the Green Solutions scheme**. The scheme aims to help businesses reduce their energy consumption and costs for a greener future and more sustainable business practices. Businesses will get a free energy assessment plus expert advice to help improve energy efficiency and support to implement the proposed measures. Firms signing up will also benefit from complimentary Carbon Literacy Training. To apply and submit an expression of interest, businesses can visit the official Green Solutions website. A dedicated member of the Green Solutions team will review the submission and reach out to discuss the next steps.
- **A large-scale highways improvements scheme has started on a major Burton road. The £900,000 scheme on the A511 Horninglow Road North is being carried out by Staffordshire County Council's highways team and is phase one of a programme of improvements to be carried out on the road over the next year. The improvements are part of a wider £6 million investment by the county council in Burton's roads over the next two years.** Work will include reconstruction and resurfacing of the road from the junction of Horninglow Croft to the junction of Farm Road. Repairs to the drainage systems, kerbing, ironwork, and footpaths will also be included. The scheme is expected to take around six weeks to complete weather permitting. To make sure the work can be carried out safely, temporary traffic lights will be in place during the initial works and drivers are being asked to allow more time for journeys. The resurfacing work is estimated to take around one week to complete and will be carried out during the February half term holiday (12 to 18) to help minimise any disruption. A full road closure will be in place for the resurfacing work, followed by an off-peak closure from 9.30am to 2.30pm and 7.30pm to 5.30am for the remaining carriageway lining works. A fully signed diversion will be in operation when the road is closed.

National Context

- Firstly, we hope everyone had an enjoyable Christmas period and happy new year to you all!
- As we close out 2023 and move into 2024 there is much uncertainty both politically and economically, the rise in energy and food bills prices has slowed but remains high, inflation falling back means many will benefit from rising real wages, but in 2024 higher interest rates will see those remortgaging and renters worse off. This all comes with the immediate backdrop of a General Election.

Cost of Living

- This month the **rate of inflation measured by the Consumer Prices Index (CPI) surprisingly rose by 4.0% in the 12 months to December 2023**, up from 3.9% in November, and the first time the rate has increased since February 2023. On a monthly basis, CPI rose by 0.4% in December 2023, the same rate as in December 2022. The largest upward contribution to the monthly change in the CPI inflation rate came from alcohol and tobacco while the largest downward contribution came from food and non-alcoholic beverages.



- Looking in more detail at some of the **key factors contributing to the overall change in inflation** we have seen:
  - **Motor fuel** prices fall by 10.8% in the year to December 2023;
  - **Gas** price inflation fall by 31.0% in the year to December 2023;
  - **Electricity** price inflation fall by 15.4% in the year to December 2023;
  - Inflation rate for **food and non-alcoholic beverages** continued to ease to 8.0% in December 2023;
  - The UK annual **private rental price** growth remained at 6.2% in the 12 months to December 2023.
- **All though there are some signs of inflation heading in the right direction and**

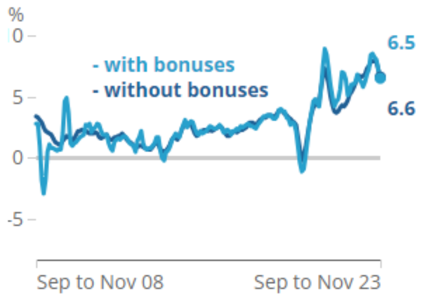
cost of living pressures easing for some, unfortunately there are many struggling with current higher prices, these is evident in the latest Opinions and Lifestyle Survey (OPN) conducted between 4th and 14th January which found that:
    - Around 4 in 10 adults are using less fuel in their homes because of cost-of-living increases;
    - Around 4 in 10 adults reported having to spend more than usual when food shopping to get what they normally buy;
    - Around a third of adults are finding it very or somewhat difficult to afford their rent or mortgage payments.
- Although inflation saw a slight rise in December, it is **widely expected that inflation will continue to fall this year with three leading forecasters suggesting the inflation rate will halve to 2 per cent by April. The Oxford Economics consultancy and analysts at Investec and Deutsche Bank** have reassessed their outlook for inflation in 2024 and concluded that the consumer prices index will fall below 2 per cent within four months and that this may see The Bank of England may bring forward the date of its first interest rate cut. This would be welcomed news particularly for those having to remortgage this year.
- **A key factor in this expected decline in inflation is likely to be energy prices**, where a higher energy price cap, set by regulator **Ofgem**, from now to April means gas and electricity costs will be 5 per cent higher than the last three months. But forecasts suggest energy prices could come down sharply in the spring, with a new forecast by Consultancy firm **Cornwall Insight** predicting that bills could drop to £1,660 under the official price cap, a fall of £268 for the annual energy bills for a typical household from April.
- It is also positive that **homeowners whose fixed mortgage deals are ending soon look set to save thousands of pounds this year after high street lenders kicked off 2024 by slashing rates**. Within hours of the start of the first working day of the new year, **Leeds Building Society** and Britian's largest mortgage lender, **Halifax**, cut fixed mortgage rates by nearly 1 percentage point. **Although remortgages will be higher than previously, and further reductions will be largely dependent on the rate of inflation and interest rate cuts this year.**
- As we see price inflation easing in turn we will also see more benefit from real wage increases. **Annual growth in regular earnings (excluding bonuses) in Great Britain was 6.6% in September to November 2023, and annual growth in employees' average total earnings (including bonuses) was 6.5%** in September to November 2023. **Annual growth in real terms (adjusted for inflation using the Consumer Prices Index including owner occupiers' housing costs (CPIH)) for total pay rose on the year by 1.3% in September to November 2023, and for regular pay rose on the year by 1.4%.**

Nominal Earnings

Average Weekly Earnings annual growth rates - nominal pay

Annual growth in both total (including bonuses) and regular (excluding bonuses) earnings continue to be strong, but not as strong as recent periods

Source: MWSS from ONS

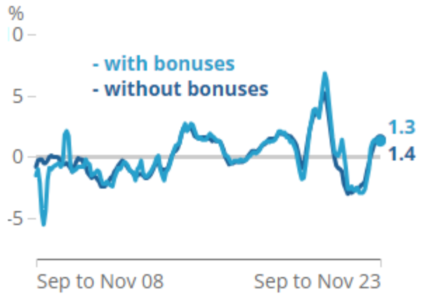


Real Earnings

Average Weekly Earnings annual growth rates - real pay (using CPIH)

In recent periods, annual growth in both real total (including bonuses) and regular (excluding bonuses) earnings has risen on the year

Source: MWSS from ONS



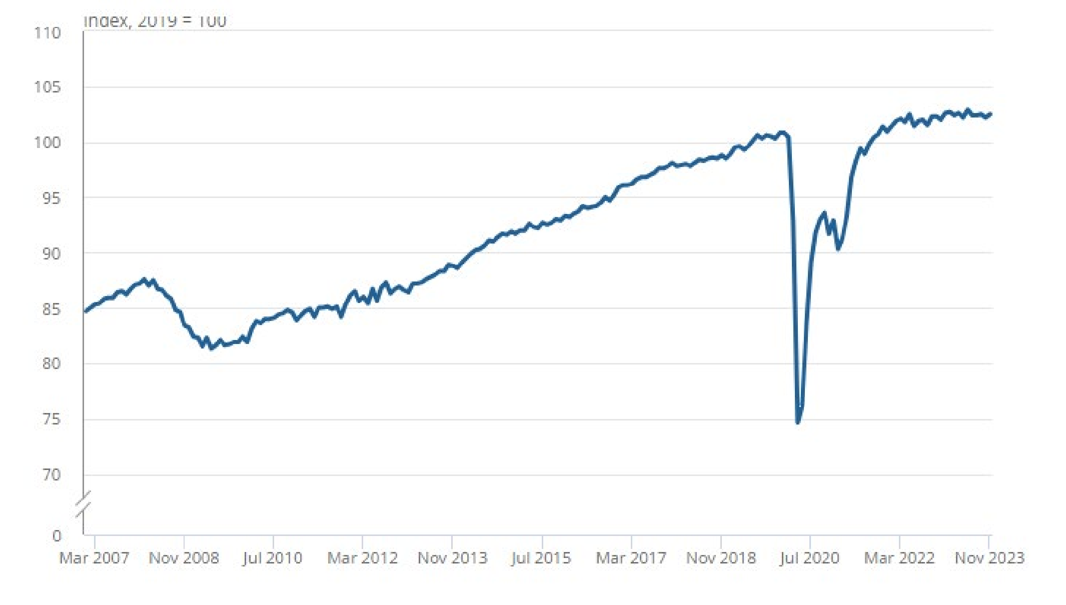
- We have also seen the welcomed **cut in the main rate of national insurance by two percentage points, from 12 per cent to 10 per cent**. The move was announced in last year's Autumn Statement and Chancellor Jeremy Hunt said it means families with two earners are nearly £1,000 better off.
- **There still remain strikes over pay in important parts of the economy, including NHS consultants, junior doctors, and rail workers.** In November 2023, there were 69,000 working days lost because of labour disputes across the UK, the lowest number of working days lost since May 2022. Over half of the labour disputes in November 2023 were in the transport, storage, information and communication industries.

