Staffordshire & Stoke-on-Trent Economic Bulletin

Issue 43 – March 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**, as seen nationally, 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 855 this month to a total of 15,910 claimants.** This month has also seen significant increases both regionally and nationally.
- **The claimant rate for Staffordshire has increased this month from 2.8% to 3.0%** 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 5.0% which increased from 4.8%, and lower than the average for England at 3.9% which increased from 3.8%.
- This month has seen an **increase of 140 claimants in the youth claimant count in Staffordshire with a total of 3,020 young people**. The proportion of young people in Staffordshire aged 18-24 that are claiming work-related Universal Credit increased from 4.6% to 4.8% this month. This is however lower than the national rate of 5.3% which increased from 5.1% this month, and far lower than the regional rate of 7.1% which increased from 6.8% this month. Our focus continues to be to engage with our younger residents and support them to find employment or continue in education and training.
- The increases in claimants in Staffordshire, regionally and nationally is reflective of the challenging economic conditions businesses continue to operate in across the country and will in part be due to some seasonal jobs coming to an end. We will continue to support those residents that unfortunately find themselves out of work to access employment through our partnership working and dedicated Jobs Brokerage service.
- Positively, for those residents out of work, **demand for labour remains high with the number of vacancies still above pre-pandemic levels and there is currently**

estimated to be close to one job vacancy available for every claimant within the county.

- **Staffordshire saw a 6.6% increase in the number of available job vacancies between January and February to a total of 15,400. This is lower than the number of work-related benefit claimants. Stoke-on-Trent saw a 2.9% increase in job vacancies to a total of 6,320 which is also lower than the number of claimants. Across the region in the last month there was a 3.4% increase, and nationally there was a 5.6% increase in job vacancies. Therefore, Staffordshire is above with increases seen both regionally and nationally.** The increase this month in the number of job vacancies is positive given the increase in benefit claimants we are currently witnessing.
- 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 'Teaching Assistants', also have strong demand.**
- There is **strong demand for 'Customer Service', 'Administrative', 'Bookkeepers, Payroll Managers & Wages Clerks', and 'Chartered & Certified Accountants',** across business sectors to support business in their recovery, survival, and new methods of working.
- The Logistics sector continues to have high demand for **'Warehouse Operatives', 'Large Goods Vehicle Drivers', and 'Fork-lift Truck Drivers'.**
- There is high demand in the Health and Social Care sector for **'Social Workers',** and **'Registered Nursing Professionals'.**
- In the Education sector there is particularly high demand for **'Secondary Education Teaching Professionals' and 'Teaching 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.
- In the Manufacturing sector **'Plant & Machine Operatives'** are most in demand.
- Demand for **'Managers & Directors in Retail & Wholesale'** in the Retail and Wholesale sector remain strong.
- 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 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.

- 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 announcement by Pets At Home in Stafford creating over 750 new jobs.
- In conclusion, **although the economy entered a recession late last year, there are signs of improvement with cost-of-living pressures easing, interest rates predicted to fall later this year, and a high level of employment. However, the economic climate continues to be challenging for businesses and households alike with increased commodity and wage costs, supply-chain constraints and interest rates continuing to affect the economy. We will continue to support our residents into work and ensure that Staffordshire has the strong workforce it needs to grow the economy.**

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.
- **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.
- **Want to work for yourself but not sure where to start**? Now free to access support is offered by Staffordshire Chambers of Commerce, working with Staffordshire

County Council and East Staffordshire Borough Council. They've launched the Working for Yourself programme which will give you an introduction to what is involved in starting and running your own businesses in Staffordshire. Two half-day, face to face workshops will cover confidence building, skills set and work/life balance as well as start-up basics and financial management. **Get in touch to find out more on 01782 202222 or start@staffordshirechambers.co.uk**

- The Chancellor announced yesterday a significant funding package for Research and Development and manufacturing projects across the life sciences, automotive and aerospace sectors. As part of this announcement, the Chancellor set out further details of the **£50m Apprenticeships Growth Pilot**. £360 million to boost British manufacturing and R&D - GOV.UK (www.gov.uk)

  The Growth Pilot (£25m in 24/25 and in 25/26) was first announced in the November Autumn Statement. It will pilot new ways to stimulate the supply of apprenticeships in growth sectors. Through the pilot, we will support eligible providers with an additional payment of £3,000 per start for delivery of 13 key in-demand standards in three growth sectors: advanced manufacturing and engineering; green; and life sciences. The standards in scope include:

  - Electrical Power Networks Engineer
  - Machining Technician
  - Pipe Welder
  - Plate Welder
  - Process Leader
  - Nuclear Technician
  - Water Environment Worker
  - Corporate Responsibility and Sustainability Practitioner
  - Construction Design and Build Technician
  - Construction Support Technician
  - Surveying Technician
  - Science Manufacturing Technician
  - Laboratory Technician

  These standards have been selected based on feedback from stakeholders; evidence of skills shortages; and information about where there are currently moderate starts volumes (indicating that there is a case to stimulate growth, but also a reasonable base from which to grow starts). DfE will keep this initial selection under review, and might add or remove standards as the pilot develops and evidence or priorities emerge.

  Funding will be available to incentivise providers to grow training capacity, allowing them to overcome barriers to capital investment which stakeholders told us can be higher in the sectors selected to be the focus of this pilot. The funding will allow providers to invest in equipment, machinery, and capital requirements beyond what current funding rules allow. If you have any questions, please contact apprenticeship.strategy@education.gov.uk.

- Staffordshire County Council and partners are calling on the government to invest £3 million into further developing a project to create highly skilled jobs and better transport links along the **A50/500 route** over the next three years. Read more

- A traditional ground breaking ceremony has taken place to mark the first official day of construction of the brand new **Stoke-on-Trent and Staffordshire Institute of Technology**. It will welcome its first learners in September 2025. Read more
- The **Stoke-on-Trent & Staffordshire Careers Hub have unveiled its latest initiative, which seeks to provide groups of students with valuable work experience**. Businesses have the chance to inspire students to consider a career within their sector through meaningful, half day experiences. Read more

National Context

- This month we heard that the **Prime Minister has ruled out holding a general election on the same day as local elections on 2 May** and stated that it would be in the **"second half" of the year**.
- The Chancellor, **Jeremy Hunt announced his latest budget**, with wide ranging measures announced including:

  Public debt, inflation and the economy
  - Office for Budget Responsibility predicts UK economy to grow by 0.8% this year and 1.9% next year
  - Growth of 2% predicted for 2026, with 1.8% in 2027 and 1.7% in 2028
  - UK's inflation rate forecast to fall below 2% target by the end of June, falling to 1.5% next year
  - Public debt, excluding Bank of England debt, forecast to be 91.7% of GDP this year, rising to 92.8% next year
  - Overall day-to-day government spending to grow by 1% in real terms over next five years
  - NHS budget to go up £2.5bn next year; the service will also get £3.4bn up to 2030 to improve productivity

  Business and investment
  - Threshold at which small businesses must register to pay VAT raised from £85,000 to £90,000 from April
  - Covid-era government loan scheme for small businesses extended until March 2026
  - Tax reliefs for touring and orchestral productions, which had to been due to end in March 2025, made permanent

  Taxation
  - National Insurance cut by 2p in the pound for employees and the self-employed
  - The salary thresholds at which people start paying income tax and national insurance remain frozen - meaning people will pay more tax as their incomes rise, a process called fiscal drag.
  - Non-dom tax regime, for UK residents whose permanent home is overseas, to be replaced with new rules from April 2025
  - £5,000 UK ISA tax allowance for savers investing in "UK-focused" shares - to be set up following a consultation

  Benefits and income support
  - Full child benefits to be paid to households where highest-earning parent earns up to £60,000 - the current limit is £50,000
  - Partial child benefit to be paid where highest earner earns up to £80,000
  - Longer repayment period for people on benefits taking out emergency budgeting loans from the government
  - Government fund for people struggling with cost of living pressures to continue for another six months

- £90 admin fee to obtain a debt relief order scrapped

Transport and energy

- Fuel duty frozen again, with the 5p cut in fuel duty on petrol and diesel, due to end later this month, kept for another year
- "Windfall" tax on the profits of energy firms, which had been scheduled to end in March 2028, extended until 2029
- Air passenger duty, the tax paid on flights, to go up for business class tickets
- £160m deal for UK government to purchase site of planned Wylfa nuclear site in north Wales
- A further £120m for a government fund that invests in green energy projects

Housing

- Higher rate of tax paid on profits from selling property cut from 28% to 24%
- Tax breaks for owners of holiday let properties scrapped
- Stamp duty tax break when purchasing multiple properties in England or Northern Ireland to end in June

Cigarettes, vapes and alcohol

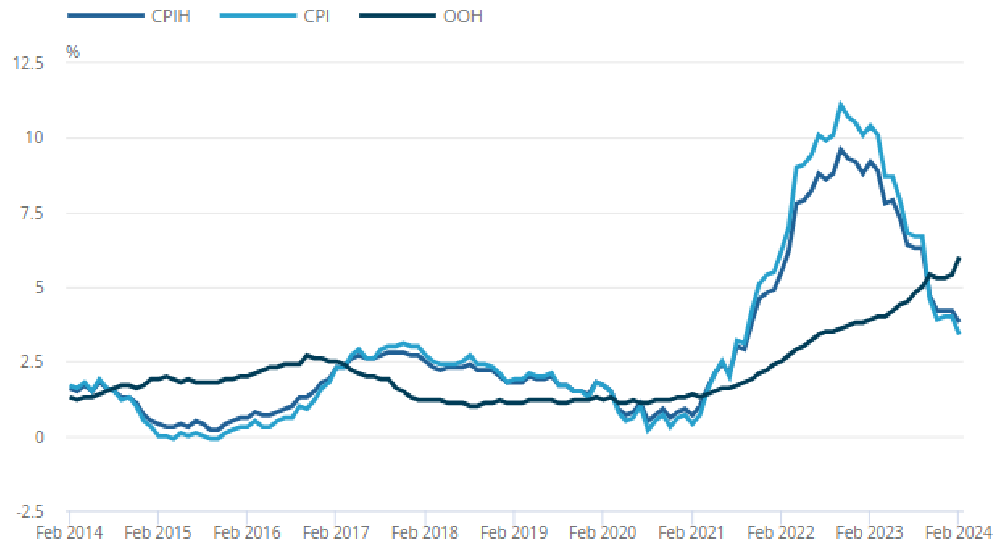
- Freeze on alcohol duty, which had been due to end in August, to continue until February 2025
- New tax on vaping products from October 2026, linked to the levels of nicotine
- Tobacco duty to go up £2.00 per 100 cigarettes at same time, to ensure vaping remains cheaper.

