

Staffordshire

**Means****Back to Business**

## Economic Bulletin - Issue 5 – November 2020

Welcome to the fifth edition of the Staffordshire & Stoke-on-Trent Economic Bulletin produced by our Economy, Skills and Insight Teams, which provides the timeliest secondary data available on what is happening with the local economy. However, this clearly only provides part of the picture and we continue to build up our softer intelligence to provide a better indication of what is happening on the ground, including the local response to the COVID-19 crisis and subsequent recovery.

Alongside information on the Claimant Count and Job Vacancies that will be a part of every Bulletin, we again look at the latest Government data regarding the Coronavirus Job Retention Scheme (CJRS) Furloughed Workers and Self-Employment Income Support Scheme (SEISS). 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 have been impacted the hardest 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 have been impacted by COVID and the influence that Government measures have had on company and individual insolvencies.

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. If you do have any feedback please send your comments to Darren Farmer, Economy & Skills Analyst at [darren.farmer@staffordshire.gov.uk](mailto:darren.farmer@staffordshire.gov.uk).

Stay Safe,

Darryl Evers

Director for Economy, Infrastructure and Skills, Staffordshire County Council



## Key Messages

- After a long period of economic impact caused by the pandemic, more recently we have seen some positive signs, not least the announcement of the Pfizer-BioNTech which fuelled the second biggest one-day rise in UK share prices in a decade quickly followed by the successful trials of the Moderna and Oxford vaccines. We are also hearing news of new job creation such as the 6,000 roles being created by a consortium led by Rolls-Royce to build up to 16 mini-nuclear plants. While the UK economy came out of recession with a growth of 15.5% between July and September which was the biggest quarter of economic growth since records began after the Second World War, although growth is slowing and the economy still remains 8.2% smaller than before the crisis struck.
- However, as set out by the Chancellor in his Spending Review, the UK's "economic emergency" has "only just begun", with the government expected to borrow £394bn this year. The number of unemployed people in the UK is expected to surge from 1.62 million currently to 2.6 million (7.5%) by mid-2021. While the economy was predicted to contract by 11.3% - "the largest fall in output for more than 300 years" - and grow by 5.5% next year and 6.6% in 2022. Therefore, it is likely that it is going to be several years before the economy and jobs return to pre-crisis levels.
- Looking locally the number of people on some form of government economic support scheme is estimated to be slightly lower than the rest of the country, 16% compared to 18% nationally and has dropped considerably over recent months as more people have been able to return to work.
- The claimant count in **Staffordshire saw a decrease of 525 between September 2020 and October 2020 to a total of 25,595 claimants and the claimant rate has declined from 4.9% in September to 4.8% of the working age population in October**. This shows both the positive effect that the package of Government support such as the furlough scheme is having and the increasing job opportunities that we have seen over recent months.
- However, the area has seen Universal Credit (UC) claimants more than double since March (pre-COVID), an increase of just over 13,500 claimants - however, not all will be out of work.
- These increases 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 some people on low income to claim whilst in work. Therefore, there will be **a proportion of**

**claimants currently that will still be in work but claiming Universal Credit because they are on a low income**, although from the data released by Government it is not currently possible to quantify the proportion of people that are indeed unemployed or employed but on a low income.

- Therefore, the reasons for the increase in claimants are still to fully emerge but evidence suggests there will be a combination of factors such as the self-employed no longer being able to operate, part-time employees working less than 16 hours a week who are now furloughed, and Small & Medium Enterprises laying off staff in the short-term.
- It is important to recognise that although we have seen a rise in claimant numbers due to COVID given our strong position going into the pandemic we still perform comparatively well for **our claimant rate which stood at 4.8% of the working age population in October compared to 7.3% regionally and 6.3% nationally**.
- However, it is young people, the lowest paid (including those in manual occupations, more routine or less skilled jobs) and part-time workers who continue to feel the impact of the economic shock the most. For example, **the proportion of young people aged 18-24 that are claiming Universal Credit has increased from 3.7% in March 2020 to 8.0% in October 2020**, well above the rate of 4.8% for the working age population. Given that it is harder for these groups to find a new job it is increasingly vital that the welcomed announcements made in 'A Plan for Jobs 2020' such as the **Kickstart Scheme** are quickly and effectively put in place to support these groups and help prevent them becoming long-term unemployed.
- The latest Coronavirus Job Retention Scheme (CJRS) figures show that there were **29,300 furloughed job claims in Staffordshire up to the end of September, equivalent to 7% of eligible workers**, slightly below the regional and national averages of 8%. **Stoke-on-Trent had 7,600 jobs still furloughed**, equivalent to 7% of eligible jobs.
- **Staffordshire has seen 27,200 self-employed workers claim for the second SEISS grant up to the end of October** and a take-up rate of 69% for those eligible through the scheme, in-line with the regional and national average take-up rates. **Stoke-on-Trent had 7,700 SEISS claims up to the end of October**, equivalent to 74% of those eligible. This is the joint highest rate the West Midlands Region upper-tier authorities.
- Moving forwards there are obvious concerns that the local economy and labour market may be adversely affected by the **second lockdown**. However, it is welcomed that the Government has put in place a strengthened package of support including the **reintroduction of the 80% furlough support** until the end of March, the **third SEISS grant** has been increased in-line with this and there are **further business grants for**

**those forced to close due to lockdown.**

- Overall numbers of **company and individual insolvencies remained low in October 2020, when compared with the same month in the previous year.** This follows a similar trend seen since COVID emerged in March and will at least partly be due to government measures put in place in response to the pandemic.
- There is also further positive news on the continuing recruitment uplift, with job vacancies in **Staffordshire increasing by 15% between September and October equivalent to over 2,500 more job vacancies which is above the growth seen regionally (13%) and nationally (11%). Stoke-on-Trent also saw a 15% growth with just under 900 more vacancies in October compared to September.** Vacancy levels are now similar to those seen pre-COVID.
- We continue to see **demand for roles in health, social care and distribution** with clear emerging opportunities for job creation in digital (including online retail), advanced manufacturing (AI and Automation), construction (£900 million Getting Building Fund) and the green economy (including retrofitting homes to improve energy efficiency and electric cars).
- In conclusion, it is apparent that Government and local support is playing a vital role in helping businesses to survive and stave off further job losses while at the same time we are seeing more and more job opportunities in our local economy for those unfortunate enough to find themselves out of work due to the pandemic. It is vital that we continue to work together to support our residents in enabling them to fill those roles such as through the work of the **Countywide Redundancy Task Group** and the **Kickstart Scheme** – find out more about the types of roles and how to express an interest at the [Stoke-on-Trent and Staffordshire Enterprise Partnership website](#).
- As we navigate through the second lockdown it is vital that additional support such as the **Additional Restrictions Grant** is utilised to **help businesses transition to new business models including diversification and digitisation to improve their viability and sustainability post lockdown.**
- Alongside this, entrepreneurs setting up new businesses in Staffordshire will be able to access a range of support thanks to schemes set up by the county council as part of its economic recovery plan.
- In the summer, a **new Start-up Scheme** was launched following a £360,000 county council investment. This is aimed at supporting people who found themselves at risk of redundancy or unemployment due to the pandemic. In the first year of the programme the aim is to support 300 people and see 200 businesses started. The scheme is being run by the **Staffordshire Chambers of Commerce**. There have