Economy

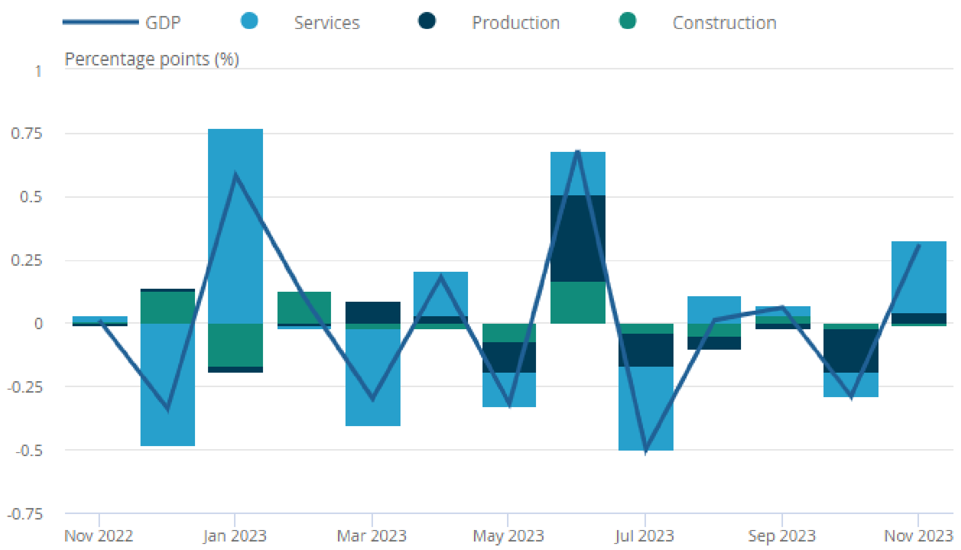
- The **latest quarterly GDP data shows that the UK economy is estimated to have fallen by 0.2% in the three months to November 2023, compared with the three months to August 2023.** Alongside this the Office for National Statistics has released revised figures for previous quarters in 2023 which shows that the economy shrank between July and September raising the risk of a recession. Gross domestic product contracted by 0.1 per cent after previous estimates suggested growth has been flat, while there was zero growth between April and June, after it was first calculated to have risen by 0.2 per cent.
- **Positively, the latest monthly GDP figures for November show that the UK economy rebounded after shrinking during the previous month, with growth of 0.3 per cent following a fall of 0.3 per cent in October.** The Office for National Statistics said the services sector led the rebound, as Black Friday sales boosted retailers, but also car leasing, computer games and fewer strikes than we've seen in previous months helped drive the growth. To avoid a potential recession there will have to be a further expansion of activity between November and December.

- **Services output grew by 0.4% in November 2023** and was the main contributor to the monthly growth in GDP; this follows a fall of 0.1% in October 2023.
- **Production output grew by 0.3% in November 2023**, following a fall of 1.3% in October.
- **The construction sector fell by 0.2% in November 2023** after a fall of 0.4% in October 2023.

GDP Monthly index, January 2007 to November 2023, UK



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

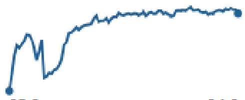
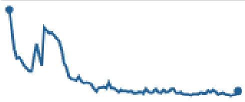
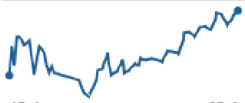
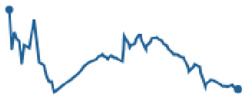
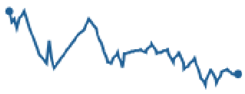


Source: GDP monthly estimate from the Office for National Statistics

Business Conditions

- As we move into 2024 it is clear that **many businesses continue to struggle due to a wide range of factors including high interest rates and energy prices, increased commodity costs, wage pressures, supply-chain constraints, lower consumer confidence** and **labour market challenges**. This is reflected in the **high number of businesses reporting a decrease in turnover, increasing financial distress and insolvencies, and unemployment on the rise**. It will be vital that we support viable businesses during these challenging times to survive and then grow.
- The following charts show the latest results from Wave 99 of the **Business Insights and Conditions Survey (BICS)**, which was live from 27 December 2023 to 7 January 2024.

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	-1.4▼	0.8▲	 65.9 15/06/2020 94.0 07/01/2024
Trading status - Temporarily closed or paused trading Units	1.2▲	-0.8▼	 33.4 15/06/2020 4.2 07/01/2024
Intra UK Procurement - Yes, the business has been able to get the materials, goods or services it needed Units	2.4▲	10.8▲	 43.4 01/06/2020 63.1 31/12/2023
Intra UK Procurement - Yes, but the business had to change suppliers or find alternative solutions Units	-0.7▼	-6.5▼	 19.2 01/06/2020 5.7 31/12/2023
Intra UK Procurement - No, the business has not been able to get the materials, goods or services needed Units	0▲	-1.7▼	 9.2 01/06/2020 2.8 31/12/2023

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

- In December 2023, 69% of trading businesses reported that they **were able to get the materials, goods or services they needed from within the UK**, up two percentage points from November 2023; in contrast, 3% were **unable to get the**

materials, goods or services they needed from within the UK, broadly stable over the same period.

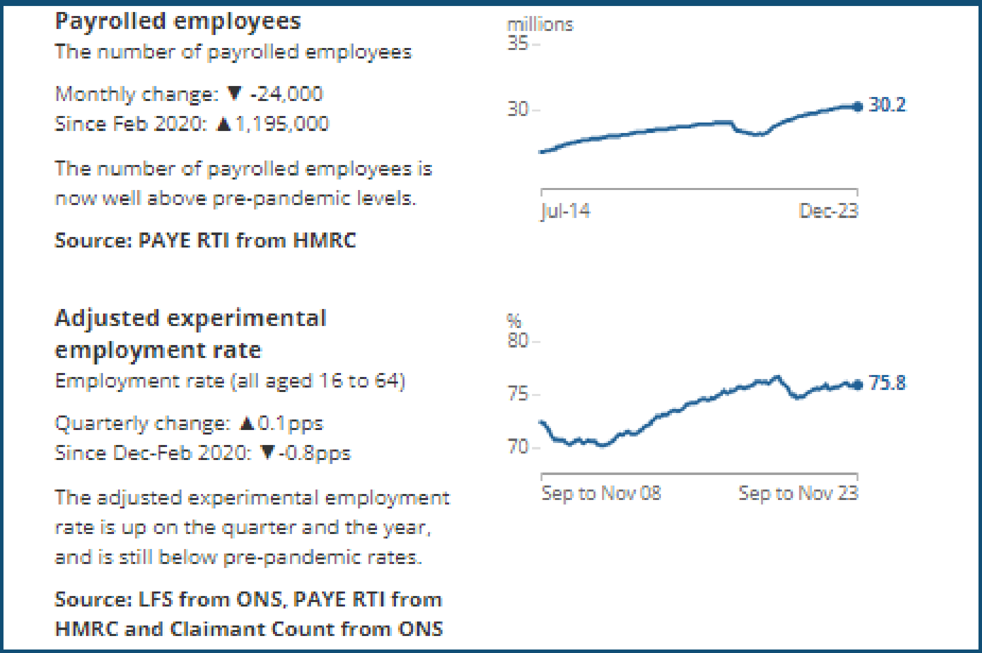
- The percentage of businesses with 10 or more employees that reported **global supply chain disruption** in December 2023 remained broadly stable from November 2023, at around 5%.
- One in five (20%) businesses reported they are **using or intending to use increased home working as a permanent business model**; more than half (54%) of those businesses reported this is for improved staff wellbeing.
- Fewer than 1 in 10 (7%) businesses **experienced worker shortages** in late December 2023; this is down one percentage point from mid-December and down from the 12% reported in late December 2022.
- More than 1 in 10 (11%) businesses reported that **employee hourly wages had increased** in December 2023 compared with November 2023.
- It is clear that many businesses are currently struggling in such a challenging business environment, this is evident in the latest business insolvencies data which shows that **in December 2023 there were a total of 2,002 company insolvencies in England and Wales, 2% higher than the number registered in the previous year (1,965 in December 2022), and 62% higher than the number registered three years previously: 1,235 in December 2020).** The main concern around company and individual insolvencies are associated issues such as mental health and homelessness.
- Alongside businesses failing there are an increasing number which are close to failing with the latest '**red flag' figures from Begbies Traynor** which show that:
    - **More than 47,000 UK companies are on the brink of collapse after a 25% jump in the number of businesses facing "critical" financial distress in the final three months of 2023**;
    - It marks the second consecutive quarter-on-quarter period when critical financial distress has risen by a 25%;
    - The **construction and property sectors accounted for 30% of all businesses facing critical financial distress**;
    - The quarterly rate of increase in the number of companies facing critical financial distress grew by 32.6% in the construction industry, by 41.3% in health and education, a quarter in real estate and property services and 24% in support services;
    - **Last year, the number of firms going bust had already reached the highest level since the great financial crisis of 2008.**
    - Top 10 sectors with firms facing 'critical' financial distress
        1. Construction (7,849)
        2. Support services (7,096)
        3. Real estate & property services (6,228)
        4. Professional services (4,347)
        5. General retailers (3,133)