Cost of Living

- **The UK's inflation rate rose by 3.4 per cent in the 12 months to February 2024, down from 4.0 per cent in January.** This was the lowest level in almost two and a half years with food and non-alcoholic drinks, cafes and restaurant prices driving the fall, but alcohol, tobacco, clothing and footwear prices also eased. However, housing and fuel prices continued to rise rapidly.

Figure 1: Annual CPIH and CPI inflation rates lowest since autumn 2021

CPIH, OOH component and CPI annual inflation rates for the last 10 years, UK, February 2014 to February 2024



Source: Consumer price inflation from the Office for National Statistics

- It is a real positive that **food prices have fallen this month for the first time since September**, providing a further signal that inflationary pressures in the economy will continue to ease this year. Food prices fell by 0.1 per cent over the month to February, according to the British Retail Consortium and NielsenIQ's latest shop prices inflation index. On an annual basis, food inflation fell to 5 per cent from 6.1 per cent in January, the lowest point since May 2022.
- **The typical energy bill will fall to £1,690 from April the lowest for two years**, under the new price cap set by the regulator Ofgem. It means a fall of £238 for a household using a typical amount of energy, but campaigners said bills are still high and many will struggle to pay.
- To support those households struggling with the cost of living it is good news that as part of the Spring budget it was announced that the **Household Support Fund would be extended for six-months**. However, the LGA has stated that the fact it is "only for a short period" was "disappointing", with "Three-quarters of councils expect hardship to increase further in their area over the next 12 months. The LGA are pushing for the Government to use the next six months to agree a more sustainable successor to the HSF. Councils need certainty and consistent funding to efficiently maintain the staff, services and networks that help our most vulnerable residents. Without this, we risk more people falling into financial crisis as we head into winter."
- It is evident that although inflation is heading in the right direction there continues to be significant household debt issues, with the debt campaign group Debt for

Justice finding that there are a**lmost seven million people in Britain are in financial difficulty**. A survey found that 13 per cent of adults had missed three or more credit or bill payments in the last six months, a figure that rose to 29 per cent among 18- to 24-year-olds and a quarter of 25- to 34-year-olds.

- **Real pay growth continues as inflation continues to fall**. Annual growth in total earnings (including bonuses) in Great Britain was 5.6% in November 2023 to January 2024, and annual growth in employees' average regular earnings (excluding bonuses) was 6.1%. 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 1.4% in November 2023 to January 2024, and for regular pay rose on the year by 1.8%.

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)

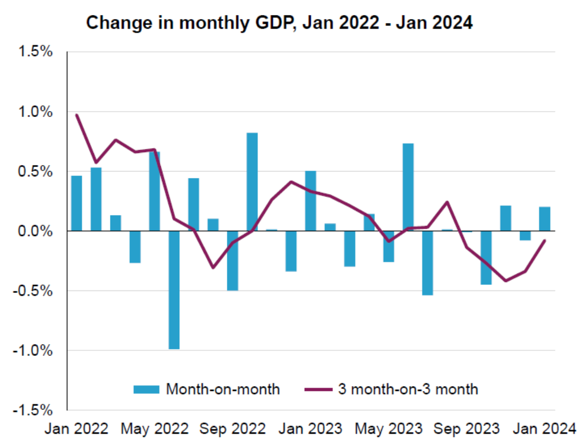
In recent periods, annual growth in both real total (including bonuses) and regular (excluding bonuses) earnings has risen on the year

Source: MWSS from ONS

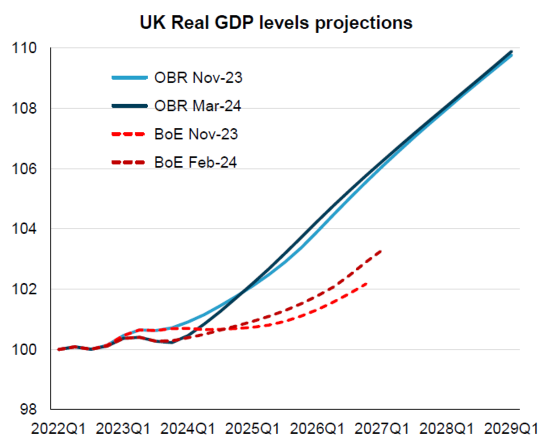
- **There still remain strikes over pay in important parts of the economy, including NHS consultants, junior doctors, and rail workers.** There were 203,000 working days lost because of labour disputes across the UK in January 2024. The health and social work industry showed the most working days lost this month.

Economy

- **The UK economy picked up in January, raising hopes it could be on its way out of recession.** The economy grew by 0.2%, boosted by sales in shops and online and more construction activity. On the quarter GDP was down 0.1%.
- The **Office for Budget Responsibility predicts UK economy to grow by 0.8% this year** and 1.9% next year. Followed by growth of 2% predicted for 2026, with 1.8% in 2027 and 1.7% in 2028.



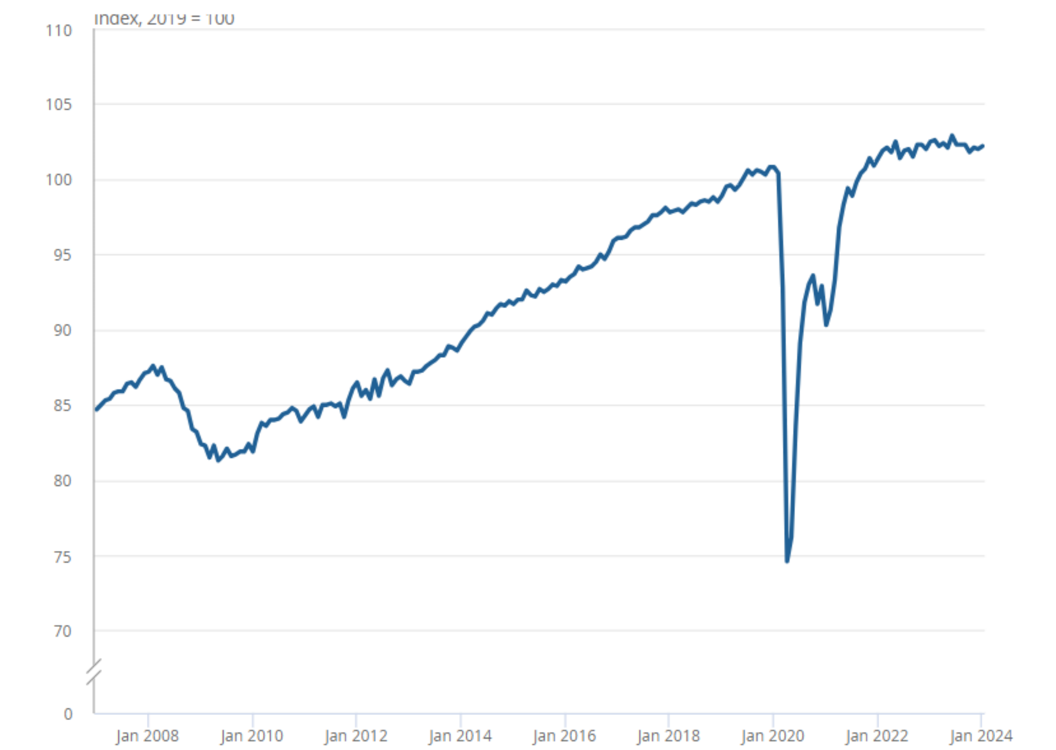
Source: ONS Monthly GDP



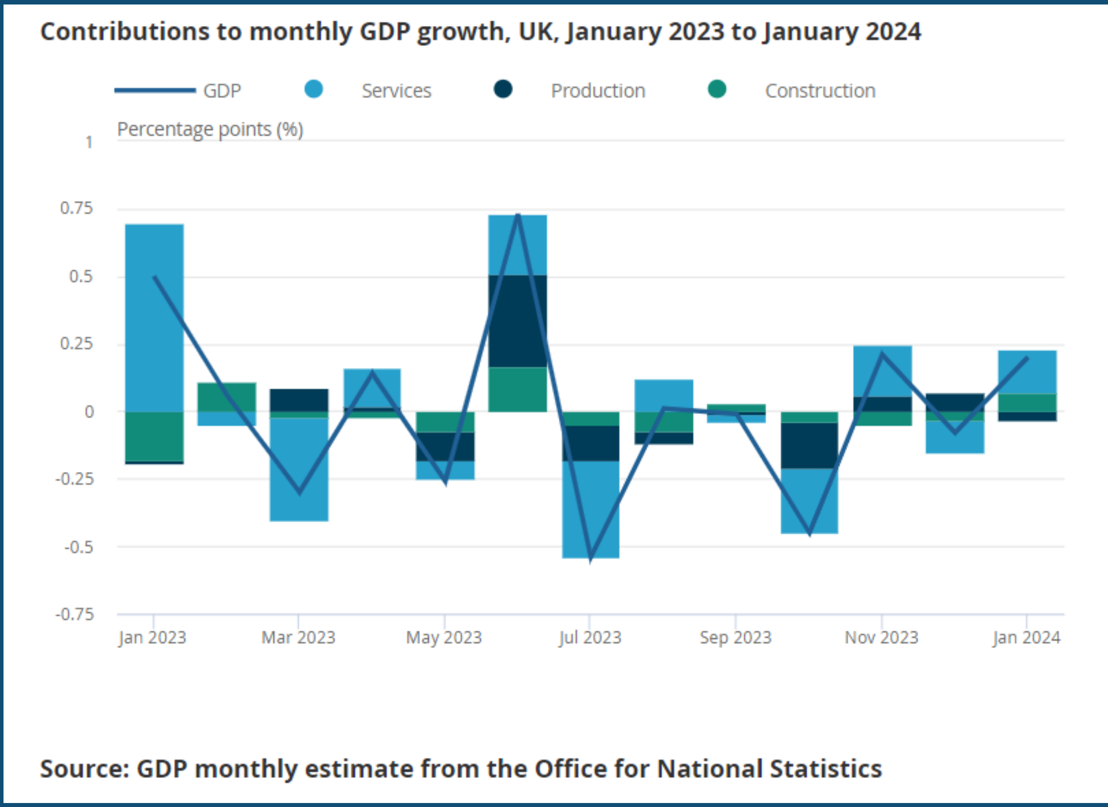
Source: OBR *Economic and Fiscal Outlooks*, Bank of England *Monetary Policy Reports* **Note:** Q1 2022 = 100

- **Services** output grew by 0.2% in January 2024 and was the largest contributor to the rise in GDP, but in the three months to January 2024 services output showed no growth.
- **Production** output fell by 0.2% in January 2024, and in the three months to January 2024 production output also fell by 0.2%.
- **Construction** output grew by 1.1% in January 2024, but in the three months to January 2024 construction output fell by 0.9%.