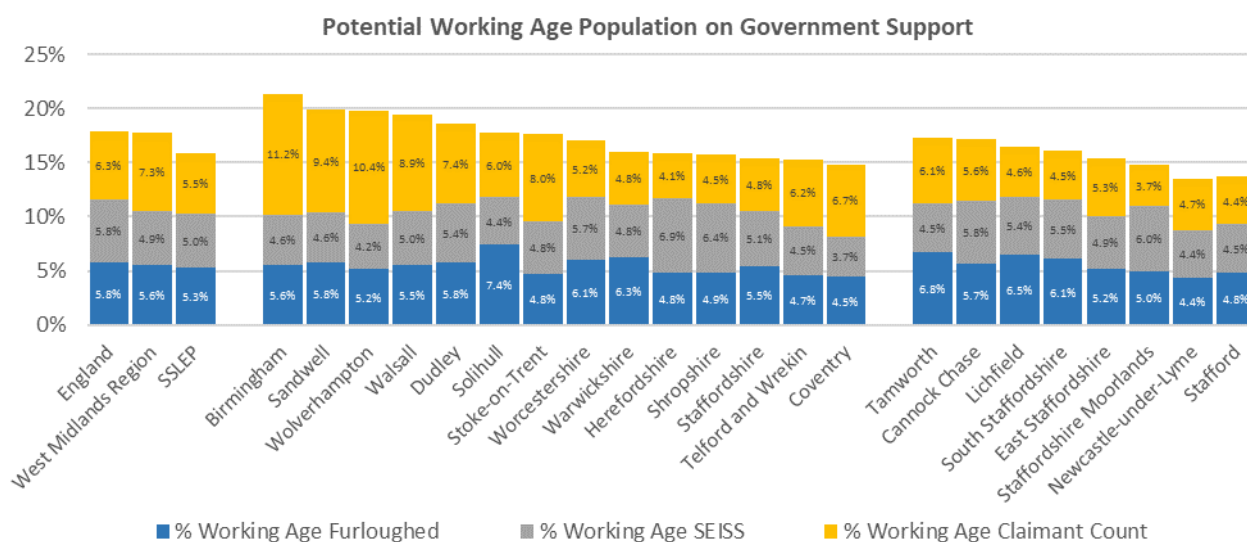
already been over 100 applications to the scheme.

- A £100,000 **Start-up Loan Scheme** has just been launched by the county council, providing interest-free loans of between £3,000 and £5,000 with no payment arrangements for the first 12 months. This is a pilot scheme which could be extended if successful.
- A **Student Start-up Scheme** will follow to encourage young people to understand the basics of entrepreneurialism and enterprise. The three-year programme aims to engage 4,000 students and is supported by the four Staffordshire colleges. The county council has invested £165,000 in this scheme.
- Further initiatives include promoting Staffordshire as a leading location to start a new business through a **Start-up Prospectus** to detail all the support on offer through a range of organisations. The county council will continue its promotion of its **enterprise centres** which provide flexible workspace for start-up businesses, two of which – Cannock Chase and Silverdale in Newcastle – are currently being extended.
- Businesses can also take advantage of a free online service launched by the **Make It Stoke-on-Trent & Staffordshire** – the joint county and city inward investment team to **help find new office space in Stoke-on-Trent and Staffordshire**. To find out more visit <https://www.makeitstokestaffs.co.uk/business-support/commercial-property-search/offices>

## Local Picture – Residents on Government Support Schemes

During this period it is important to be able to understand how local businesses are responding to the gradual reopening of the economy and what impact COVID-19 has had and continues to have on jobs. A key aspect of this is monitoring the number of people claiming Universal Credit (Claimant Count), and the number of people on the Coronavirus Job Retention (CJRS) and Self-Employment Income Support Schemes (SEISS), as seen below.

### Overall Number of Residents on Government Support Schemes



In line with the Claimant Count rate which shows the proportion of the working age population claiming Universal Credit we have calculated the proportion of the working age population which may be on the furloughed or have accessed SEISS support.

In total there are potentially just over 110,000 residents in the SSLEP area on Government support, equivalent to around 16% of the working age population which is slightly lower than the regional and national averages of around 18%. Tamworth and Cannock Chase (both 17%) have the highest rates while Stafford and Newcastle-under-Lyme (both 14%) have the lowest.

SSLEP Working Age Population	694,954
Jobs in High Risk Sectors	221,000
Claimant Count Oct 2020	38,455
Coronavirus Job Retention Scheme (CJRS) Furloughed job claims as at 30th Sept	36,900
Self-Employment Income Support Scheme (SEISS) claims up to 31st October	34,900
<b>Potential workers on Government support</b>	<b>110,255</b>
<b>Potential % of working age population on Government support</b>	<b>15.9%</b>

*Note: Important to recognise that there may be some workers which are accessing more than one support scheme and there may be some double counting due to jobs moving on and off the furlough scheme*

## Detailed Breakdown

### Claimant Count<sup>1</sup>

The following table highlights the level of claimant unemployment in the Staffordshire Districts and each of the Strategic Authorities in the West Midlands Region:

#### Claimant Count (Universal Credit) Statistics: October 2020

Area	Claimant Count Rate (Oct 2019)	Claimant Count Rate (Sept 2020)	Claimant Count Rate <sup>1</sup> (Oct 2020)	Number of Claimants (Oct 2020)	Monthly Change in Claimants (Numbers)	Monthly Change in Claimants (%)	Change in Claimants since March (Numbers)	Change in Claimants since March (%)
England	2.8	6.4	6.3	2,228,150	-34,360	-1.5%	1,164,645	109.5%
West Midlands	3.7	7.3	7.3	265,670	-1,730	-0.6%	121,320	84.0%
SSLEP	2.5	5.6	5.5	38,455	-635	-1.6%	19,085	98.5%
Birmingham	6.4	11.0	11.2	81,815	950	1.2%	32,445	65.7%
Wolverhampton	5.9	10.4	10.4	16,940	-80	-0.5%	6,560	63.2%
Sandwell	4.8	9.4	9.4	19,280	120	0.6%	8,500	78.8%
Walsall	4.6	8.7	8.6	14,945	-215	-1.4%	6,340	73.7%
<b>Stoke-on-Trent</b>	<b>4.1</b>	<b>8.1</b>	<b>8.0</b>	<b>12,860</b>	<b>-115</b>	<b>-0.9%</b>	<b>5,540</b>	<b>75.7%</b>
Dudley	4.3	7.5	7.4	14,285	-315	-2.2%	5,770	67.8%
Coventry	2.9	6.6	6.7	16,695	175	1.1%	8,695	108.7%
Telford and Wrekin	2.8	6.4	6.2	6,925	-190	-2.7%	3,495	101.9%
Solihull	2.8	5.9	5.8	7,495	-85	-1.1%	3,845	105.3%
Worcestershire	2.2	5.4	5.2	18,525	-560	-2.9%	10,220	123.1%
<b>Staffordshire</b>	<b>2.0</b>	<b>4.9</b>	<b>4.8</b>	<b>25,595</b>	<b>-525</b>	<b>-2.0%</b>	<b>13,545</b>	<b>112.4%</b>
Warwickshire	2.1	5.0	4.8	17,065	-380	-2.2%	9,235	117.9%
Shropshire	2.0	4.7	4.5	8,565	-325	-3.7%	4,555	113.6%
Herefordshire, County of	1.7	4.3	4.1	4,680	-185	-3.8%	2,570	121.8%
Tamworth	2.8	6.1	6.1	2,860	-30	-1.0%	1,370	91.9%
Cannock Chase	2.3	5.7	5.6	3,570	-70	-1.9%	1,915	115.7%
East Staffordshire	2.1	5.2	5.2	3,780	-55	-1.4%	2,060	119.8%
Newcastle-under-Lyme	2.2	4.8	4.7	3,870	-65	-1.7%	1,890	95.5%
Lichfield	1.9	4.8	4.6	2,850	-130	-4.4%	1,530	115.9%
South Staffordshire	1.8	4.5	4.5	3,015	-15	-0.5%	1,705	130.2%
Stafford	1.7	4.4	4.2	3,510	-110	-3.0%	1,855	112.1%
Staffordshire Moorlands	1.5	3.8	3.7	2,140	-45	-2.1%	1,220	132.6%

<sup>1</sup> The claimant rate is the proportion of the working age population claiming benefits

- The Claimant Count in Staffordshire saw a decrease of 525 between September 2020 and October 2020 to a total of 25,595 claimants. While Stoke-on-Trent saw a decline of 115 over the same period with a total of 12,860 claimants in October.
- These further declines in the Claimant Count beyond those seen last month are similar to the trend seen regionally and nationally. This reflects both the positive effect that the package of Government support such as the furlough scheme is having and the increasing job opportunities that we have seen over recent months.