6. Telecoms & IT (2,830)
7. Health & education (2,719)
8. Media (1,828)
9. Financial services (1,373)
10. Food & drug retailers (1,343)

- **Retail sales decreased by 3.2% in December**, this is partly reflective of around 6 in 10 adults spending less on non-essentials because of cost-of-living increases. This news comes as **The British Retail Consortium has warned that shoppers and retailers are set for a "challenging" year ahead with the ongoing higher living costs continuing to squeeze household budgets.**
- In hospitality, **thousands of bars, restaurants and pubs across the UK are closing due to high ground rents and produce costs**. There were more than 10 closures every day, according to industry data which showed the number of licensed premises in Britain fell by 3.6 per cent from 103,682 to 99,916 in the year to September.

Labour Market

- In summary, the number of payrolled employees has seen a decline this month but remains well above pre-pandemic levels. Over the last quarter employment has slightly increased but remains below pre-pandemic level, unemployment has remained unchanged on the quarter and remains above pre-pandemic level and economic inactivity declined slightly during the last quarter but remains above pre-pandemic level. Job vacancies have seen a further decline which reflects the long-term trend but remain above pre-pandemic levels.
- The following charts shows the latest **labour market position** and the latest Office for National Statistics data for September 2023 to November 2023:

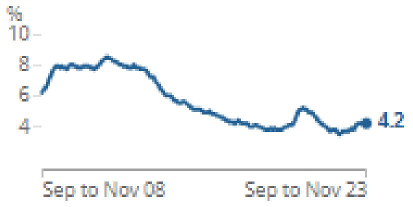


Adjusted experimental unemployment rate
Unemployment rate (all aged 16+)

Quarterly change: ◀▶ 0.0pps
Since Dec-Feb 2020: ▲0.3pps

The adjusted experimental unemployment rate is largely 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

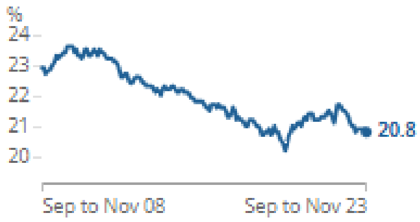


Adjusted experimental inactivity rate
Economic inactivity rate (all aged 16 to 64)

Quarterly change: ▼-0.1pps
Since Dec-Feb 2020: ▲0.6pps

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

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

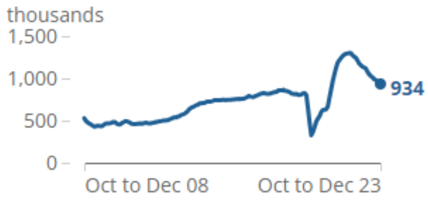


Job vacancies
Number of job vacancies

Quarterly change: ▼-49,000
Since Jan-Mar 2020: ▲133,000

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 December 2023 decreased by 24,000 on November 2023 to 30.2 million**. The December 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 1.195m above pre-pandemic levels.**
- Because of the increased uncertainty around the Labour Force Survey (LFS) estimates, the 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. The ONS will publish a methods article in the coming weeks explaining the improvements that are being made to the LFS, as well as the impacts of these improvements on headline estimates, ahead of the reintroduction of a fuller LFS-based dataset in February 2024.
- These **alternative estimates for September to November 2023 show that**:
  - the **UK employment rate** (for those aged 16 to 64 years) increased by 0.1 percentage points on the quarter to 75.8% and **0.8 percentage points below**

pre-pandemic.
  - the **UK unemployment rate** (for those aged 16 years and over) was largely unchanged on the quarter at 4.2% and **0.3 percentage points above pre-pandemic**.
  - the **UK economic inactivity rate** (for those aged 16 to 64 years) decreased by 0.1 percentage points on the quarter to 20.8% and **0.6 percentage points above pre-pandemic**.
- **In October to December 2023, the estimated number of vacancies in the UK fell by 49,000 on the quarter to 934,000**. Vacancies fell on the quarter for the 18th consecutive period, the longest consecutive run of quarterly falls ever recorded, down by 226,000 from the level of a year ago, but **still 133,000 above pre-pandemic levels**.
- **New qualifications and investment in apprenticeships are among fresh efforts to boost the domestic workforce in social care** in a government bid to change perceptions of jobs in the sector. **Social Care Minister, Helen Whately** said jobs in social care have not always been seen as a "career choice" as she set out plans aimed at ensuring the occupation is recognised "as the skilled profession it is".
- **Hospitals and GP surgeries across the UK are paying a record £4.6 billion for agency personnel and another £5.8 billion for doctors and nurses on staff to do extra "bank" shifts to plug gaps in rotas**. Widespread short staffing has increasingly forced the service to use employment agencies to hire stand-in workers.

Green Economy

- **The amount of electricity generated by the UK's gas and coal power plants fell by 20 per cent last year, with consumption of fossil fuels at its lowest level since 1957**. Fossil fuels were squeezed out of the electricity system by a surge in renewable energy generation combined with higher electricity imports from France and Norway and a long-term trend of falling demand.
- However, **analysis of the Government's renewable energy planning database shows that no applications for new onshore wind projects have been submitted since Prime Minister Rishi Sunak said that the Government would overturn the onshore wind ban in September 2023**.
- Positively, **the Government has announced a trial initiative, made up of 16 separate projects across the UK with a total of £16 million in funding, in order to increase the uptake of renewable energy**. The scheme aims to sidestep high upfront costs by offering a subscription style service in which recipients would pay a monthly cost, with the trial running until February 2025.
- **Planning rules are to be relaxed so that heat pumps and solar panels can be more easily installed on listed buildings**. The changes would affect just under three million properties in England and are part of efforts to hit net zero targets on household emissions.
- **BT is revealing plans to convert 60,000 of its dark-green "street cabinets" into**

electric car-charging stations, which will be able to power six cars at a time and output the same 7.4kW as a standard domestic charger. Britain currently has 53,906 public chargers, with many in petrol stations and an estimated 20,000 on residential streets, often built into lampposts. It is hoped that this programme will help tackle a shortfall in charging stations across the country and assist the government targets to increase their number to 300,000 by 2030.

- The **Office for Environmental Protection has warned of an 'irreversible spiral of decline' in nature in a report which showed that only four of 40 targets for England likely to be achieved by 2030**, with partly on track to achieve 11 partly on track and 10 largely off track. These targets are legally binding and make up part of the 2021 Environment Act, passed to replace EU law.

Housing

- **UK house prices fell by 1.8 per cent during 2023**, according to the closely watched **Nationwide house price index**, with activity in the property market described as weak throughout the year. Almost all regions of the UK registered falls, barring Northern Ireland, where prices rose by 4.5 per cent, and Scotland, up slightly by 0.5 per cent.
- **UK house prices are expected to fall in 2024**, according to analysts and lenders, **while the cost of renting a home will continue to rise**. The Government's official forecaster said property prices were most likely to drop by nearly 5 per cent, although lenders expect less of a fall, while rents on newly-let properties could go up by a further 5-6 per cent, property experts say, following a year of sharp rises.
- **The number of first-time buyers who bought a home with a mortgage fell to its lowest level in a decade in 2023**, according to leading lender **Yorkshire Building Society**. The figures are the latest evidence of the impact of rising mortgage interest rates and high house prices on housing affordability.