GDP Monthly index, January 2007 to January 2024, UK

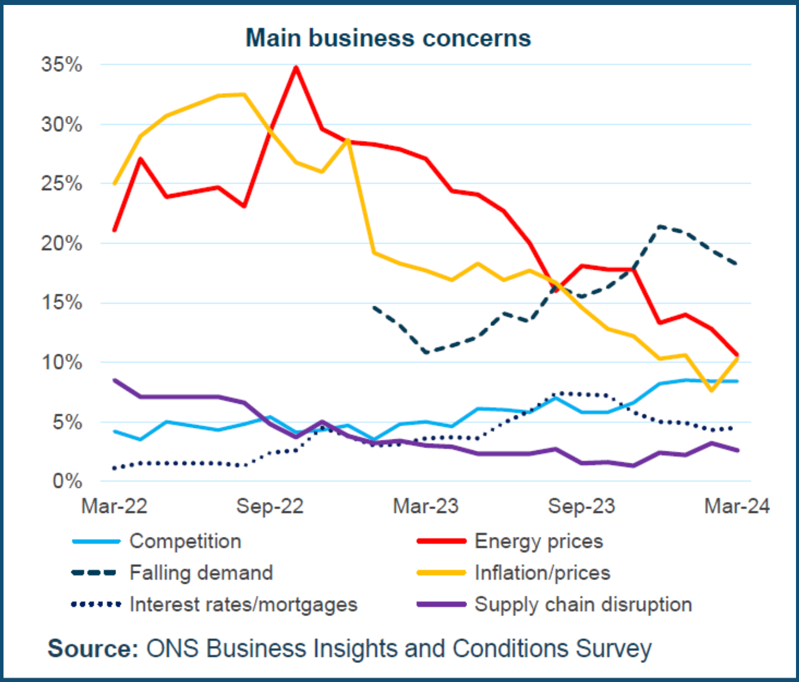


Source: GDP monthly estimate from the Office for National Statistics



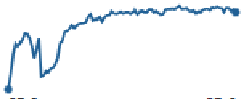
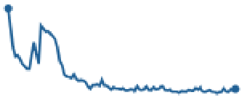
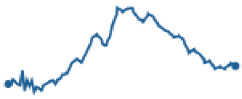
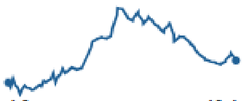
Business Conditions

- We are aware that there are still **many businesses struggling 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**.
- However, there are **signs that the business environment is improving with a number of key indicators starting to head in the right direction** and it is important that we continue to support viable businesses through these challenging times to survive and then grow.



- The following charts show the latest results from Wave 104 of the **Business Insights and Conditions Survey (BICS)**, which was live from 4 March to 17 March 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	-0.9▼	-1▼	 **65.9** 15/06/2020 **93.9** 17/03/2024
Trading status Temporarily closed or paused trading Units	0.4▲	1▲	 **33.4** 15/06/2020 **4.0** 17/03/2024
Prices Prices bought increased Units	-1.3▼	-12.7▼	 **16.3** 01/06/2020 **24.3** 29/02/2024
Prices Prices sold increased Units	-1.8▼	-4.8▼	 **4.9** 01/06/2020 **10.4** 29/02/2024
Financial performance Turnover increased Units	0.2▲	-0.6▼	 **13.6** 01/03/2022 **15.8** 29/02/2024
Financial performance Turnover stayed the same Units	4.5▲	4.5▲	 **54.6** 01/03/2022 **54.5** 29/02/2024
Financial performance Turnover decreased Units	-4.5▼	-3.5▼	 **19.9** 01/03/2022 **21.5** 29/02/2024

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

- The proportion of trading businesses that reported a decrease in **turnover** fell from 26% in January 2024, to 22% in February 2024; in contrast, 55% reported that their turnover stayed the same, which is up 5 percentage points over the same period.
- When asked in early March 2024, one in five (20%) trading businesses **expect their turnover to increase** in April 2024, which is down 2 percentage points from expectations for March 2024.
- Since March 2022, the proportion of trading businesses reporting an **increase in the prices of goods or services bought** month on month has dropped by 26

percentage points, to 24%.

- Nearly one in five (18%) trading businesses **expect to raise the prices of goods or services that they sell** in April 2024, this is up 2 percentage points from expectations for March 2024, but down 6 percentage points on expectations for April 2023.
- Nearly half (47%) of trading businesses reported that they were **not considering raising prices in April 2024**, which is broadly stable with March 2024.
- Nearly one in five (18%) trading businesses reported that their **overall performance had decreased** in February 2024 compared with the same calendar month last year, which is down 4 percentage points from January 2024.
- **Business outlook is more optimistic as energy and inflation challenges ease, but demand and competition is a concern.**
- The latest business insolvencies data which shows that **in February 2024 there were a total of 2,102 company insolvencies in England and Wales, 17% higher than the number registered in the previous year (1,801 in February 2023), and 207% higher than the number registered three years previously: 685 in February 2021).** The main concern around company and individual insolvencies are associated issues such as mental health and homelessness.
- **There was a rise in new outlets opened by UK chains last year, dominated by coffee drive-throughs, bubble tea shops and fast food restaurants, mostly located outside city centres. But new figures show they were not enough to outweigh the places where chains shut up shop, with closures by Wilko, Lloyds pharmacy and Paperchase meaning a net decrease of 5,000 in stores across the UK.**
- **The Chancellor has given Britain's creative industries a boost, including tax relief to encourage film-makers to shoot more movies in the UK**. Eligible film studios in England will be able to get 40 per cent relief on their gross business rates until 2034, in a tax cut worth about £470 million over the next 10 years.

Labour Market

- In summary, the number of payrolled employees has continued to increase this month and is well above pre-pandemic levels. Over the last quarter employment has decreased and remains below pre-pandemic level, unemployment was largely unchanged on the quarter and is now below pre-pandemic level and economic inactivity increased during the last quarter and remains well 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 November 2023 to January 2024:

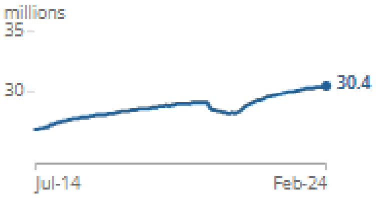
Payrolled employees

The number of payrolled employees

Monthly change: ▲ 20,000
Since Feb 2020: ▲1,333,000

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

Source: PAYE RTI from HMRC



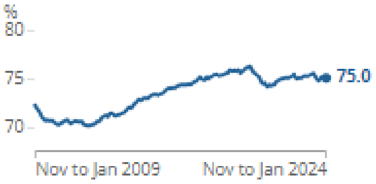
Employment rate

Employment rate (all aged 16 to 64)

Quarterly change: ▼-0.1pps
Since Dec-Feb 2020: ▼-1.2pps

The employment rate is down on the quarter and down on the year, and is still below pre-pandemic rates.
Note: Due to increased volatility of LFS estimates, resulting from smaller achieved sample sizes, estimates of quarterly change should be treated with additional caution.

Source: LFS from ONS



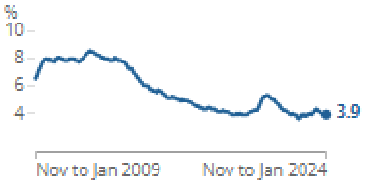
Unemployment rate

Unemployment rate (all aged 16+)

Quarterly change: ◀▶ 0.0pps
Since Dec-Feb 2020: ▼-0.1pps

The unemployment rate is unchanged on the quarter but up on the year, and below pre-pandemic rates.
Note: Due to increased volatility of LFS estimates, resulting from smaller achieved sample sizes, estimates of quarterly change should be treated with additional caution.

Source: LFS from ONS



Inactivity rate

Economic inactivity rate (all aged 16 to 64)

Quarterly change: ▲0.1pps
Since Dec-Feb 2020: ▲1.3pps

The economic inactivity rate is up on the quarter and on the year, and still above pre-pandemic rates.
Note: Due to increased volatility of LFS estimates, resulting from smaller achieved sample sizes, estimates of quarterly change should be treated with additional caution.