- It is also important to look at the change in the Claimant Count seen since March 2020 (pre-COVID) where the number of claimants in Staffordshire has more than doubled with an increase of 13,545 claimants and in Stoke-on-Trent there has been an increase of 5,540.
- Ultimately, the full effect of COVID-19 on employment will not be felt until the furlough and SEISS schemes and further Government support such as the Job Support Scheme come to an end.
- The increases in the Claimant Count also 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, i.e. people out of work but looking for a job. A proportion of claimants currently will have a job but claiming Universal Credit due to having a low income - the reasons for the increase in claimants are still to fully emerge but evidence suggests there will be a combination of factors such as:
  - New Job Starters/PT employees/Self-employed with no income claiming Universal Credit because they are not eligible for the CJRS;
  - 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);
  - Working part-time low-income workers claiming Universal Credit and may be furloughed;
  - Potential Redundancies within Small & Medium Enterprises laying off staff in the short-term.
- Unfortunately, due to Government data limitations it is not currently possible to quantify the proportion of people that fall into these cohorts at a local level.
- Given the comparatively strong position of Staffordshire going into the pandemic and the fact that COVID-19 has impacted much of the economy during lockdown, even with the significant increase in claimants the proportion of working age residents on such benefits remains comparatively low in Staffordshire with a rate of 4.8% in October compared to 7.3% regionally and 6.3% nationally. In Stoke-on-Trent the Claimant Count rate remains above both the regional and national averages at 8.0%.
- As well as workers across sectors being impacted differently, there are also signs that it is the lowest paid, part-time workers and young people (particularly apprentices) that are being hardest hit. These groups are more likely to work in sectors that have shut down or reduced activity, such as hospitality and non-essential retail. They are also less likely to be able to work from home.

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<sup>1</sup> Source: <https://www.nomisweb.co.uk/>



- Young people aged 18-24 continue to be disproportionately impacted by unemployment where the claimant rate for young people in Staffordshire has increased from 3.7% in March to 8.0% in October compared to a rise from 2.3% to 4.8% for all working-age residents, while in Stoke-on-Trent the rate has risen from 5.9% in March to 10.8% in October. Positively there has been slight declines over the latest month with Staffordshire youth claimants declining by 70 to a total of 5,280 while Stoke-on-Trent has seen a decline of 40 to 2,540 youth claimants.

### Youth Claimant Count (Universal Credit) Statistics: October 2020

Area	Claimant Count Rate (Oct 2019)	Claimant Count Rate (Sept 2020)	Claimant Count Rate <sup>1</sup> (Oct 2020)	Number of Claimants (Oct 2020)	Monthly Change in Claimants (Numbers)	Monthly Change in Claimants (%)	Change in Claimants since March (Numbers)	Change in Claimants since March (%)
England	3.9	9.2	9.2	437,865	950	0.2%	240,135	121.4%
West Midlands	5.0	10.3	10.3	54,550	290	0.5%	26,645	95.5%
SSLEP	3.8	8.8	8.7	7,820	-110	-1.4%	4,000	104.7%
Wolverhampton	8.7	15.6	15.7	3,350	20	0.6%	1,440	75.4%
Sandwell	7.4	14.7	15.1	3,995	85	2.2%	1,880	88.9%
Walsall	7.8	14.6	14.5	3,315	-20	-0.6%	1,400	73.1%
Dudley	7.4	13.3	13.1	3,140	-30	-0.9%	1,390	79.4%
Solihull	5.2	11.3	11.6	1,770	50	2.9%	945	114.5%
Birmingham	6.1	11.4	11.6	16,385	330	2.1%	7,280	80.0%
Stoke-on-Trent	5.3	10.9	10.8	2,540	-40	-1.6%	1,135	80.8%
Telford and Wrekin	4.8	10.5	10.5	1,580	-10	-0.6%	820	107.9%
Worcestershire	3.9	9.2	9.0	3,735	-90	-2.4%	2,140	134.2%
Shropshire	3.6	8.5	8.3	1,730	-55	-3.1%	905	109.7%
Staffordshire	3.3	8.1	8.0	5,280	-70	-1.3%	2,865	118.6%
Herefordshire, County of	3.3	7.6	7.6	935	5	0.5%	520	125.3%
Warwickshire	2.8	7.3	7.3	3,335	10	0.3%	2,000	149.8%
Coventry	2.6	6.3	6.5	3,460	105	3.1%	1,925	125.4%
Tamworth	4.8	11.0	11.1	640	5	0.8%	345	116.9%
Cannock Chase	4.4	10.6	10.8	790	10	1.3%	425	116.4%
East Staffordshire	3.1	8.7	8.4	715	-25	-3.4%	395	123.4%
South Staffordshire	3.0	8.1	8.0	645	-5	-0.8%	395	158.0%
Lichfield	3.2	8.1	7.7	545	-25	-4.4%	275	101.9%
Stafford	2.9	7.3	7.3	670	0	0.0%	355	112.7%
Staffordshire Moorlands	2.7	6.5	6.5	415	-5	-1.2%	240	137.1%
Newcastle-under-Lyme	2.9	6.3	6.2	860	-20	-2.3%	435	102.4%

<sup>1</sup> The claimant rate is the proportion of the working age population claiming benefits

- All Staffordshire Districts have seen slight decreases in the number of claimants in October. The largest decreases were seen in Lichfield with 130 fewer claimants and Stafford seeing a decline of 110 claimants. Tamworth and Cannock Chase continue to record the highest rates in Staffordshire, although Newcastle-under-Lyme and East Staffordshire have the largest caseloads. However, it's important to note all Districts and Boroughs remain lower than the current national and regional rates.

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

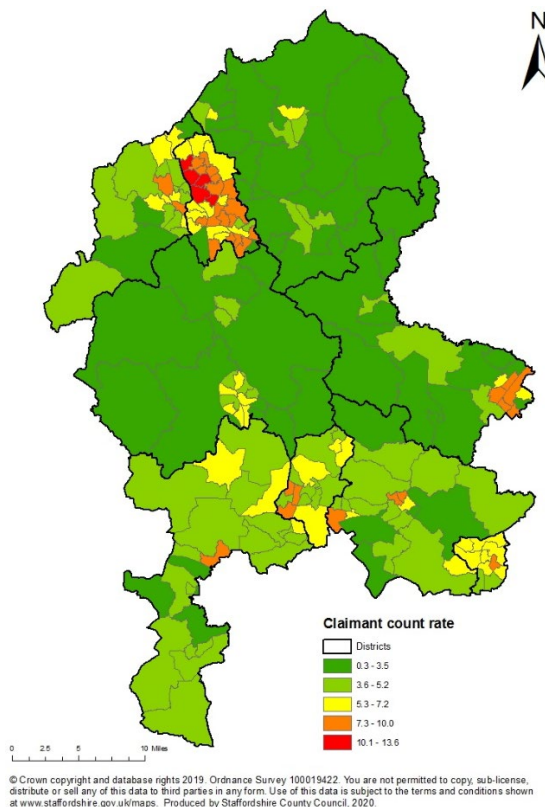
- The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

### Claimant Count Rate October 2020

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 58 were at or above the England average of 6.3% for the number of claimants as a proportion of the working age population in October.