Transport

- **Driverless cars will be on the streets of the UK sooner than expected, the Transport Secretary has said**. Autonomous cars could be rolled out as early as 2026, with their use potentially improving road safety and giving more people access to driving.

Conclusion

- In conclusion, it is **clear that 2024 is going to be an uncertain year with the economy in a fragile position and political change on the horizon**.
- It is certainly **positive that inflation has fallen during the latter part of 2023** and that the price of energy and food which affects everyone has started or is expected to come down. At the same time **many will start to feel the benefit of increased real wages** as inflation continue to fall, as is widely expected during 2024.

- However, **high interest rates are likely to continue to be a concern for businesses and residents**, particularly those having to remortgage this year and renters. Although for the former there are signs that mortgage rates may fall further this year.
- There remain **concerns as to whether the UK can avoid a recession**, although it is **positive that the latest monthly GDP figures for November showed stronger growth than expected** and if December follows suit an official recession may be avoided. That said, it is clear that the current economic climate remains a challenging one.
- **Businesses continue to contend with a wide range of factors impacting their viability**, with turnover and profits being impacted leading to job losses, financial distress and in some cases insolvency.
- **Having seen significant improvement in the labour market following the pandemic we are now seeing signs of fragility** with the number of payrolled employees declining and the claimant count increasing. At the same time there are positives in overall employment increasing and economic inactivity decreasing. However, when compared to pre-pandemic levels employment remains below while unemployment and economic inactivity both remain above. We are also seeing a continue decline in recruitment although the number of jobs available for those that find themselves out of work remains above pre-pandemic levels.
- **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 Jobs and Careers Brokerage Service** which is designed to match local people, employers, and training providers to fill jobs and provide people with the jobs and careers they need.
- Alongside this the **Government's 'Plan for Jobs' schemes such as Restart, and Skills Bootcamps** have an important role to play in **ensuring that local residents have the skills and training needed within the local economy to support increased growth, productivity, and prosperity.** Reskilling and upskilling residents from declining sectors into priority growth areas of the economy such as digital, green, advanced manufacturing, advanced logistics, construction, and health and social care where they can access higher value better paid jobs will be key.

Business and Individual Insolvencies

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

Company Insolvencies

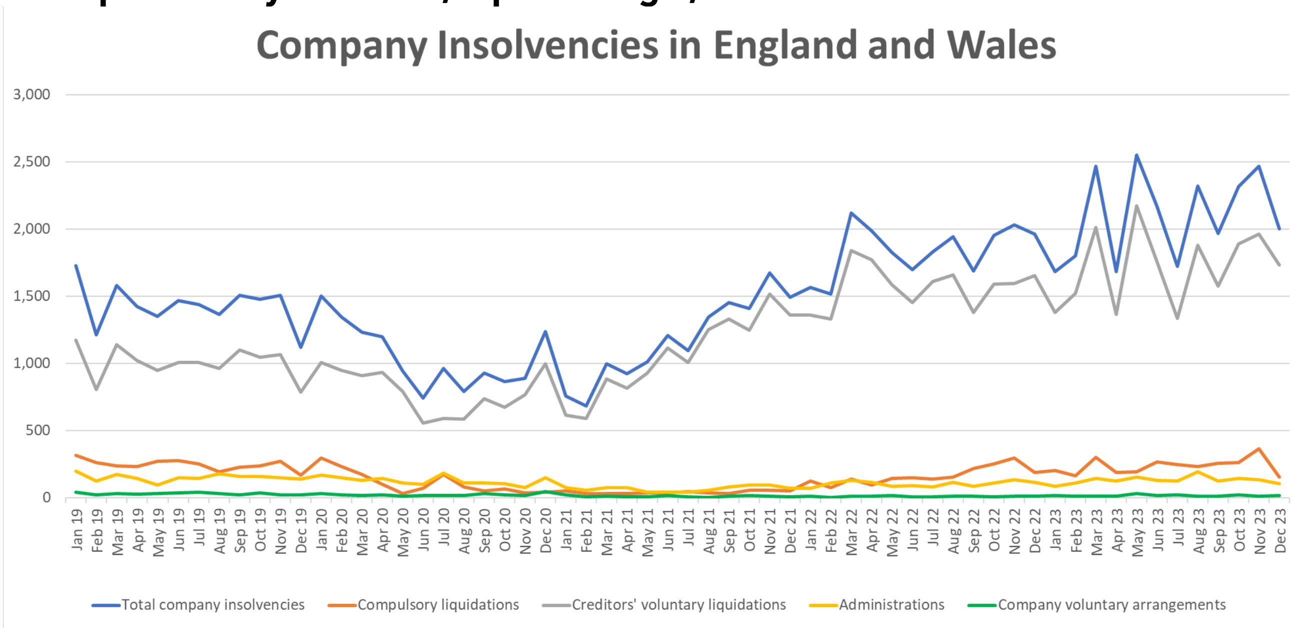
In December 2023 there were a total of 2,002 company insolvencies in England and Wales.

The overall number of **company insolvencies are 2% higher than the number registered in the previous year (1,965 in December 2022), and 62% higher than the number registered three years previously: 1,235 in December 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 153 compulsory liquidations in December 2023, which is 18% lower than the number in December 2022, and 256% higher than in December 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 December 2023 there were 1,731 Creditors' Voluntary Liquidations (CVLs), 5% higher than December 2022, and 74% higher than December 2020. Numbers of administrations are lower than pandemic levels at 31% lower than December 2020, and Company Voluntary Arrangements (CVAs) are lower than pandemic levels at 67% below December 2020 levels.

Company insolvencies between January 2023 and December 2023 are 14% higher compared to a year earlier, representing 3,000 more businesses.



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

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

The sectors to have seen the largest number of company insolvencies between December 2022 and November 2023 continue to be the Construction sector (4,370), Wholesale & Retail sector (3,935) and Accommodation & Food Service sector (3,702). Levels exceed those seen for the same period the previous year with the Construction sector 7% higher, Wholesale & Retail sector 25% higher, and Accommodation & Food Service sector 42% higher than levels seen a year earlier. This can be attributed to higher commodity costs, higher energy costs, higher wage 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

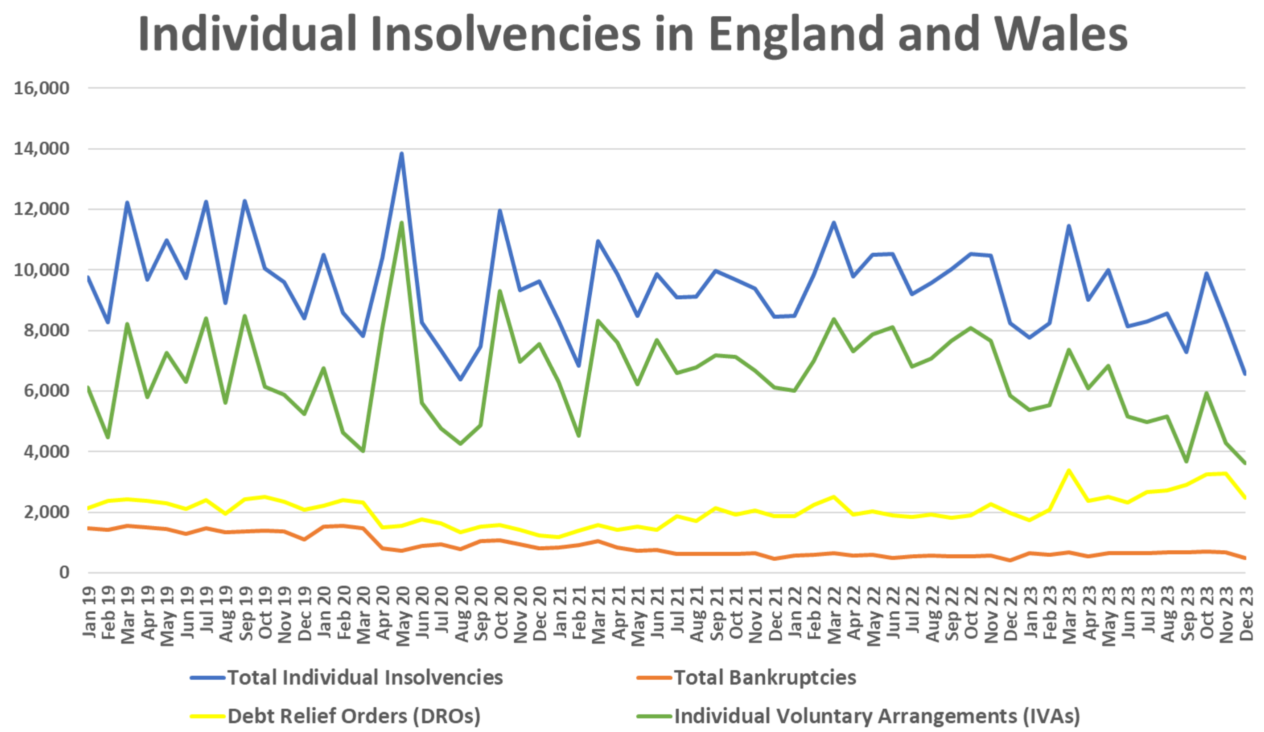
There were **6,584 total individual insolvencies in December 2023**, which was 20% lower than in December 2022, and 32% lower than in December 2020.