Source: LFS from ONS

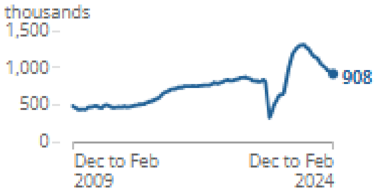
Job vacancies

Number of job vacancies

Quarterly change: ▼-43,000
Since Jan-Mar 2020: ▲107,000

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

Source: Vacancy Survey from ONS



- **Payrolled employees** in the UK rose by 15,000 (0.0%) between December 2023 and January 2024, and rose by 386,000 (1.3%) between January 2023 and January 2024. While the number of payrolled employees continues to increase, the rate of annual growth is decreasing.
- The early estimate of payrolled employees for February 2024 increased by 20,000 (0.1%) on the month and increased by 368,000 (1.2%) on the year to 30.4 million. The February 2024 estimate should be treated as a provisional estimate and is likely to be revised when more data are received next month.
- Increased volatility of Labour Force Survey estimates, resulting from smaller achieved sample sizes, means that estimates of quarterly change should be treated with additional caution, and the ONS recommend using them as part of their suite of labour market indicators, alongside workforce jobs, Claimant Count data, and Pay As You Earn Real Time Information estimates.
- In November 2023 to January 2024, the **UK employment** level (for those aged 16 years and over) is up on the year but down on the quarter.
- The **UK employment rate** (for those aged 16 to 64 years) was estimated at 75.0% in November 2023 to January 2024, below estimates of a year ago and down in the latest quarter.
- The **UK unemployment rate** (for those aged 16 years and over) was estimated at 3.9% in November 2023 to January 2024. The unemployment rate is above estimates of a year ago (November 2022 to January 2023) but largely unchanged on the latest quarter.
- The **number of working-age people outside of the jobs market has hit a post-pandemic high of 9.3 million**, an increase of 670,000 or about 8 per cent compared to the start of the current Parliament in 2019. Work and Pensions Secretary Mel Stride said a rise in long-term sickness is "one of the great labour challenges".
- The **UK economic inactivity rate** for those aged 16 to 64 years was 21.8%, above estimates of a year ago (November 2022 to January 2023) and increased in the latest quarter.
- **The head of the UK's tax and spending watchdog has warned of a "worrying" rise in economic inactivity driven by growing numbers of people claiming long-term sickness.** In its latest evaluation of the economy, the **Office for Budget Responsibility** said "the post-pandemic rise in economic inactivity is likely to prove more persistent than we previously thought" and believes that net migration to the UK will average 350,000 over the next five years, up from a prediction of 290,000 only a few months ago.
- **People in their early 20s are more likely to be not working due to ill health than those in their early 40s,** a report has found. The Resolution Foundation said this is "radically different" from the past, when the older you were the more likely you were to not work due to sickness, with official figures showing poor mental health among young people is on the rise.

- Data published by the Department for Work and Pensions has shown that at least **20,000 incapacity benefit claims are for mental health problems, making up more than two-thirds of the total claims**.
- The **UK Claimant Count** for February 2024 increased by 16,800 on the month and by 85,800 on the year to 1.585 million.
- In December 2023 to February 2024, the estimated number of **vacancies** in the UK fell by 43,000 on the quarter to 908,000. Vacancies fell on the quarter for the 20th consecutive period but are still above pre-coronavirus (COVID- 19) pandemic levels.

Green Economy

- **Efforts to make the UK resilient to the impacts of climate change fall "far short" of what is needed and that there was no credible plan, independent advisers have warned.** The **Climate Change Committee** says adapting the country to cope with climate change impacts, from flooding to drought, must be reflected in every decision and given priority in government, and receive more public funding. The LGA's environment spokesperson Cllr Darren Rodwell said polling showed just 5 per cent of the public felt prepared for the impacts of climate change and that they trusted their council most to lead the effort to prepare communities. He said: "We must be given the tools and funding needed to make that happen."
- **The UK spends less on low-carbon energy policy than any other major European economy, Greenpeace analysis has shown**. Spending on low-carbon measures for the three years from April 2020 to the end of April 2023 was about £26.2 billion in total for the UK, the lowest out of the top five European economies, according to an analysis by Greenpeace of data from the International Energy Agency.
- **As the UK economy has stagnated in recent years, the value of green industries like renewables, eco-friendly heating and energy storage is growing and will help unlock further cash for the UK, according to economists at the Confederation of British Industry (CBI).** They found that while Britain's GDP growth was stuck at around 0.1 per cent last year, its net zero economy grew by 9 per cent, and attracted billions of pounds in private investment. It argues private investment is key to unlocking growth.
- **The Government's scheme to increase the installation of heat pumps to replace gas boilers has been delayed until next year**. The Government has come under pressure from the gas boiler industry, it has been reported.
- **A report by the National Audit Office (NAO) has found that heat pump installations would need to accelerate 11-fold if the Government is to reach its target for 600,000 heat pumps installed in homes every year by 2028**.
- **Forty-two per cent of councils in the north of England do not have formal electric vehicle infrastructure plans, compared to 28 per cent in the south**, according to a study. The Society of Motor Manufacturers and Traders is calling for a "national plan, locally delivered, and backed by binding targets" to improve the

situation.

- **Southwark council have set up a crowdfunding scheme in order to raise 6 million to fund its climate-friendly projects and green upgrades**. The council will ask residents to re-invest their own money for a 4.6 per cent return over 5 years to fund the building of cycle hangars and green upgrades including LED lighting and for school and leisure centres. The council has said that its innovation has allowed it to 'stay in the black' amidst financial struggles for local government, and that is has received £50,000 since the launch on the 27th.

Housing

- **The competition regulator says that "significant intervention" is needed if Britain is to stand a chance of building itself out of the housing crisis**. Prompted by a request from Michael Gove, the housing secretary, the Competition and Markets Authority has been looking into Britain's largest housebuilders for the past year, an investigation set against the backdrop of a worsening housing crisis, with the delivery of new homes repeatedly falling short of requirements.
- **Investing billions in social housing would "save the taxpayer money" over the long term by cutting benefits payments and health costs, according to research by England's National Housing Federation and the charity Shelter**. The upfront cost of 11.8 billion to the Government of building 90,000 new social homes would be paid back within 11 years through savings on public services and extra tax revenue, according to the report published on Tuesday.
- **Towns within commuting distance of major cities have seen some of the biggest rent rises of the last three years, according to new research by property portal Zoopla**. The figures tracked the rise in rents for people looking for somewhere new to let in 65 cities and large towns in the UK, with working from home allowing some to rent bigger places further from cities.

Transport

- **The Government has outlined further details of how it would redirect funding from the cancelled northern legs of the HS2 rail line.** Around 4.7 billion from cancelling the high-speed routes is due to be handed to councils outside big cities in the Midlands and northern England, with councils responsible for allocating funds to specific projects, in line with government guidance.

Conclusion

- In conclusion, we have **seen inflation continue to ease and wage growth for many higher than prices rises** meaning that more people are seeing the impact of the cost-of-living reduce.
- The **UK economy returned to growth** and is hopefully heading out of recession and the OBR predict modest growth over 2024 and following years. Inflation is

expected to ease further leading to likely interest rate cuts later in the year of further benefit to economic recovery.

- **Business outlook is becoming more optimistic**, with energy and inflation challenges easing, but demand and competition remain a concern.
- **Labour market tightness continues to soften with unemployment low and real wages are higher**, however **employment remains down on pre-pandemic levels and concerningly economic inactivity has increased further** and is well above the levels seen prior to COVID.
- We need to **continue to support those still struggling with the cost-of-living and support viable businesses to survive and grow during these challenging economic conditions. By reducing the impact on our business base we can see faster recovery from the recession and return to economic growth to the benefit of all.**
- **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 February 2024, which shows the number of new companies and individuals who are unable to pay debts and enter a formal insolvency procedure.

Company Insolvencies

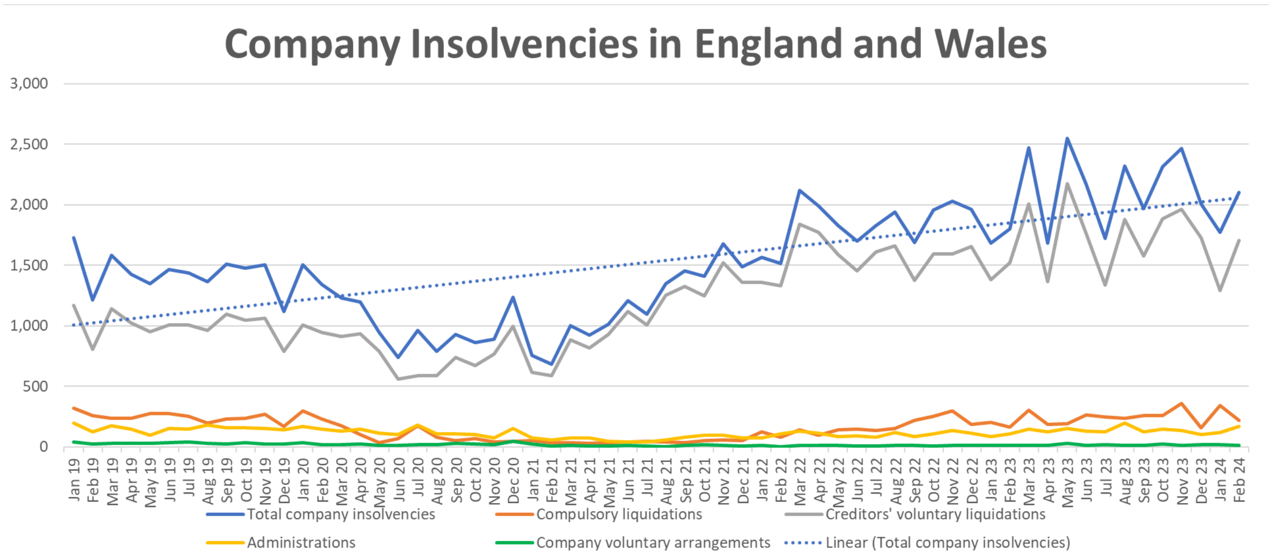
In February 2024 there were a total of 2,102 company insolvencies in England and Wales.

The overall number of **company insolvencies are 17% higher than the number registered in the previous year (1,801 in February 2023), and 207% higher than the number registered three years previously: 685 in February 2021).** 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 217 compulsory liquidations in February 2024, which is 35% higher than the number in February 2023, and 558% higher than in February 2021. 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 February 2024 there were 1,707 Creditors' Voluntary Liquidations (CVLs), 12% higher than February 2023, and 189% higher than February 2021. Numbers of administrations are higher than pandemic levels at 54% higher than February 2021, and Company Voluntary Arrangements (CVAs) are Higher than pandemic levels at 100% above February 2021 levels (but numbers are low).