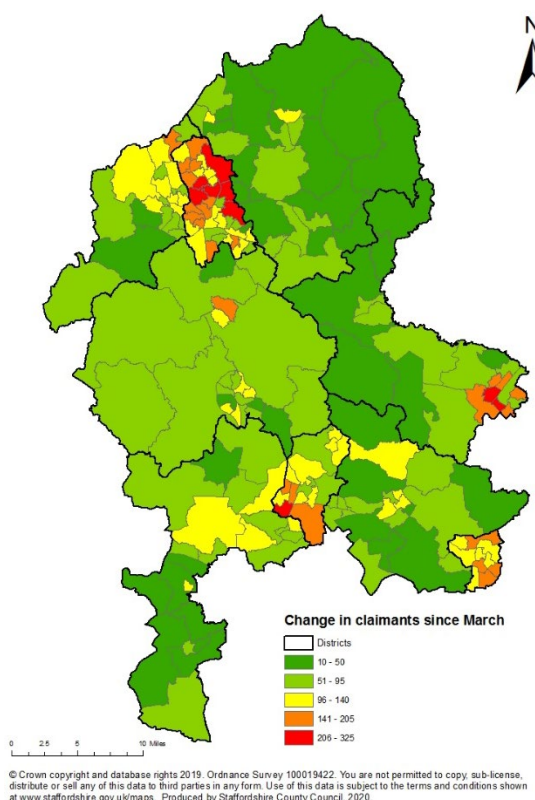
The top 13 wards with the highest claimant count rate were all in Stoke-on-Trent with Moorcroft (13.6% or 495 claimants), Joiner's Square (13.2% or 580), and Etruria and Hanley (13.1% or 660 claimants) having the highest rates.

In Staffordshire, Burton in East Staffordshire (8.8% or 250) and Cannock South in Cannock Chase (8.4% or 445) had the highest claimant count rates.



### Change in Claimant Count since March 2020

The top 4 wards with the highest change in the number of claimants since March 2020 were all in Stoke-on-Trent and included Birches Head and Central Forest Park (325 increase to 715 in total), Etruria and Hanley (305 rise to 660), Bentilee and Ubbertley (280 increase to 680) and Baddeley, Milton and Norton (270 rise to 600).



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

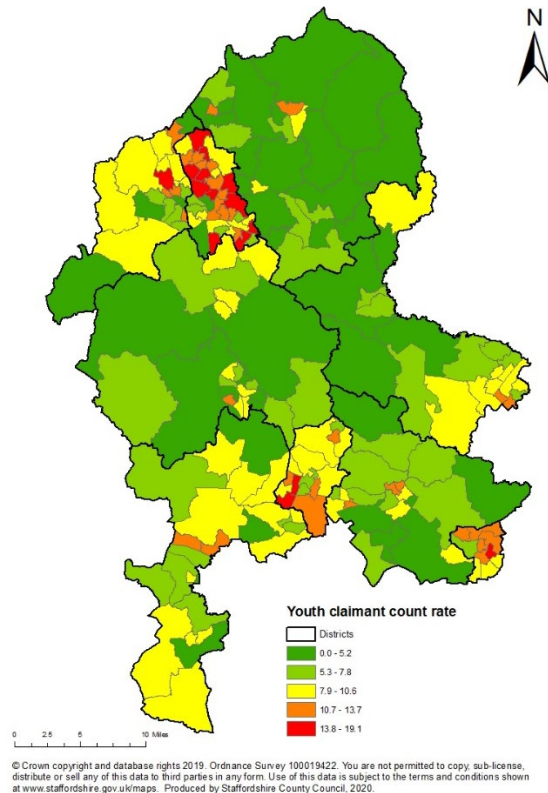
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

### Youth Claimant Count Rate October 2020

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 82 were at or above the England average of 9.2% for the number of claimants aged 18-24 as a proportion of the 18-24 population.

Of the top 10 wards with the highest youth claimant count rate 7 were in Stoke-on-Trent including Moorcroft (19.1% - the highest in SSLEP area), Joiner's Square (18.0%), Meir North (15.6%), Bradeley and Chell Heath (15.6%), Bentilee and Ubbberley (15.4%), Abbey Hulton and Townsend (15.3%) and Etruria and Hanley (14.4%).

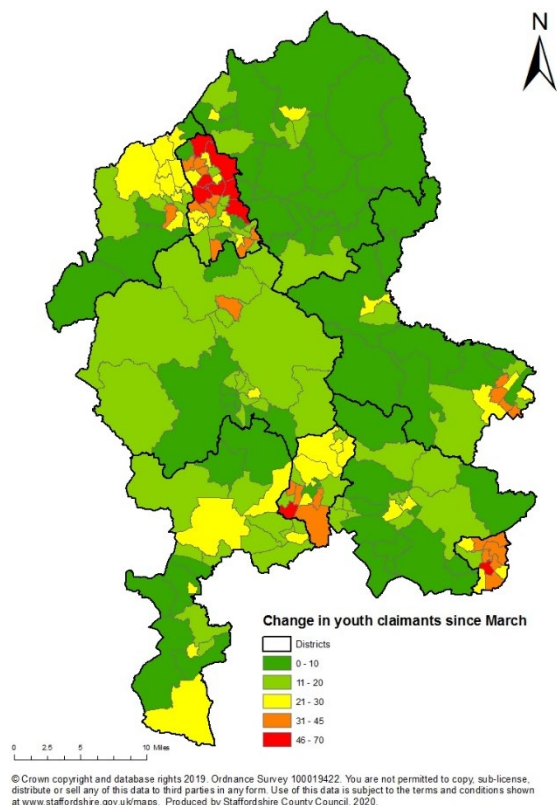
In Staffordshire, the highest rate was Glascote in Tamworth with 16.4%, followed by Cannock South (15.7%) and Holditch & Chesteron (15.0%) in Newcastle-under-Lyme.



### Change in Youth Claimant Count since March 2020

Out of the top 10 wards with the highest change in the number of youth claimants since March 2020 8 were in Stoke-on-Trent including Etruria and Hanley (70 rise to 115 in total) and Moorcroft (55 rise to 100).

In Staffordshire, the highest increase was seen in Cannock South (55 rise to 105) and Belgrave (50 rise to 80).



## Coronavirus Job Retention Scheme (CJRS) Furloughed Jobs<sup>2</sup>

- HMRC have now rereleased local authority level breakdowns of the CJRS scheme for claims submitted to HMRC by 31<sup>st</sup> October for the period up to 30<sup>th</sup> September.
- HMRC have stated that the CJRS claims data for July onwards is not yet complete as claims for periods from 1 July onwards may still be made. This means that the figures for July onwards are preliminary and are likely to be revised upwards in future releases.
- Based on the provisional figures, **Staffordshire had the 2nd highest number of furloughed job claims up to the end of September in the WM with 29,300**, behind only Birmingham and equivalent to 7% of eligible workers. This is to be expected given Staffordshire is the 2<sup>nd</sup> largest strategic authority area in the region.
- Staffordshire has seen **a decline of 11,200 furloughed jobs from the previous month.**
- **Staffordshire's rate of furlough remains slightly below the regional and national averages of 8%.**
- **Stoke-on-Trent has seen the number of furloughed jobs decrease from 10,200 to 7,600**, equivalent to 7% of eligible jobs.