For individuals, **496 bankruptcies were registered in December 2023**, which was 22% higher than in December 2022, but 40% lower than in December 2020.

There were **2,472 Debt Relief Orders (DROs) in December 2023**, which was 25% higher than in December 2022, and 99% higher than in December 2020.

There were, on average, **3,616 Individual Voluntary Arrangements (IVAs)** registered in December 2023, which is 38% lower than December 2022, and 52% lower than December 2020.

Total Individual Insolvencies between January 2023 and December 2023 are 13% lower than the same period a year earlier, representing a decrease of 15,300.



Sources: Insolvency Service

There were **5,769 Breathing Space registrations in December 2023, which is 15% higher than the number registered in December 2022**. Of these, 5,657 were Standard Breathing Space registrations, which is 15% higher than in December 2022, and 112 were Mental Health Breathing Space registrations, which is 4% lower than the number in December 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: December 2023

Area	Claimant Count Rate (December 2022)	Claimant Count Rate (November 2023)	Claimant Count Rate[1] (December 2023)	Number of Claimants (December 2023)	Monthly Change in Claimants (Numbers)	Monthly Change in Claimants (%)	Change in Claimants since March 2020 (Numbers)	Change in Claimants since March 2020 (%)
England	3.7	3.7	3.8	1,353,295	20,420	1.5%	289,790	27.2%
West Midlands	4.8	4.8	4.9	178,680	2,155	1.2%	34,330	23.8%
SSLEP	3.3	3.4	3.5	23,965	540	2.3%	4,595	23.7%
Birmingham	8.2	8.5	8.6	63,725	1,185	1.9%	14,355	29.1%
Wolverhampton	7.4	7.2	7.2	11,895	-20	-0.2%	1,515	14.6%
Sandwell	6.2	6.1	6.2	13,385	105	0.8%	2,605	24.2%
Coventry	5.2	5.4	5.5	12,245	50	0.4%	4,245	53.1%
Stoke-on-Trent	5.2	5.4	5.5	8,800	140	1.6%	1,480	20.2%
Walsall	5.4	5.4	5.5	9,525	80	0.8%	920	10.7%
Dudley	4.7	4.6	4.6	9,085	100	1.1%	570	6.7%
Telford and Wrekin	3.4	3.4	3.4	4,000	35	0.9%	570	16.6%
Solihull	3.1	3.2	3.2	4,110	25	0.6%	460	12.6%
Worcestershire	3.1	2.9	3.0	10,725	70	0.7%	2,420	29.1%
Staffordshire	2.7	2.8	2.8	15,165	405	2.7%	3,115	25.9%
Warwickshire	2.6	2.5	2.5	9,220	-130	-1.4%	1,390	17.8%
Herefordshire, County of	2.3	2.3	2.4	2,605	130	5.3%	495	23.5%
Shropshire	2.4	2.2	2.2	4,195	-20	-0.5%	185	4.6%
Tamworth	3.3	3.4	3.5	1,730	90	5.5%	240	16.1%
Cannock Chase	3.2	3.3	3.4	2,105	35	1.7%	450	27.2%
East Staffordshire	2.9	3.3	3.4	2,620	80	3.1%	900	52.3%
Newcastle-under-Lyme	2.9	3.0	3.1	2,330	20	0.9%	350	17.7%
South Staffordshire	2.6	2.6	2.6	1,715	40	2.4%	405	30.9%
Stafford	2.5	2.5	2.5	2,045	20	1.0%	390	23.6%
Lichfield	2.4	2.2	2.3	1,460	40	2.8%	140	10.6%
Staffordshire Moorlands	1.9	1.9	2.1	1,155	75	6.9%	235	25.5%

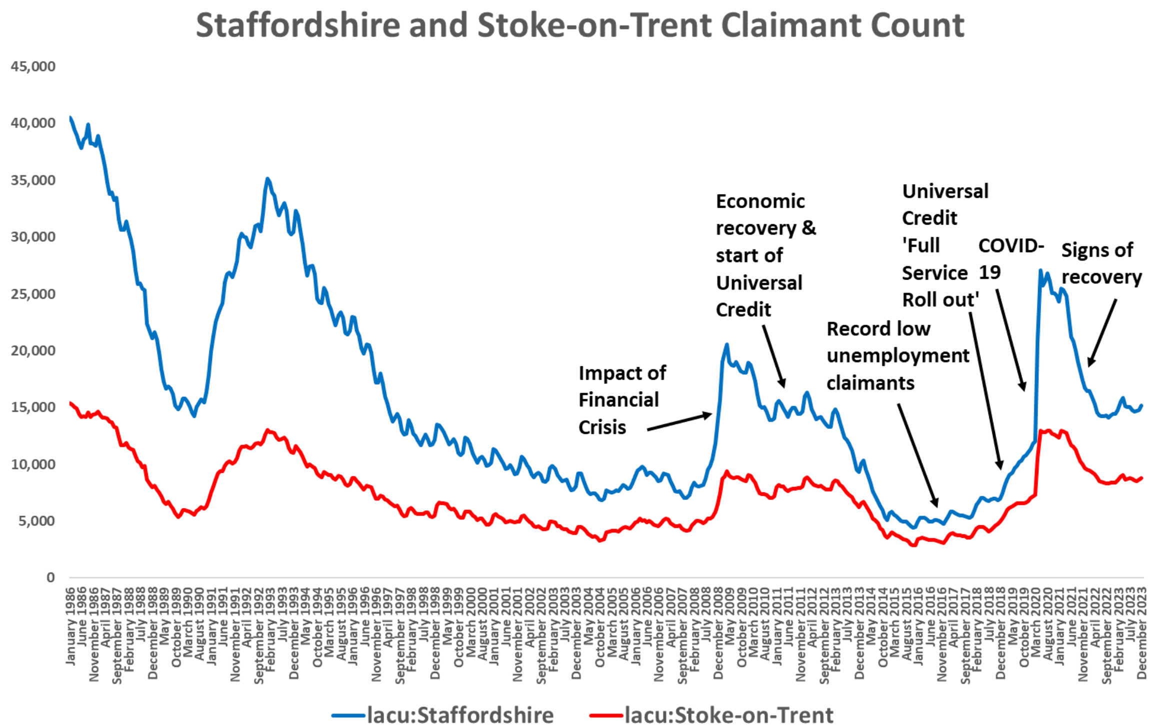
[1] The claimant rate is the proportion of the working age population claiming Universal Credit

- The claimant count in Staffordshire saw an **increase of 405 claimants in December**, with the **total number now at 15,165**.
- 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 140 claimants** over the same period with **a total of 8,800 claimants in December**, with the **rate increasing from 5.4% to 5.5%.**
- Whilst there was a higher proportional increase this month in Staffordshire of 2.7% than seen nationally (1.5%) or regionally (1.2%), **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.

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

- **Demand for labour remains high with the number of vacancies still above pre-pandemic levels and there is currently estimated to be 0.9 job vacancies available for every claimant within the county.** Therefore, our focus continues to be to support those that unfortunately find themselves unemployed, to transition into work.

- **The total number of Universal Credit (UC) claimants in Staffordshire is 26% or 3,115 higher than the level seen in March 2020 (pre-COVID)**, which is largely in-line with the 27% increase seen nationally and 24% 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 4.9% regionally and 3.8% nationally. In Stoke-on-Trent, the Claimant Count remains above both the regional and national averages at 5.5%.**

- This month there were increases in the claimant count across all the districts in Staffordshire.

- Tamworth has the highest claimant rate at 3.5%, and Staffordshire Moorlands has the lowest at 2.1%. 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 a decrease of 25 claimants with a total of 2,860 young people**.