Company insolvencies between March 2023 and February 2024 are 13% 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, February 2024 - GOV.UK (www.gov.uk)

The sectors to have seen the largest number of company insolvencies between February 2023 and January 2024 continue to be the Construction sector (4,381), Wholesale & Retail sector (3,908) and Accommodation & Food Service sector (3,740). Levels exceed those seen for the same period the previous year with the Construction sector 6% higher, Wholesale & Retail sector 17% higher, and Accommodation & Food Service sector 35% higher than levels seen a year earlier. This can be attributed to higher commodity costs, energy costs and 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

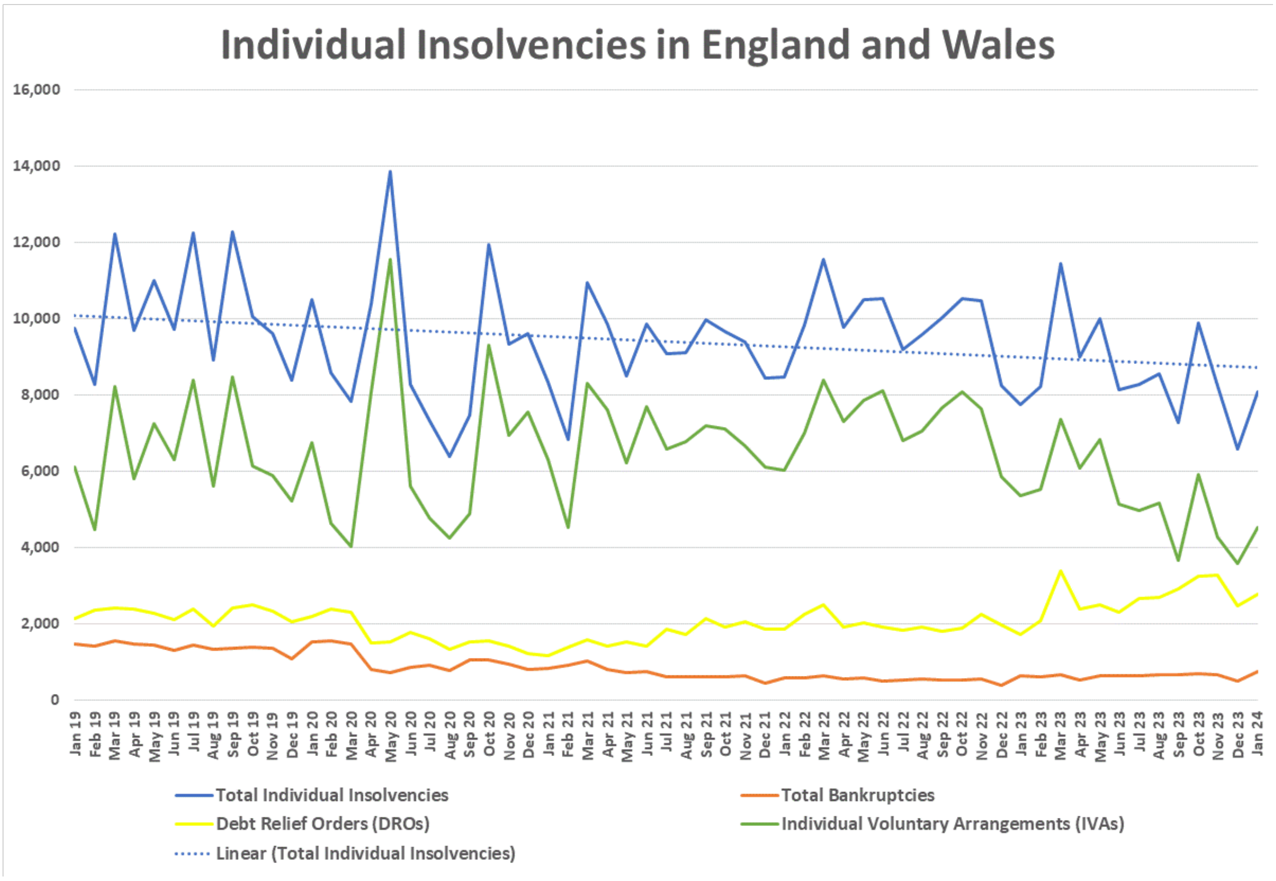
There were **10,136 total individual insolvencies in February 2024**, which was 23% higher than in February 2023, and 48% higher than in February 2021.

For individuals, **709 bankruptcies were registered in February 2024**, which was 16% higher than in February 2023, but 23% lower than in February 2021.

There were **3,007 Debt Relief Orders (DROs) in February 2024**, which was 44% higher than in February 2023, and 116% higher than in February 2021.

There were **6,420 Individual Voluntary Arrangements (IVAs)** registered in February 2024, which is 16% higher than February 2023, and 42% higher than February 2021.

Total Individual Insolvencies between March 2023 and February 2024 are 9% lower than the same period a year earlier, representing a decrease of 10,700.



Sources: Insolvency Service

There were **8,073 Breathing Space registrations in February 2024, which is 10% higher than the number registered in February 2023**. 7,964 were Standard breathing space registrations, which is 11% higher than in February 2023, and 109 were Mental Health breathing space registrations, which is 22% lower than the number in February 2023.

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: February 2024

Area	Claimant Count Rate (February 2023)	Claimant Count Rate (January 2024)	Claimant Count Rate[1] (February 2024)	Number of Claimants (February 2024)	Monthly Change in Claimants (Numbers)	Monthly Change in Claimants (%)	Change in Claimants since March 2020 (Numbers)	Change in Claimants since March 2020 (%)
England	3.7	3.8	3.9	1,405,485	54,590	4.0%	341,980	32.2%
West Midlands	4.8	4.8	5.0	184,500	6,885	3.9%	40,150	27.8%
SSLEP	3.4	3.5	3.7	25,410	1,450	6.1%	6,040	31.2%
Birmingham	8.2	8.6	8.9	65,830	2,410	3.8%	16,460	33.3%
Wolverhampton	7.5	7.1	7.3	12,090	400	3.4%	1,710	16.5%
Sandwell	6.1	6.0	6.2	13,475	425	3.3%	2,695	25.0%
Stoke-on-Trent	5.3	5.5	5.9	9,500	600	6.7%	2,180	29.8%
Coventry	5.4	5.4	5.6	12,675	500	4.1%	4,675	58.4%
Walsall	5.5	5.5	5.6	9,705	225	2.4%	1,100	12.8%
Dudley	4.7	4.6	4.7	9,210	265	3.0%	695	8.2%
Telford and Wrekin	3.4	3.4	3.6	4,190	205	5.1%	760	22.2%
Solihull	3.1	3.2	3.3	4,250	120	2.9%	600	16.4%
Staffordshire	2.8	2.8	3.0	15,910	855	5.7%	3,860	32.0%
Worcestershire	3.1	3.0	3.0	11,015	200	1.8%	2,710	32.6%
Warwickshire	2.6	2.5	2.6	9,550	365	4.0%	1,720	22.0%
Herefordshire, County of	2.4	2.4	2.5	2,690	120	4.7%	580	27.5%
Shropshire	2.4	2.2	2.3	4,405	195	4.6%	395	9.9%
East Staffordshire	3.0	3.5	3.7	2,870	155	5.7%	1,150	66.9%
Tamworth	3.4	3.4	3.6	1,745	75	4.5%	255	17.1%
Cannock Chase	3.3	3.3	3.4	2,160	85	4.1%	505	30.5%
Newcastle-under-Lyme	3.0	3.1	3.3	2,490	165	7.1%	510	25.8%
South Staffordshire	2.7	2.5	2.6	1,710	50	3.0%	400	30.5%
Stafford	2.5	2.5	2.6	2,135	90	4.4%	480	29.0%
Lichfield	2.4	2.2	2.5	1,555	155	11.1%	235	17.8%
Staffordshire Moorlands	2.0	2.1	2.2	1,245	85	7.3%	325	35.3%

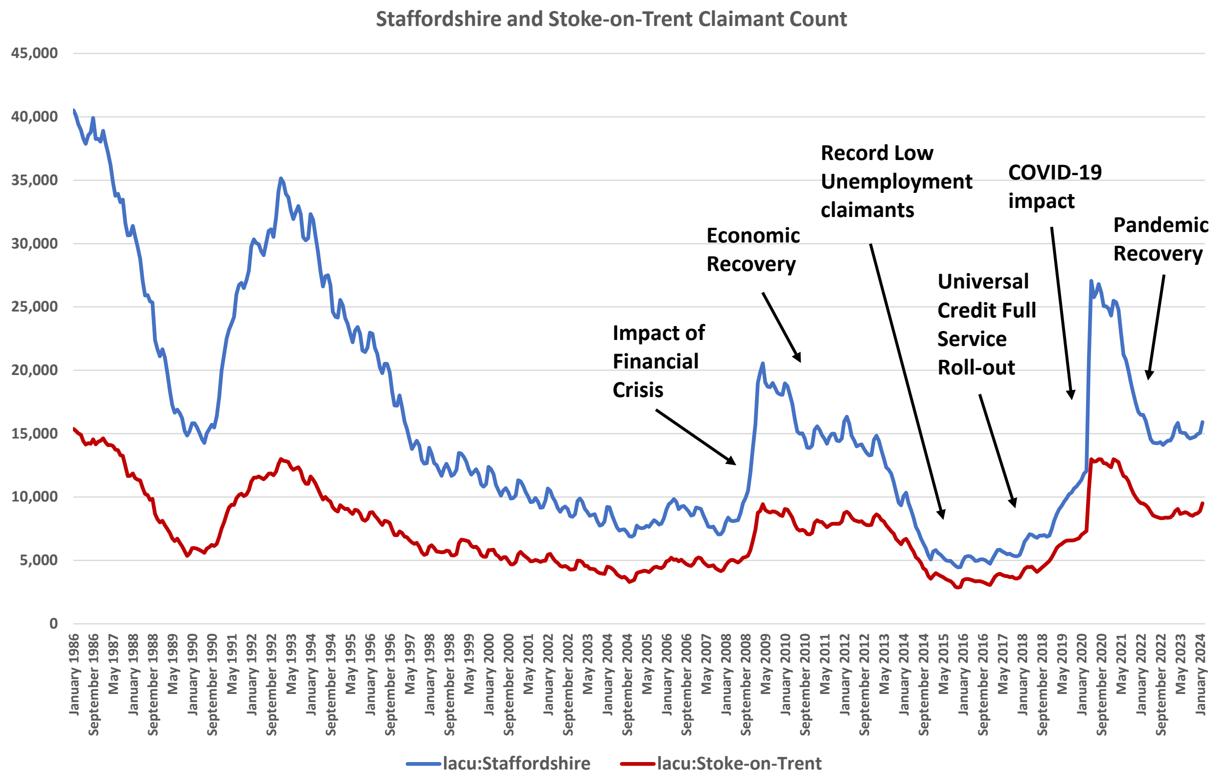
[1] The claimant rate is the proportion of the working age population claiming benefits