### Coronavirus Job Retention Scheme (CJRS) Statistics: November 2020

County and district / unitary authority	Employments furloughed	Eligible employments	Take-up rate
Lichfield	4,000	47,300	9%
<b>West Midlands</b>	<b>203,300</b>	<b>2,580,400</b>	<b>8%</b>
Cannock Chase	3,600	46,400	8%
South Staffordshire	4,100	48,300	8%
Tamworth	3,200	38,400	8%
<b>United Kingdom</b>	<b>2,437,200</b>	<b>30,353,200</b>	<b>8%</b>
<b>SSLEP</b>	<b>36,900</b>	<b>510,800</b>	<b>7%</b>
Stoke-on-Trent UA	7,600	112,600	7%
<b>Staffordshire County</b>	<b>29,300</b>	<b>398,200</b>	<b>7%</b>
East Staffordshire	3,800	58,400	7%
Newcastle-under-Lyme	3,600	55,200	7%
Staffordshire Moorlands	2,900	42,300	7%
Stafford	4,000	61,900	6%

Source: HMRC CJRS and PAYE Real Time Information

<sup>2</sup> Source: HMRC - <https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-november-2020>

- **Since the peak of 135,700 claims up to the end of June and as the economy has come out of lockdown, the provisional figures show that Staffordshire has seen furloughed jobs decline by 73%.**
- However, there is still concern as to how many of those workers which remain on furlough are to return to work once furlough ends and is replaced by reduced Government support through the Job Support Scheme.
- The national data provides more detailed breakdowns than available for local authorities and looking at the national picture allows for greater insight into who is currently being supported by the furlough scheme.
- Nationally there were 556,700 employers making 2,437,200 furloughed job claims up to the end of September.
- Above two thirds (72%) of claims were made by SMEs with 27% in large businesses with 250+ employees and 1% unknown. While of those workers furloughed, nearly two thirds (61%) were fully furloughed and 38% partially furloughed with 1% unknown.
- The following chart shows the trend in furloughed job claims nationally, it appears that as lockdown has eased furlough claims have gradually declined although the drops seen in July onwards are based on provisional data with future revisions potentially seeing an uplift in claims.

### Coronavirus Job Retention Scheme (CJRS) Statistics: November 2020 Time Series



- Nationally, the identified high-risk sectors of Arts, entertainment and recreation, Accommodation and Food, Construction, Manufacturing and Wholesale and Retail remain amongst the highest for the number and rate of jobs that have been furloughed:

### Coronavirus Job Retention Scheme (CJRS) Statistics: November 2020 by Sector

Sector	Employers			Employments			Value of claims made for periods to 30 September (£ million)
	Employers furloughing staff	Eligible employers	Take-up rate	Employments furloughed	Eligible employments	Take-up rate	
Arts, entertainment and recreation	18,100	40,000	45%	150,100	660,900	23%	1,853
Accommodation and food services	53,900	130,600	41%	477,900	2,216,300	22%	6,506
Other service activities	32,300	92,800	35%	107,600	570,900	19%	1,214
Construction	62,500	231,300	27%	147,300	1,285,300	11%	3,682
Real estate	14,800	46,000	32%	41,800	435,700	10%	721
Professional, scientific and technical	86,100	313,200	27%	221,900	2,213,200	10%	3,197
Manufacturing	37,200	100,600	37%	213,100	2,445,100	9%	5,024
Wholesale and retail; repair of motor vehicles	84,100	243,600	35%	390,700	4,537,400	9%	7,695
Transportation and storage	21,500	73,400	29%	117,900	1,343,800	9%	2,389
Administrative and support services	53,000	164,400	32%	231,200	2,739,800	8%	3,922
Information and communication	34,100	155,000	22%	90,700	1,249,500	7%	1,247
Water supply, sewerage and waste	1,800	5,600	33%	8,600	174,700	5%	222
Agriculture, forestry and fishing	3,200	33,800	10%	7,500	182,200	4%	125
Mining and quarrying	300	1,000	25%	2,200	51,900	4%	97
Health and social work	26,800	100,900	27%	113,400	4,111,500	3%	1,523
Finance and insurance	7,900	34,600	23%	22,900	1,105,400	2%	382
Education	13,200	39,200	34%	70,700	3,327,000	2%	1,261
Energy production and supply	300	1,200	26%	1,000	133,600	1%	92
Households	1,500	81,600	2%	2,000	138,500	1%	42
Public administration and defence; social security	200	7,800	3%	3,400	1,357,300	0%	47
Unknown and other	3,800	23,300	-	15,500	73,300	-	115
<b>Total</b>	<b>556,700</b>	<b>1,919,800</b>	<b>29%</b>	<b>2,437,200</b>	<b>30,353,100</b>	<b>8%</b>	<b>41,356</b>

Source: HMRC CJRS and PAYE Real Time Information

- Beyond the short-term, specific industrial sectors and the associated labour market may continue to be adversely affected, particularly due to changes to Government policy interventions such the move from national lockdown to regional lockdowns under the 3 Tier system, reduced economic support measures and challenging market conditions.
- A particular risk is the end of the Government's Job Retention Scheme (JRS) at the end of March and the move to the less generous Job Support Scheme (JSS) from April onwards. The JRS has been successful in enabling many people to remain in employment but furloughed during the crisis but once this comes to an end there are concerns that many furloughed workers may not be moved onto the JSS and instead find themselves out of work.

## Self-Employment Income Support Scheme (SEISS)<sup>3</sup>

- **Staffordshire has seen 27,200 self-employed workers claim for the second SEISS grant up to the end of October** and a take-up rate of 69% for those eligible through the scheme, which is in-line with the regional and national average take-up rates.
- **Stoke-on-Trent had 7,700 SEISS claims up to the end of October**, equivalent to 74% of those eligible. This is the joint highest rate the West Midlands Region upper-tier authorities.

### Self-Employment Income Support Scheme (SEISS) Statistics: November 2020

County and district / unitary authority	Total potentially eligible population	Total no. of claims made to 31/10/20	Total value of claims made to 31/10/20 (£)	Average value of claims made to 31/10/20 (£)	Total Take-Up Rate
Stoke-on-Trent UA	10,500	7,700	17,400,000	2,200	74%
Cannock Chase	5,000	3,700	10,200,000	2,700	74%
Tamworth	3,000	2,100	5,300,000	2,500	71%
Newcastle-under-Lyme	5,200	3,600	9,200,000	2,500	70%
<b>SSLEP</b>	<b>50,000</b>	<b>34,900</b>	<b>87,500,000</b>	<b>2,507</b>	<b>70%</b>
<b>West Midlands</b>	<b>261,000</b>	<b>181,000</b>	<b>440,000,000</b>	<b>2,400</b>	<b>69%</b>
<b>Staffordshire County</b>	<b>39,500</b>	<b>27,200</b>	<b>70,100,000</b>	<b>2,600</b>	<b>69%</b>
Lichfield	4,800	3,300	9,000,000	2,700	69%
South Staffordshire	5,300	3,700	9,600,000	2,600	69%
<b>United Kingdom</b>	<b>3,390,000</b>	<b>2,350,000</b>	<b>5,927,000,000</b>	<b>2,500</b>	<b>69%</b>
East Staffordshire	5,300	3,600	8,200,000	2,300	68%
Stafford	5,600	3,700	9,700,000	2,600	66%
Staffordshire Moorlands	5,400	3,500	9,000,000	2,600	65%

- Nationally, **transport and storage, construction, education and arts, entertainment and recreation remain the sectors which have seen the highest take-up rates.**

<sup>3</sup> Source: HMRC - <https://www.gov.uk/government/statistics/self-employment-income-support-scheme-statistics-october-2020>