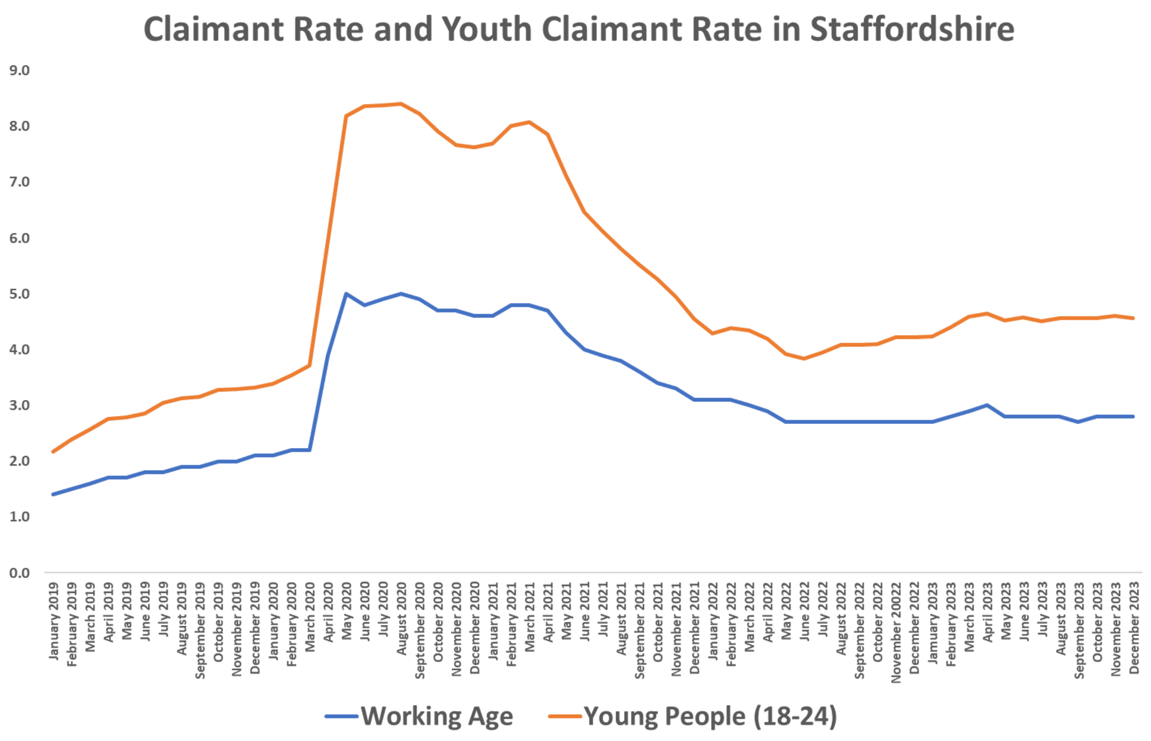
- **The proportion of young people in Staffordshire aged 18-24 that are claiming work-related Universal Credit remained unchanged at 4.6% this month.** This is lower than the national rate of 5.1% and far lower than the regional rate of 6.8%, both of which remained unchanged this month.

- This month, **Stoke-on-Trent saw an increase of 15 claimants to a total of 1,725 claimants with the rate remaining unchanged at 7.6% this month.**

Youth Claimant Count (Universal Credit) Statistics: December 2023

Area	Youth Claimant Count Rate (December 2022)	Youth Claimant Count Rate (November 2023)	Youth Claimant Count Rate[1] (December 2023)	Number of Youth Claimants (December 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	4.7	5.1	5.1	238,520	360	0.2%	40,790	20.6%
West Midlands	6.2	6.8	6.8	34,365	105	0.3%	6,460	23.1%
SSLEP	5.0	5.4	5.4	4,585	-5	-0.1%	765	20.0%
Wolverhampton	10.0	10.8	10.8	2,305	5	0.2%	395	20.7%
Birmingham	8.3	9.3	9.4	12,155	130	1.1%	3,050	33.5%
Sandwell	8.8	9.4	9.3	2,670	-10	-0.4%	555	26.2%
Walsall	8.2	9.1	9.2	2,085	35	1.7%	170	8.9%
Dudley	7.4	7.7	7.8	1,845	25	1.4%	95	5.4%
Stoke-on-Trent	7.0	7.6	7.6	1,725	15	0.9%	320	22.8%
Telford and Wrekin	5.7	5.8	5.6	840	-30	-3.4%	80	10.5%
Solihull	5.0	5.5	5.4	810	-20	-2.4%	-15	-1.8%
Coventry	4.7	5.1	5.2	2,245	55	2.5%	710	46.3%
Worcestershire	4.6	4.8	4.7	1,955	-35	-1.8%	360	22.6%
Staffordshire	4.2	4.6	4.6	2,860	-25	-0.9%	445	18.4%
Herefordshire, County of	3.3	3.8	3.9	455	10	2.2%	40	9.6%
Warwickshire	3.6	3.9	3.7	1,675	-65	-3.7%	340	25.5%
Shropshire	3.4	3.3	3.4	740	10	1.4%	-85	-10.3%
Cannock Chase	5.9	6.3	6.4	455	10	2.2%	90	24.7%
Tamworth	5.8	6.0	6.3	360	15	4.3%	65	22.0%
East Staffordshire	4.0	5.1	4.9	440	-15	-3.3%	120	37.5%
South Staffordshire	4.6	4.6	4.6	345	0	0.0%	95	38.0%
Stafford	4.3	4.3	4.2	360	-15	-4.0%	45	14.3%
Newcastle-under-Lyme	3.4	4.1	4.0	475	-10	-2.1%	50	11.8%
Lichfield	3.8	3.7	3.6	255	-5	-1.9%	-15	-5.6%
Staffordshire Moorlands	2.5	3.0	3.0	175	0	0.0%	0	0.0%

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



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

- Cannock Chase has the highest rate at 6.4%, whilst Staffordshire Moorlands has the lowest rate at 3.0%. Newcastle-under-Lyme and Cannock Chase have the highest number of youth claimants at 475 and 455 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

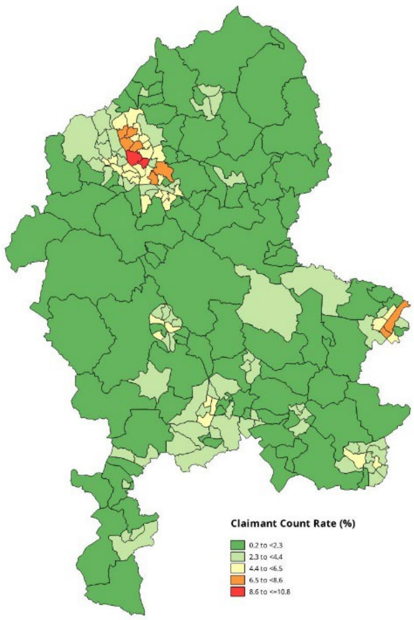
The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

Claimant Count Rate December 2023

Of the 201 wards in Staffordshire & Stoke-on-Trent, 58 were above the England average of 3.8% for the number of claimants as a proportion of the working age population.

Within the twenty highest claimant count rate wards, fifteen were in Stoke-on-Trent with Joiner's Square: 10.8%/495; Etruria & Hanley: 8.9%/480; Moorcroft: 8.3%/310; Tunstall: 8.2%/345; Burslem Central: 7.4%/335 total claimants.

In Staffordshire, four wards were in East Staffordshire with the highest claimant count rates in Burton: 7.2%/220; Anglesey: 6.5%/355; Shobnall: 6.2%/335; Eton Park: 5.7%/280; and Cannock South (Cannock Chase): 5.7%/310 total claimants.

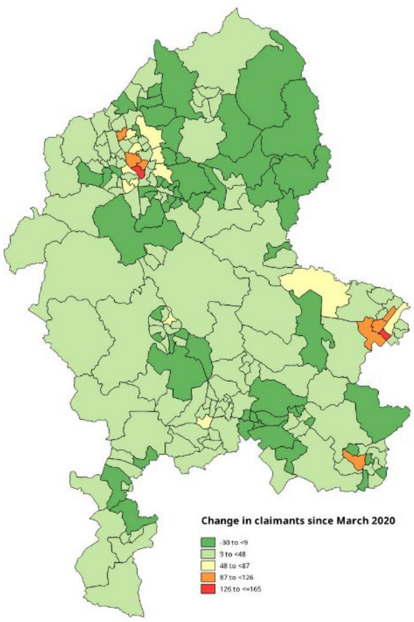


Staffordshire County Council

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 five in Stoke-on-Trent including Hanley Park & Shelton (130 increase to 315); Etruria & Hanley (125 increase to 480); Joiner's Square (120 increase to 495); Tunstall (95 increase to 345); Bentilee & Ubberley (85 increase to 485).