- The claimant count in Staffordshire saw an **increase of 855 claimants in February**, with the **total number now at 15,910**. This month has also seen significant increases both regionally and nationally.
- The increases in claimants in Staffordshire, regionally and nationally is reflective of the challenging economic conditions businesses continue to operate in across the country and will in part be due to some seasonal jobs coming to an end.
- Over the last month, the **claimant rate for Staffordshire increased from 2.8% to 3.0%** of the working age population.
- The **rate in Staffordshire continues to be one of the lowest rates in the West Midlands and is far lower than the average for the region of 5.0%, and lower than the average for England at 3.9%**.
- Stoke-on-Trent saw an **increase of 600 claimants** over the same period with **a total of 9,500 claimants in February**, with the **rate increasing from 5.5% to 5.9%.**

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

- Whilst there was a higher proportional increase this month in Staffordshire of 5.7% than seen nationally (4.0%) or regionally (3.9%), **Staffordshire still has one of the lowest claimant rates in the region.**

- **The total number of Universal Credit (UC) claimants in Staffordshire is now 32.0% or 3,860 higher than the level seen in March 2020 (pre-COVID)**, which is largely in-line with the 32.2% increase seen nationally but above the 27.8% increase 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 3.0% of the working age population compared to 5.0% regionally and 3.9% nationally. In Stoke-on-Trent, the Claimant Count remains above both the regional and national averages at 5.9%.**

- For those that find themselves out of work, **demand for labour remains high with the number of vacancies still above pre-pandemic levels and there is currently estimated to be close to one job vacancy available for every claimant within the county.**

- Therefore, our focus continues to be to ensure that there is the support in place to help people that unfortunately find themselves unemployed to move into the high number of job vacancies that are present across Staffordshire.

- This month there were increases in the claimant count this month across all districts in Staffordshire, with Newcastle-under-Lyme, East Staffordshire and Lichfield seeing the largest increases.

- East Staffordshire has the highest claimant rate at 3.7% and Staffordshire Moorlands has the lowest at 2.2%. Significantly, all the Districts and Boroughs of Staffordshire remain lower than national and regional rates.

Youth Claimant Count

Youth Claimant Count (Universal Credit) Statistics: February 2024

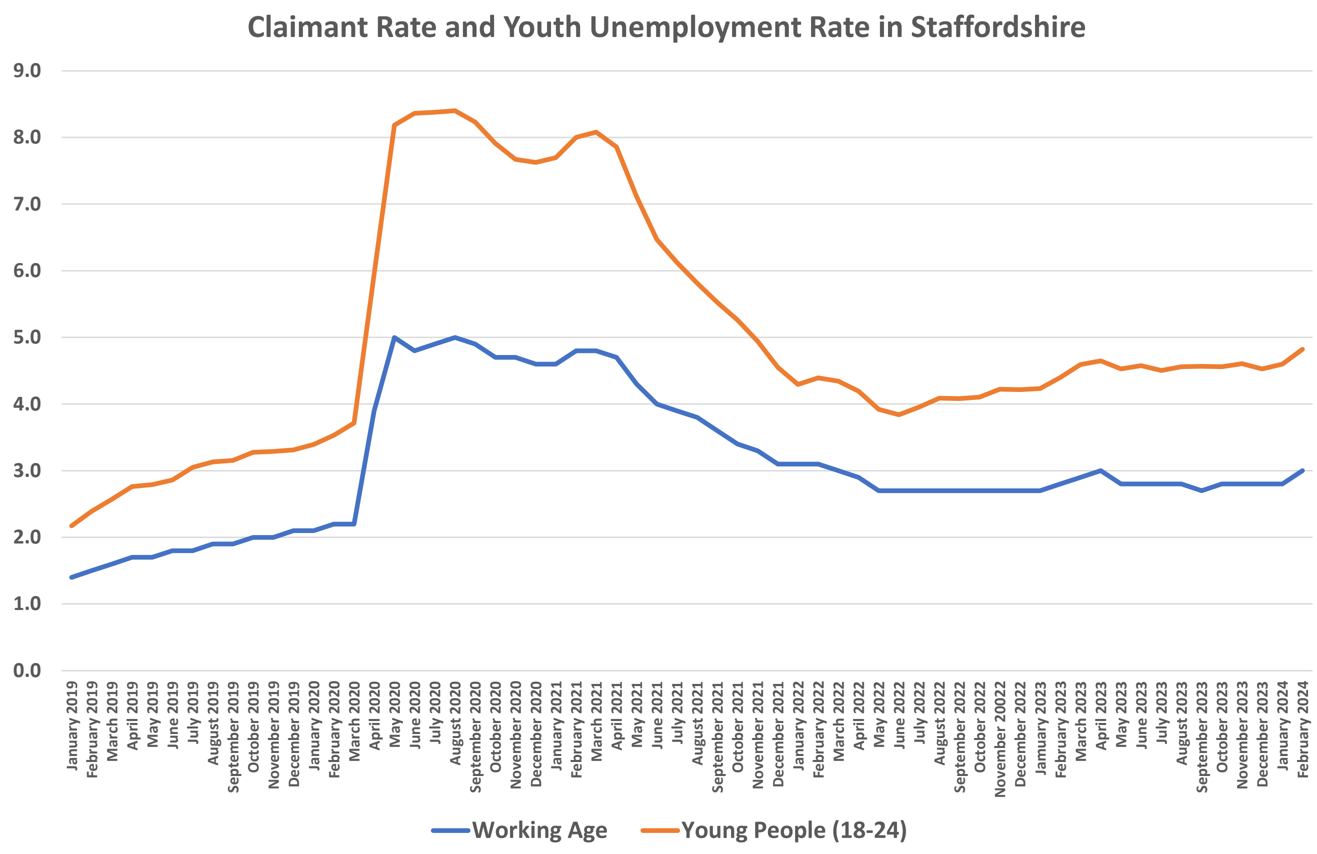
Area	Youth Claimant Count Rate (February 2023)	Youth Claimant Count Rate (January 2024)	Youth Claimant Count Rate[1] (February 2024)	Number of Youth Claimants (February 2024)	Monthly Change in Youth Claimants (Numbers)	Monthly Change in Youth Claimants (%)	Change in Youth Claimants since March 2020 (Numbers)	Change in Youth Claimants since March 2020 (%)
England	4.8	5.1	5.3	246,545	7,925	3.3%	48,815	24.7%
West Midlands	6.4	6.8	7.1	35,650	1,345	3.9%	7,745	27.8%
SSLEP	5.2	5.4	5.7	4,835	220	4.8%	1,015	26.6%
Wolverhampton	10.3	10.6	11.0	2,350	95	4.2%	440	23.0%
Birmingham	8.5	9.3	9.8	12,700	605	5.0%	3,595	39.5%
Wallsall	8.4	9.4	9.6	2,160	30	1.4%	245	12.8%
Sandwell	8.6	9.2	9.4	2,680	60	2.3%	565	26.7%
Stoke-on-Trent	**7.3**	**7.7**	**8.0**	**1,815**	**80**	**4.6%**	**410**	**29.2%**
Dudley	7.4	7.7	7.8	1,855	30	1.6%	105	6.0%
Telford and Wrekin	5.8	5.6	5.8	870	30	306.0%	110	14.5%
Solihull	5.0	5.7	5.7	860	5	0.6%	35	4.2%
Coventry	4.9	5.2	5.5	2,365	115	5.1%	830	54.1%
Staffordshire	**4.4**	**4.6**	**4.8**	**3,020**	**140**	**4.9%**	**605**	**25.1%**
Worcestershire	4.7	4.7	4.7	1,985	10	0.5%	390	24.5%
Herefordshire, County of	3.8	3.7	4.0	470	40	9.3%	55	13.3%
Warwickshire	3.7	3.7	3.9	1,720	50	3.0%	385	28.8%
Shropshire	3.4	3.4	3.6	795	50	6.7%	30	-3.6%
Tamworth	5.9	6.2	6.5	370	15	4.2%	75	25.4%
Cannock Chase	5.7	6.3	6.3	445	0	0.0%	80	21.9%
East Staffordshire	4.5	5.0	5.3	475	25	5.6%	155	48.4%
South Staffordshire	4.8	4.6	4.6	345	5	1.5%	95	38.0%
Stafford	4.3	4.3	4.5	390	20	5.4%	75	23.8%
Newcastle-under-Lyme	3.8	4.2	4.5	525	35	7.1%	100	23.5%
Lichfield	3.7	3.4	3.8	270	25	10.2%	0	0.0%
Staffordshire Moorlands	2.9	3.1	3.4	200	15	8.1%	25	14.3%

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

- This month the **youth claimant count in Staffordshire saw an increase of 140 claimants with a total of 3,020 young people**. Increases were also seen regionally and nationally.