## Spotlight Section: Insolvencies during the pandemic

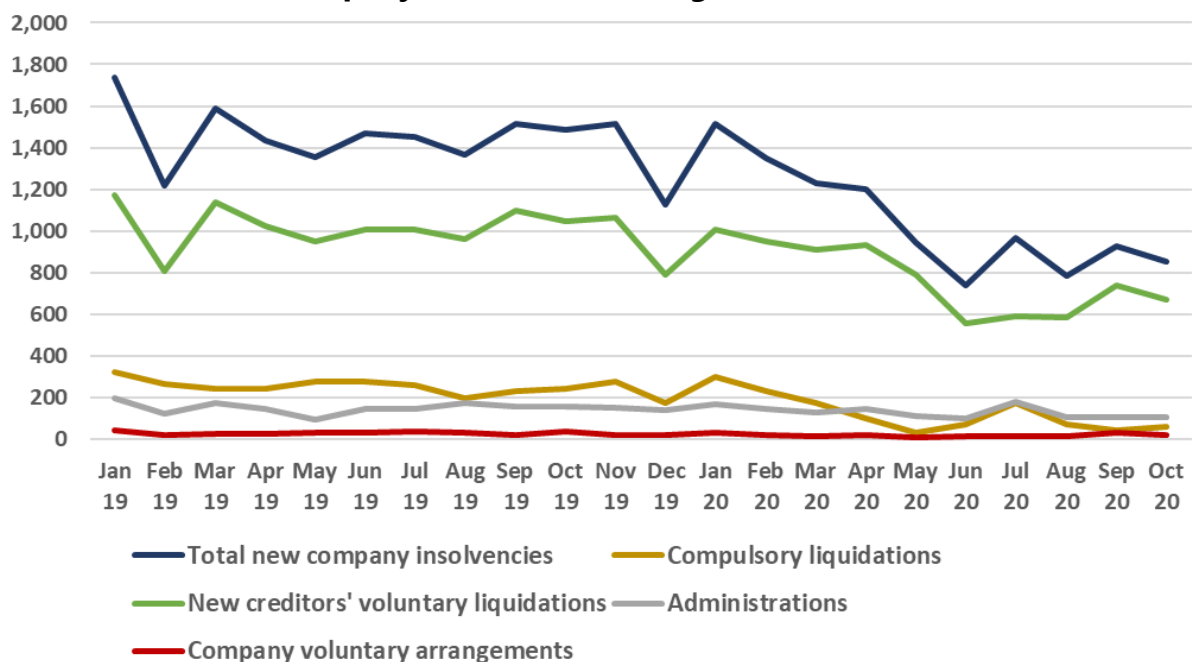
This month we consider the latest Insolvency Service monthly insolvency statistics for October 2020. The statistics cover the number of new companies and individuals who are unable to pay debts and enter a formal insolvency procedure.

### Company Insolvencies

**In October 2020 there was a total of 856 company insolvencies in England and Wales**, comprised of 672 creditors' voluntary liquidations (CVLs), 59 compulsory liquidations, 104 administrations and 21 company voluntary arrangements (CVAs).

The overall number of **company insolvencies decreased by 42% in October 2020 when compared to the same month last year**. This follows a similar trend seen over the course of the pandemic where insolvencies have been at much lower levels than a year earlier. **Company insolvencies between March and October 2020 have declined by 34% representing just over 4,000 fewer businesses compared to the same period in 2019.**

Company Insolvencies in England and Wales



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

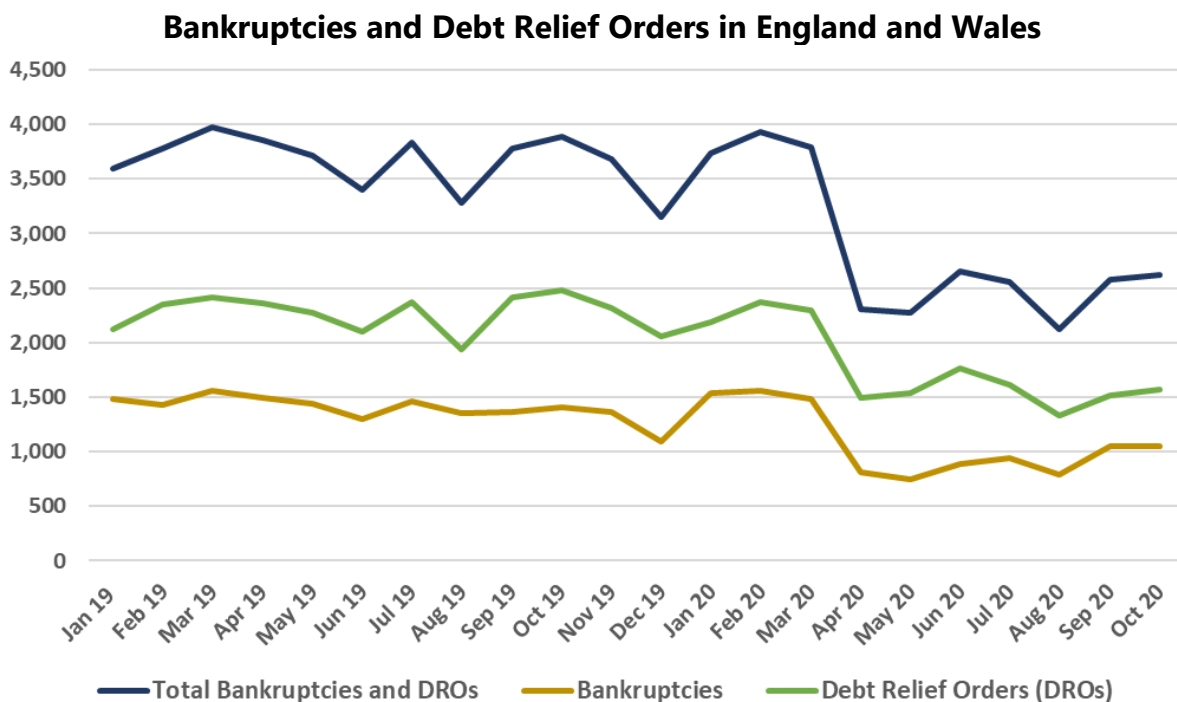
**The sectors to have seen the largest number of company insolvencies since March are construction (1,123), wholesale and retail (971), and accommodation and food (844).** However, levels are far lower than those seen for the same period the previous year, with construction 42% lower, wholesale and retail 34% lower and accommodation and food 41% below levels seen a year earlier.



## Individual Insolvencies

There were **1,572 Debt Relief Orders (DROs)** and **1,048 bankruptcies** in **October 2020** in England and Wales (the latter was made up of 970 debtor applications and 78 creditor petitions). There was a **37% reduction in DROs and a 25% reduction in bankruptcies in October 2020 compared with the same month last year**. The reduction in bankruptcies was driven by a 17% fall in debtor applications and a 67% reduction in creditor petitions.