Of the remaining five wards in the top ten, four were in East Staffordshire including Anglesey with a 165 increase to 355 claimants; Shobnall with a 125 increase to 335 claimants; Branston with a 110 increase to 185 claimants; Eton Park with a 100 increase to 280 claimants; and Castle (Tamworth) with a 100 increase to 245.



Staffordshire County Council

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

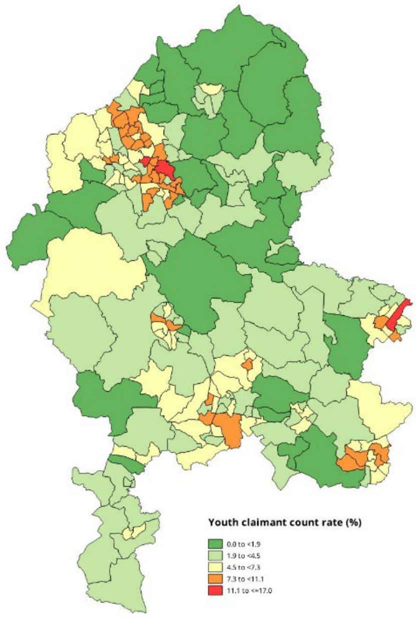
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

Youth Claimant Count Rate December 2023

Of the 201 wards in Staffordshire & Stoke-on-Trent, 82 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, six were in Stoke-on-Trent including Joiner's Square: 17%/130; Bentilee & Ubberley: 11.1%/100; Tunstall 10.5%/65; Abbey Hulton & Townsend: 10.2%/80; Meir North: 9.9%/55; Little Chell & Stanfield: 9.8%/65 total youth claimants.

In Staffordshire, the four wards with the highest claimant count rates were Burton (East Staffordshire): 13%/50; Cannock North (Cannock Chase): 10.3%/55; Cannock South (Cannock Chase): 10%/65; Doxey & Castletown (Stafford): 10%/30 total youth claimants.

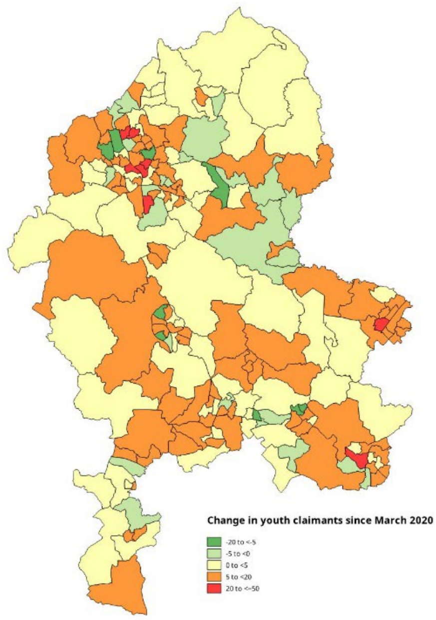


Staffordshire County Council

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, seven were in Stoke-on-Trent including Hanley Park & Shelton (50 increase to 80); Joiner's Square (30 increase to 130); Little Chell & Stanfield (25 increase to 65); Tunstall (25 increase to 65); Burton West & Newstead (20 increase to 55).

In Staffordshire, the three wards with the highest change in the number of youth claimants since March 2020, were Castle (Tamworth) with a rise of 30 to 45; Shobnall (East Staffordshire) with a rise of 25 to 65; Branston (East Staffordshire) with a rise of 15 to 30 total youth claimants.



Staffordshire County Council

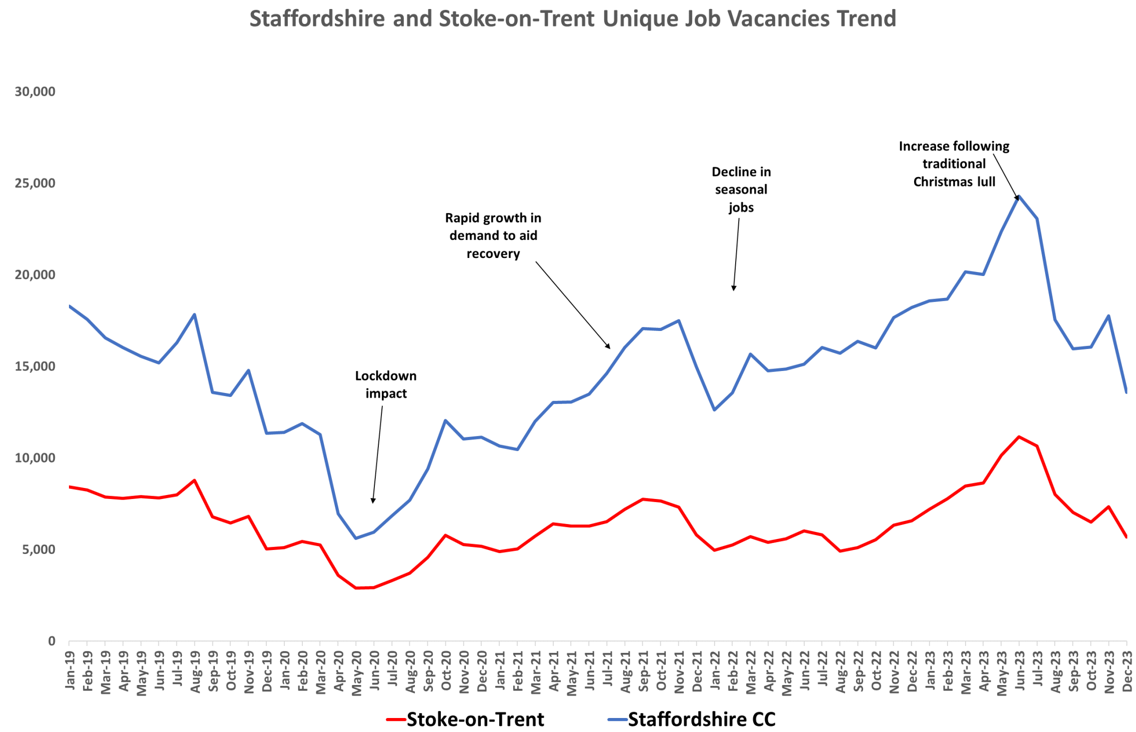
Job Vacancies[3]

- **Staffordshire saw a 24% decrease in the number of available job vacancies between November and December with a total of 13,600[4]. This is now lower than the number of work-related benefit claimants.**

- **Stoke-on-Trent saw a 22% decrease in job vacancies to a total of 5,700 which is lower than the number of claimants.**

- **Across the region in the last month there was a 25% decrease, and nationally there was a 23% decrease in job vacancies. Therefore, Staffordshire is broadly in line with decreases seen both regionally and nationally.**

- In December there has also 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 25% lower, whilst Stoke-on-Trent decreased 13%. The chart below indicates a declining trend overall from July this year indicating a slowdown in the jobs market as a result of business sectors delaying recruitment due to increased costs and uncertainty in the economy. Additionally, the seasonal impact at this time of year will also be attributable to the decline in job vacancies this month. Overall, though the outlook remains positive and recruitment demand is strong with new job postings higher than pre-pandemic levels with Staffordshire job vacancies 14% higher and Stoke-on-Trent 5% 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

- All of the occupational groups saw a decrease in vacancies during December, with 'Elementary' occupations seeing the largest decrease of 30% whilst 'Caring, Leisure and Other Service' occupations saw the smallest decrease of 12%.