- **The proportion of young people in Staffordshire aged 18-24 that are claiming work-related Universal Credit increased from 4.6% to 4.8% this month.** This continues to be lower than the national rate of 5.3%, which increased from 5.1%, and far lower than the regional rate of 7.1%, which increased from 6.8% this month.

- **Stoke-on-Trent saw an increase of 80 claimants to a total of 1,815 claimants with the rate increasing from 7.7% to 8.0% this month.**



- This month all the districts in Staffordshire saw increases except Cannock Chase which remained unchanged.

- Tamworth has the highest rate at 6.5%, whilst Staffordshire Moorlands has the lowest rate at 3.4%. Newcastle-under-Lyme and East Staffordshire have the highest number of youth claimants at 525 and 475 respectively, whilst Staffordshire Moorlands has the lowest number of youth claimants at 200.

- Given that it is harder for youth claimants to find a new job our focus continues to be to engage with our younger residents and support them to find employment or continue in education and training, 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

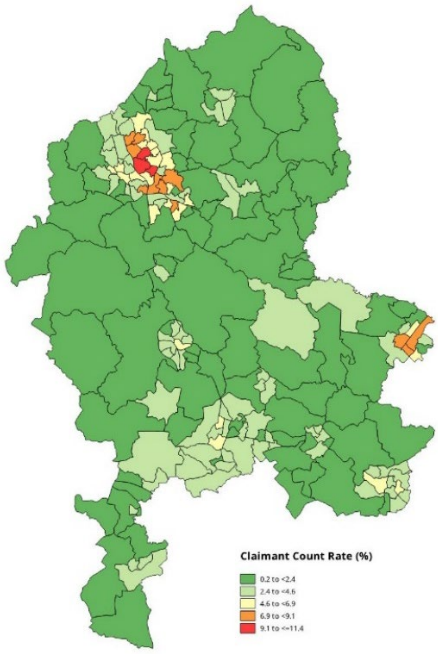
The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

Claimant Count Rate February 2024

Of the 201 wards in Staffordshire & Stoke-on-Trent, 60 were above the England average of 3.9% 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 the highest rates in Joiner's Square: 11.4%/520; Etruria & Hanley: 9.8%/525; Moorcroft: 9.5%/355; Tunstall: 8.9%/375; Burslem Central: 8.7%/400 total claimants.

In Staffordshire, the four wards with the highest claimant count rates were all in East Staffordshire with Burton: 7.9%/240; Shobnall: 7.1%/385; Anglesey: 7.0%/380; and Eton Park: 6.7%/330 total claimants.

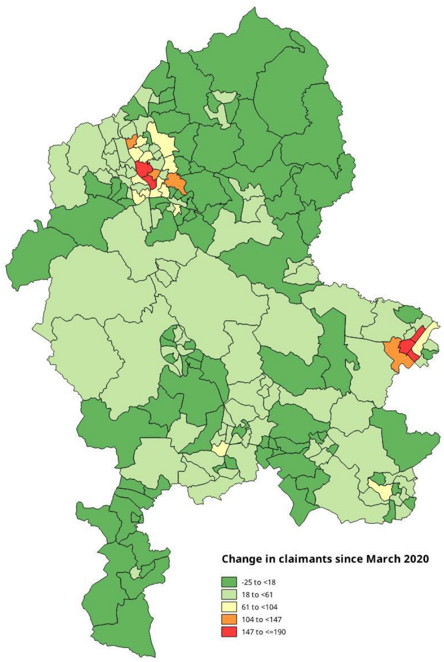


Staffordshire County Council

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 Hanley Park & Shelton (175 increase to 360); Etruria & Hanley (170 increase to 525); Joiner's Square (145 increase to 520); Bentilee & Ubberley (135 increase to 535); Tunstall (125 increase to 375); and Boothen & Oak Hill (100 increase to 285).

Of the remaining four wards in the top ten, all were in East Staffordshire including Anglesey with a 190 increase to 380 claimants; Shobnall with a 175 increase to 385 claimants; Eton Park with a 150 increase to 330 claimants; and Branston with a 135 increase to 210 claimants.



Staffordshire County Council

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

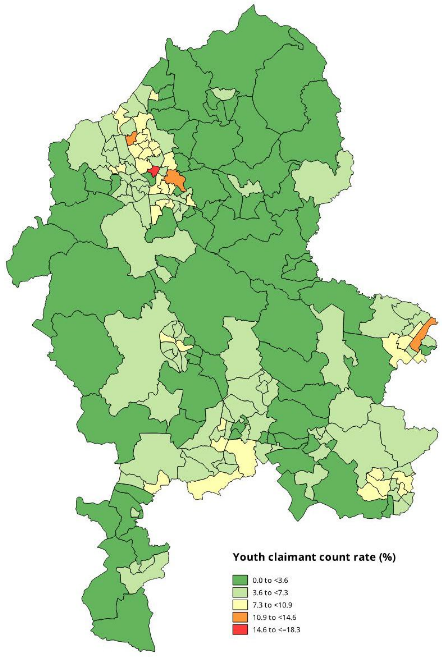
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

Youth Claimant Count Rate February 2024

Of the 201 wards in Staffordshire & Stoke-on-Trent, 83 were above the England average of 5.3% 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: 18.3%/140; Bentilee & Ubberley: 13.3%/120; Tunstall 12.2%/75; Meir North: 10.8%/60; Fenton East: 10.7%/50; Moorcorft: 10.2%/55; and Abbey Hulton and Townsend: 10.2%/80 total youth claimants.

In Staffordshire, the three wards with the highest claimant count rates were Burton (East Staffordshire): 13%/50; Cannock North (Cannock Chase): 11.3%/55; and Forebridge (Stafford): 10.3%/30 total youth claimants.

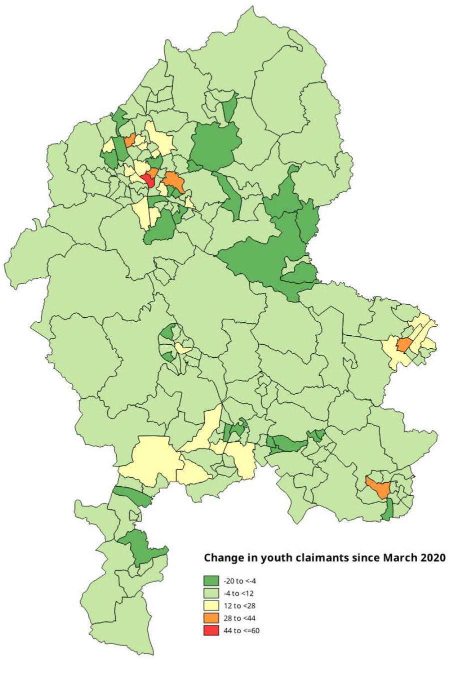


Staffordshire County Council

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 (60 increase to 90); Joiner's Square (40 increase to 140); Tunstall (35 increase to 75); Bentilee & Ubberley (30 increase to 120); Little Chell and Stanfield (25 increase to 65); and Etruria and Hanely (25 increase to 70).

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; Castle (Tamworth) with a rise of 30 to 45; Eton Park (East Staffordshire) with a rise of 25 to 55; and Branston (East Staffordshire) with a rise of 25 to 40 total youth claimants.



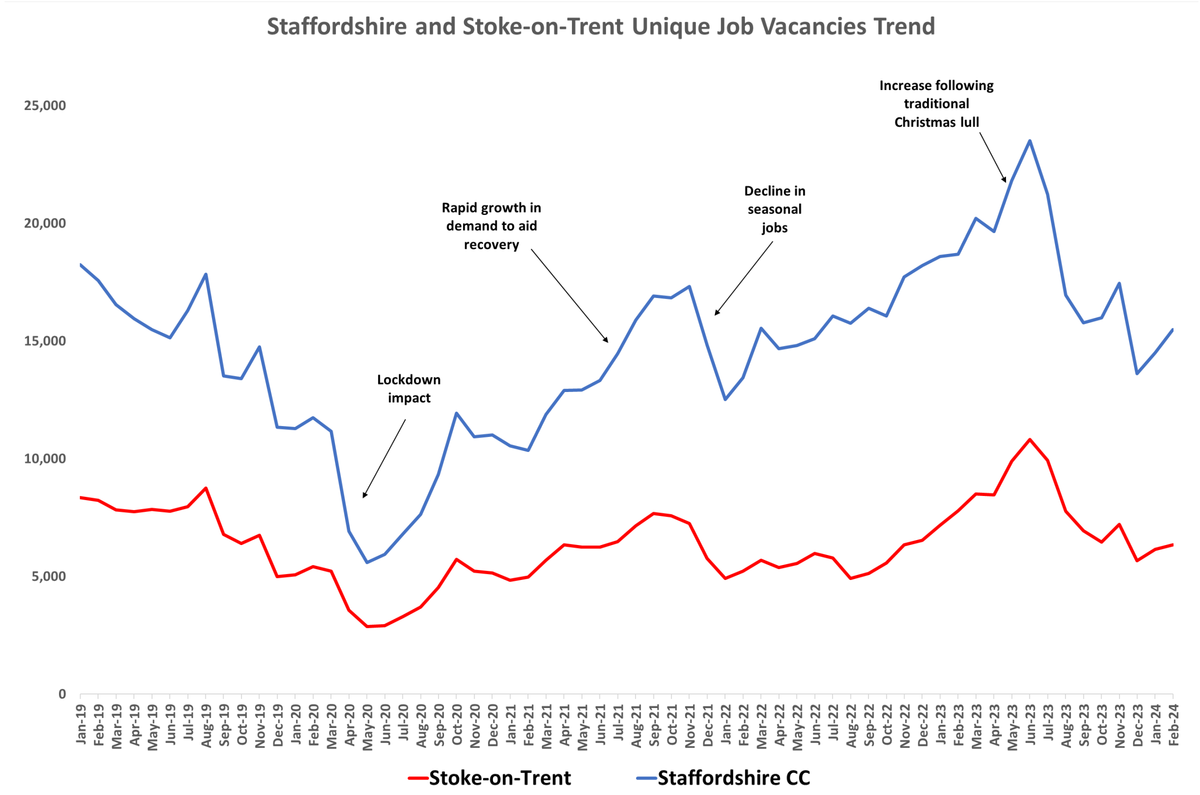
Staffordshire County Council

Job Vacancies[3]

- **Staffordshire saw a 6.6% increase in the number of available job vacancies between January and February to a total of 15,400[4]. This is lower than the number of work-related benefit claimants. Stoke-on-Trent saw a 2.9% increase in job vacancies to a total of 6,320 which is also lower than the number of claimants.**

- **Across the region in the last month there was a 3.4% increase, and nationally there was a 5.6% increase in job vacancies. Therefore, Staffordshire is above with increases seen both regionally and nationally.**

- In February 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 17% lower, whilst Stoke-on-Trent decreased 19%. The chart below indicates a general declining trend overall from July last 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. Therefore, it is positive to see a further uplift in vacancies this month given the increase in benefit claimants we are currently witnessing. Overall, the outlook remains positive and recruitment demand is strong with new job postings higher than pre-pandemic levels with Staffordshire job vacancies 32% higher and Stoke-on-Trent 17% higher. Our focus continues to be to support those that unfortunately find themselves unemployed, to transition into work.