**Total bankruptcies and DROs between March and October 2020 have declined by 30% representing just over 8,800 fewer compared to the same period in 2019.**



Overall numbers of company and individual insolvencies remained low in October 2020, when compared with the same month in the previous year. This was likely to be at least partly driven by government measures put in place in response to the coronavirus pandemic, including:

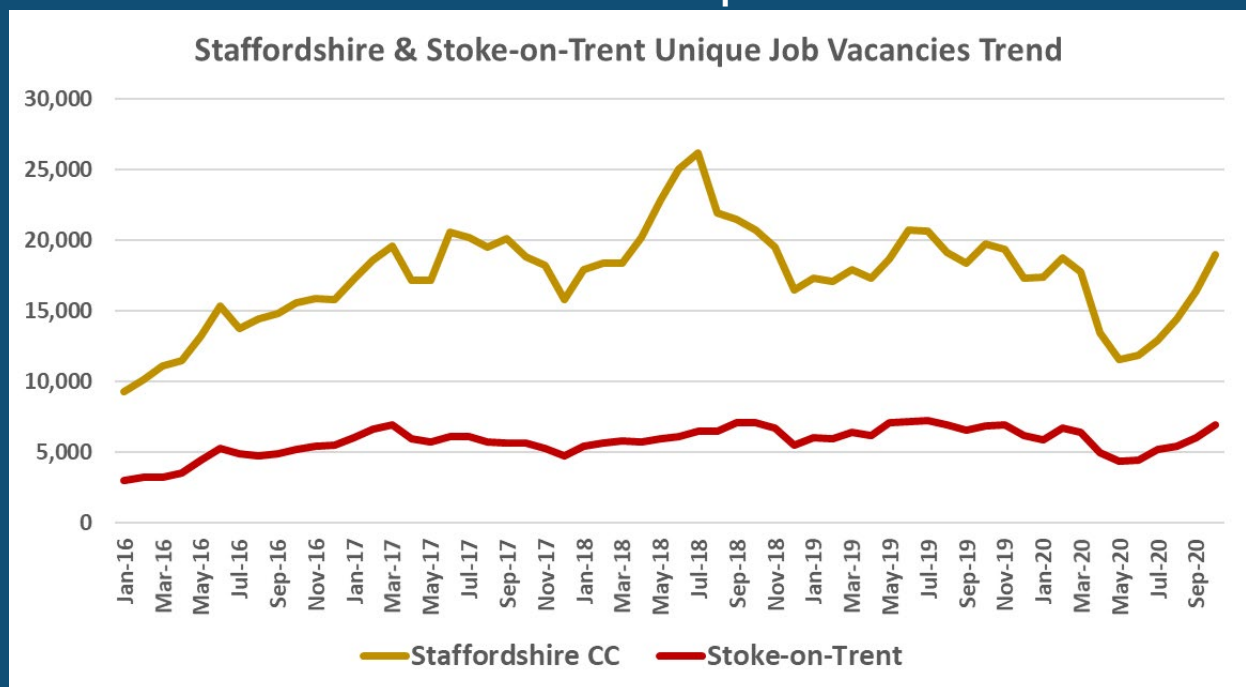
- Reduced operational running of the courts and reduced HMRC enforcement activity since UK lockdown was applied on the evening of 23 March;
- Temporary restrictions on the use of statutory demands and certain winding-up petitions (leading to company compulsory liquidations) from 27 April. These restrictions have been extended to 31 December 2020.
- Enhanced government financial support for companies and individuals.

As the Insolvency Service does not record whether an insolvency is directly related to the coronavirus pandemic, it is not possible to state its direct effect on insolvency volumes. The main concern is a potential spike in company and individual insolvencies once Government support has been withdrawn.

## Job Vacancies<sup>4</sup>

- There is also further positive news on the continuing recruitment uplift, with **job vacancies in Staffordshire increasing by 15% between September and October equivalent to over 2,500 more job vacancies which is above the growth seen regionally (13%) and nationally (11%).**
- **Stoke-on-Trent also saw a 15% growth with just under 900 more vacancies in October compared to September.**
- **In both Staffordshire and Stoke-on-Trent vacancy levels are now just above those seen pre-COVID while in contrast regional and national levels still lag behind.**

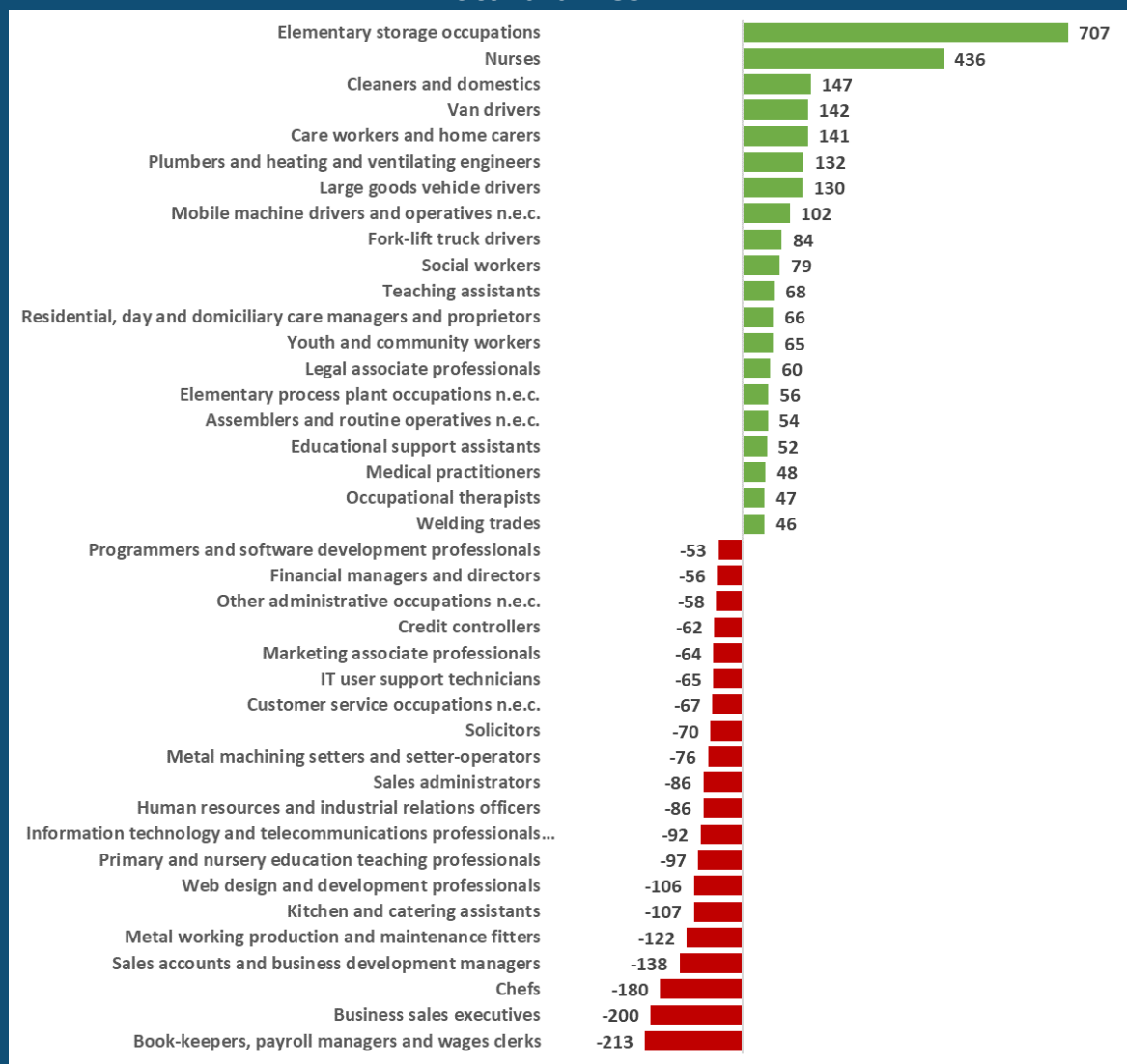
Staffordshire & Stoke-on-Trent Unique Job Vacancies Trend



- Although we have seen a decline in vacancies for most occupations since the crisis started, particularly within sectors and roles hardest hit by the lockdown, this continued uplift in recruitment is leading to a growth in far more occupations than witnessed previously during the pandemic.
- **The main recruitment growth occupations between Feb (pre-COVID) and October have been elementary storage occupations, nurses, cleaners, drivers, care workers and home carers and plumbers.**
- The increase in logistics jobs is likely to be partly due to temporary seasonal employment in the run up to Christmas.