- The occupations to see the most significant increases during December include **Authors, Writers & Translators; Teaching Assistants; Dental Nurses; Speech & Language Therapists; Youth & Community Workers; Clergy; Higher Education Teaching Professionals; Early Education & Childcare Assistants; Dispensing Opticians; Social Services Managers and Directors.**

Annual Trends in job vacancies

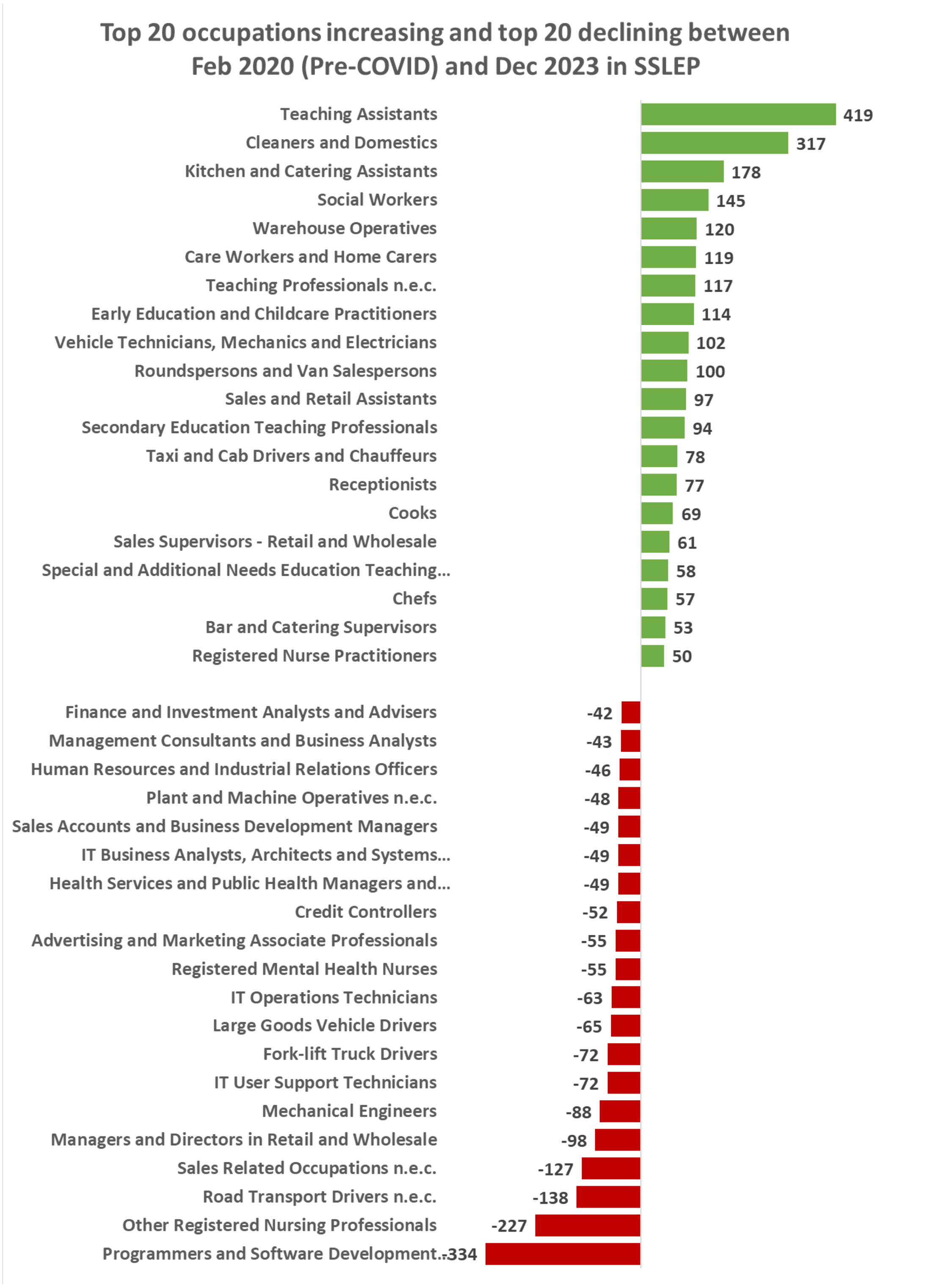
- The occupations to see the largest year-on-year increases include Education (Teaching Assistants; Secondary Education Teaching Professionals; Higher Level Teaching Assistants; Special & Additional Needs Teaching Professionals), Logistics (Large Goods Vehicle Drivers), Construction (Quantity Surveyors), Authors, Writers & Translators, Manufacturing (Production Managers & Directors), Science, Engineering & Production Technicians, Clergy, Childcare (Early Education & Childcare Practitioners), Transport (Taxi & Cab Drivers & Chauffeurs), Dispensing Opticians, Motor Trade (Vehicle Technicians, Mechanics & Electricians; Garage Managers & Proprietors), cross sector business roles (Taxation experts), Youth Work Professionals, Energy Plant Operatives, Wholesale & Retail sector (Merchandisers), Probation Officers, Gardeners & Landscape Gardeners.

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:

  - **Education** (Teaching Assistants; Teaching Professionals; Secondary Education Teaching Professionals; Special & Additional Needs Education & Teaching Professionals)
  - **Housekeepers & related occupations** (Cleaners & Domestics)
  - **Hospitality** (Kitchen and Catering Assistants; Cooks; Chefs; Bar & Catering Supervisors)
  - **Health and Social Care** (Social Workers; Care Workers and Home Carers; Registered Nurse Practitioners)
  - **Logistics** (Warehouse operatives; Roundspersons & Van Salespersons)
  - **Childcare** (Early Education & Childcare Practitioners)
  - **Motor Trade** (Vehicle Technicians, Mechanics and Electricians)
  - **Retail & Wholesale** (Sales & Retail Assistants; Sales Supervisors)
  - **Cross sector business roles** (Receptionists)
  - **Transport** (Taxi & Cab Drivers & Chauffeurs)

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,' 'Teaching Assistants,' and 'Cleaners & Domestics' also have strong demand.**

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

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

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

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

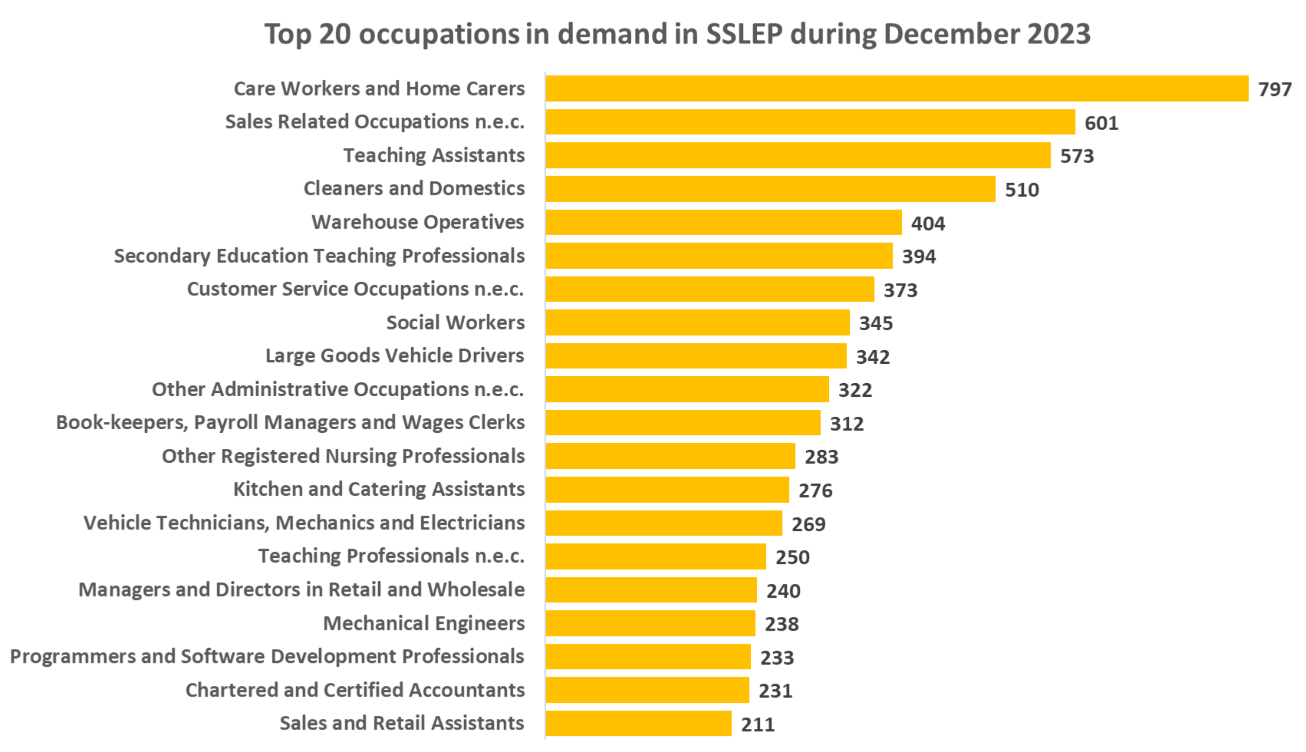
- In the Hospitality sector, **'Kitchen and Catering Assistants' remain the roles most in demand.**

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

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

- In the Manufacturing sector **'Mechanical Engineers'** are most in demand.

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



- 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.

Notes

Claimant Count and ILO Unemployment Definitions

The Claimant Count is a measure of the number of working aged 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.