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 an increase in vacancies during February, with 'Managers, Directors and Senior Officials' occupations and 'Sales and Customer Services' occupations both seeing the largest increase of 10%.

- The occupations to see the most significant increases during February include **Sales Related; Customer Services; LGV Drivers; Book-keepers; Primary Education Teachers; Kitchen and Catering Assistants; and Early Education and Childcare.**

Annual Trends in job vacancies

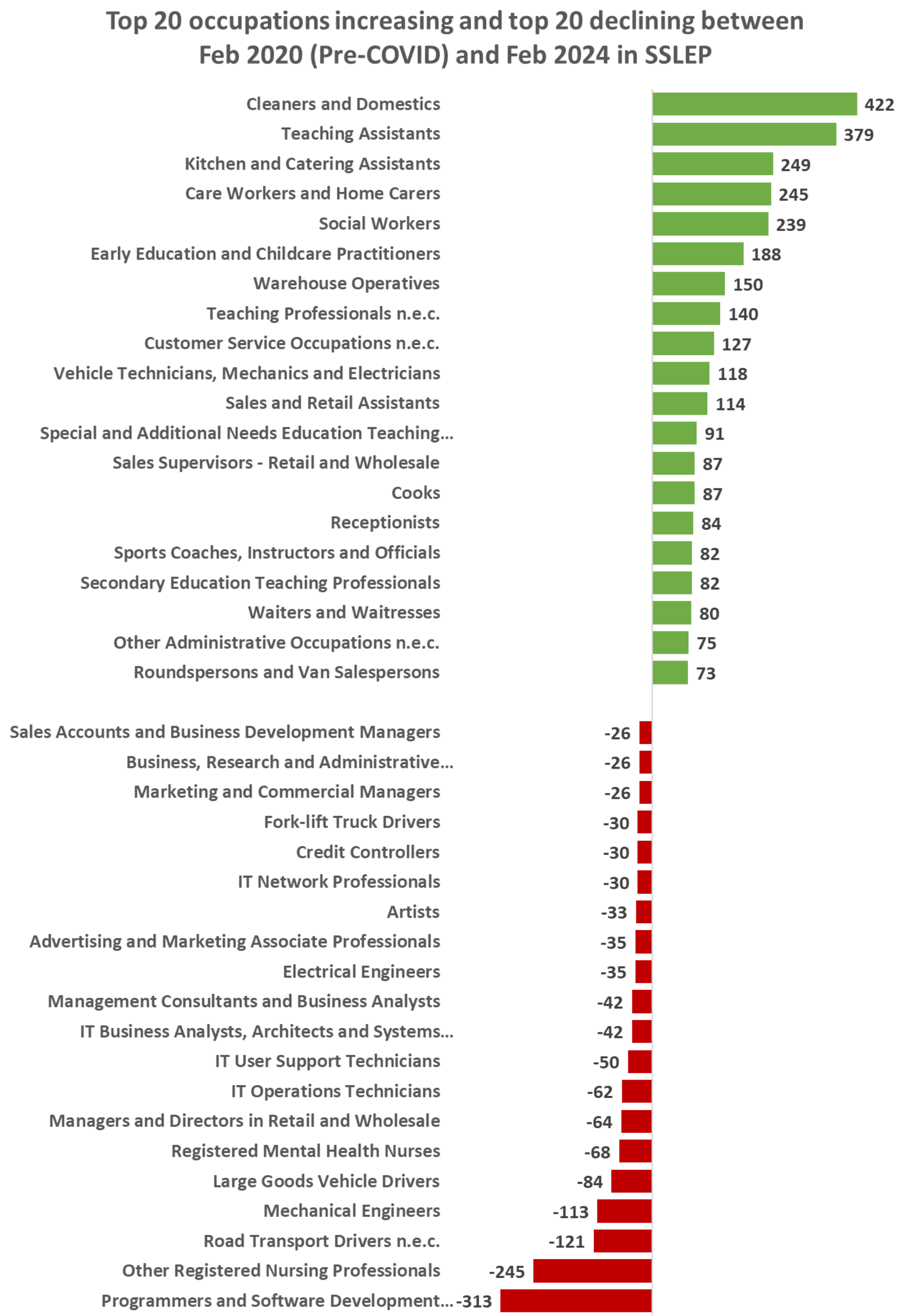
- The occupations to see the largest year-on-year increases include Education (Teaching Assistants; Higher Level Teaching Professionals; Primary Education Teaching Professionals; Secondary Education Teaching Professionals; Higher Level Teaching Assistants), Construction (Quantity Surveyors; Construction & Building Trade Supervisors), Logistics (Large Goods Vehicle Drivers; Other Drivers and Transport Operatives), Childcare (Early Education & Childcare Practitioners; Early Education and Childcare Assistants), Engineering (Engineering Project Managers & Project Engineers; Science, Engineering & Production Technicians), Cross Sector Business Roles (Business Sales Executives).

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; Teaching Professionals; Special & Additional Needs Education & Teaching Professionals; Secondary Education Teaching Professionals; Sports Coaches)
  - **Hospitality** (Kitchen and Catering Assistants; Cooks; Waiters & Waitresses)
  - **Health and Social Care** (Care Workers and Home Carers; Social Workers)
  - **Childcare** (Early Education & Childcare Practitioners)
  - **Logistics** (Warehouse Operatives; Roundspersons & Van Salespersons)
  - **Motor Trade** (Vehicle Technicians, Mechanics and Electricians)
  - **Cross sector business roles** (Receptionists; Customer Service; Admin)
  - **Retail & Wholesale** (Sales and Retail Assistants; Sales Supervisors)

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 'Teaching Assistants', also have strong demand.**

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

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

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

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

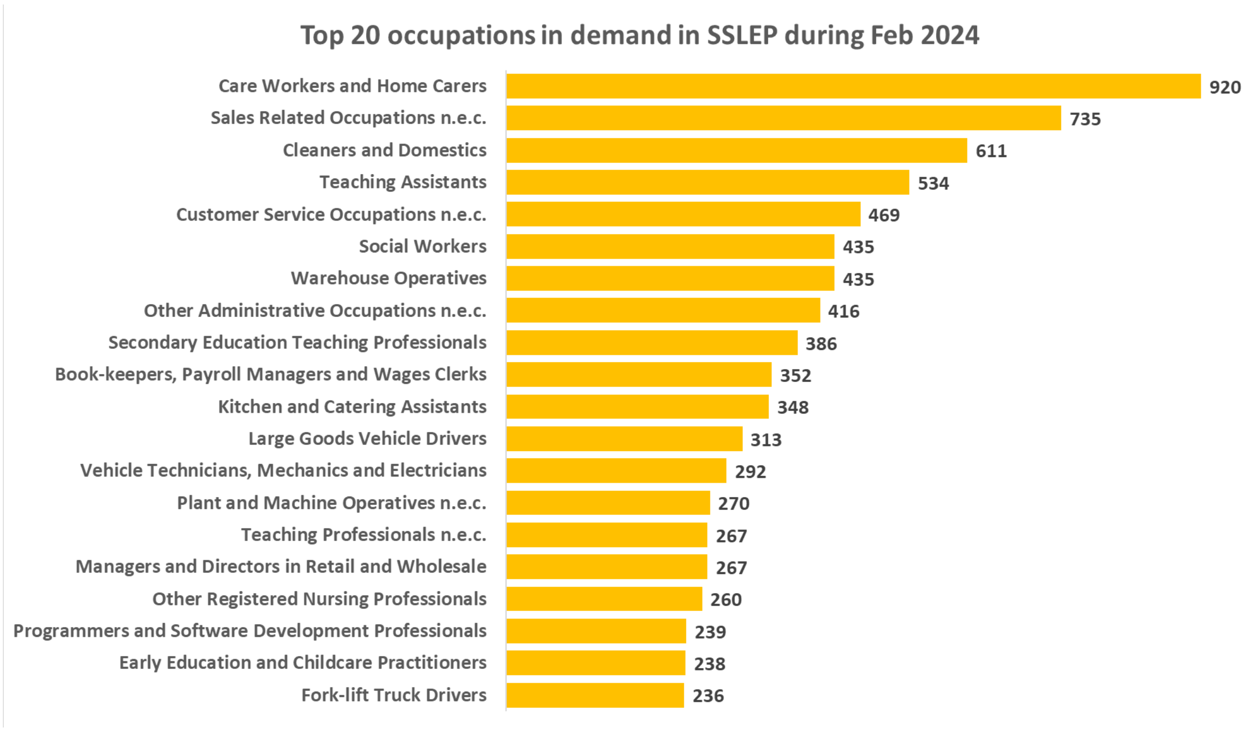
- In the Hospitality sector, **'Kitchen and Catering Assistants' remain the roles most in demand.**

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

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

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

- 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.