<sup>4</sup> Source: EMSI

## Top 20 occupations declining and top 20 increasing between Feb 2020 (Pre-COVID) and Oct 2020 in SSLEP



- While demand for roles in health and social care including **nurses and social care workers and home carers** alongside roles in distribution such as **elementary storage occupations and van drivers** remain by far the strongest of all occupations.
- There is also demand for **primary and nursery education teaching professional**, which is an area which was badly impacted during lockdown. As well as these more sector specific roles, there is continuing and growing demand for workers which support numerous sectors including **sales and business development managers, programmers and software development professionals, admin roles and cleaners**.

## Top 20 occupations in demand in SSLEP during October 2020



- However, the increasing competition for jobs suggests that those unfortunate enough to lose their jobs may struggle to find new ones at least in the short-term, although there are still opportunities available with increasingly more coming online.

## Job Vacancies Summary Table

Area / SSLEP Occupational Group	Oct 2019 Unique Postings	Feb 2020 Unique Postings	Aug 2020 Unique Postings	Sept 2020 Unique Postings	Oct 2020 Unique Postings	Sept-Oct 2020 (Month on Month Change)	Sept-Oct 2020 Monthly % Change	Feb-Oct 2020 (Month on Month Change)	Feb-Oct 2020 Monthly % Change	Oct 2019- Oct 2020 (Year on Year Change)	Oct 2019- Oct 2020 Annual % Change
Staffordshire CC	19,778	18,814	14,472	16,452	18,980	2,528	15%	166	1%	-798	-4%
Stoke-on-Trent	6,897	6,713	5,452	6,084	6,980	896	15%	267	4%	83	1%
SSLEP	26,675	25,527	19,924	22,536	25,960	3,424	15%	433	2%	-715	-3%
West Midlands	177,592	171,120	125,731	138,966	157,482	18,516	13%	-13,638	-8%	-20,110	-11%
England	1,941,670	1,967,287	1,567,160	1,702,488	1,895,160	192,672	11%	-72,127	-4%	-46,510	-2%
South Staffordshire	609	648	651	756	922	166	22%	274	42%	313	51%
Stafford	4,432	4,376	3,678	4,344	4,979	635	15%	603	14%	547	12%
Newcastle-under-Lyme	1,740	1,690	1,451	1,627	1,841	214	13%	151	9%	101	6%
East Staffordshire	3,412	3,206	2,607	3,013	3,436	423	14%	230	7%	24	1%
Lichfield	2,372	2,051	1,731	1,881	2,180	299	16%	129	6%	-192	-8%
Cannock Chase	2,416	2,201	1,751	1,976	2,216	240	12%	15	1%	-200	-8%
Tamworth	2,963	2,753	1,607	1,781	2,112	331	19%	-641	-23%	-851	-29%
Staffordshire Moorlands	1,834	1,889	996	1,074	1,296	222	21%	-593	-31%	-538	-29%
Elementary Occupations	2,715	2,115	2,088	2,578	3,030	452	18%	915	43%	315	12%
Process, Plant and Machine Operatives	2,501	2,033	1,734	2,184	2,576	392	18%	543	27%	75	3%
Caring, Leisure and Other Service Occupations	2,646	2,421	2,204	2,478	2,677	199	8%	256	11%	31	1%
Managers, Directors and Senior Officials	1,580	1,696	1,500	1,589	1,781	192	12%	85	5%	201	13%
Professional Occupations	5,790	6,363	5,359	5,803	6,536	733	13%	173	3%	746	13%
Skilled Trades Occupations	2,387	2,292	1,612	1,909	2,187	278	15%	-105	-5%	-200	-8%
Associate Professional and Technical Occupations	4,922	4,934	3,331	3,608	4,317	709	20%	-617	-13%	-605	-12%
Sales and Customer Service Occupations	1,310	1,056	613	692	838	146	21%	-218	-21%	-472	-36%
Administrative and Secretarial Occupations	2,814	2,601	1,474	1,682	2,003	321	19%	-598	-23%	-811	-29%

## Notes

### **Claimant Count and ILO Unemployment Definitions**

The Claimant Count is a measure of the number of working age people claiming benefits principally for the reason of being unemployed, including those claiming Jobseeker's Allowance plus those who claim Universal Credit and are required to seek work and be available for work.

ILO unemployment data is obtained from the national Labour Force Survey. The definition for unemployment is those without a job, want a job, have actively sought work in the last four weeks and are available to start work in the next two weeks, or; are out of work, have found a job and are waiting to start work in the next two weeks.

### **Understanding the differences between the Claimant Count and ILO Unemployment**

According to the UK Claimant Count for May, claimant unemployment increased to 2.8 million and a rate of 7.8% – a rise of 125% in just two months, the fastest rate of growth on record. However, the ILO measure shows that unemployment has remained largely unchanged at around 1.3 million and a rate of 3.9%. Understanding the reasons why there is this difference is important for policymakers trying to determine whether we are currently in the middle of an unemployment crisis or whether this is to come as the Job Retention Scheme (JRS) is gradually withdrawn.

The following section tries to explain this incredibly confusing, complicated and often contradictory data.

The main reasons for the difference between the Claimant Count and ILO measures include:

- **The two measures describe different periods** – for claimant unemployment, the numbers refer to claimants on a specific 'count date' with the last three being 12 March, 9 April and 14 May. Therefore, these are point-in-time estimates, and handily we can compare what the situation was about a week before the crisis (12 March) with how things were two months later (14 May).

The ILO measure is a three-month average of survey responses between early February and late April 2020. This means that two months pre-date the crisis, while one month (April) is since the crisis began. However, ONS does release [single month estimates](#) (latest available April 2020) which show a drop in employment in April of 320,000 explained almost entirely by fewer people self-employed but only slight increase of 40,000 unemployed. Instead there is a steep rise in 'economic inactivity' which is those who are out of work but are not looking and/ or available for work.

- **Difference in measuring economic inactivity/worklessness** - the Claimant Count measures those who are required to look/be available for work as a condition of benefit, while the ILO measure is those who say that they actually are actively seeking and available for work. The Labour Force Survey is recording a single-month increase in the number of people out of work (unemployed and economically inactive) of 330,000, but nearly 290,000 of these people are not looking for work (economically inactive). The majority of this rise is people previously self-employed and are either not eligible for, or not yet been paid, income under the Self-Employed Income Support Scheme (SEISS).
- **Claimant Count now includes more workers on low-income** - In the Claimant Count, people with earned income can be counted as claimant unemployed if their earnings in the reference month are below a set threshold (£338 per month for a single person, or £541 per month for a couple). Before Universal Credit (UC), short-hours working was penalised and so these numbers were generally low. However, UC incentivises short-hours work, and so we've 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 their 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's 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	<b>New Job Starters/PT employees/Self-employed with no income claiming Universal Credit not supported by JRS</b>	<b>In Employment</b> - 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	<b>Self-employed ceased trading or have very low income claiming Universal Credit</b> (and are either not eligible for, or not yet been paid, income under the SEISS)	<b>Economically inactive</b> - people out of work but are not looking for work - majority people previously self-employed
18%	190,000	<b>Working part-time low income workers claiming Universal Credit</b>	<b>In Employment</b>
10%	100,000	<b>Potential Redundancies</b>	
<b>100%</b>	<b>1,032,500</b>	<b>Claimant Count Increase Mar-20 to Apr-20</b>	

- 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.