

## Economic Bulletin - Issue 9 – March 2021

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 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. The next HMRC release of the Self Employment Income Support Scheme (SEISS) data is due on the 3<sup>rd</sup> June when we will provide further analysis. 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

- This week marked the anniversary of the UK's first COVID 19 lockdown, compared to a year ago things are looking far more positive with the **rate of infection** continuing to fall across the UK with the rate in Staffordshire having more than halved over the last month to a level not seen since early October.
- The **UK vaccination programme** continues to be successfully rolled out with more than half of the adult population already vaccinated and is still on track to vaccinate all over 50s by mid April and all adults by the end of July. In mid March Staffordshire and Stoke on Trent was the highest CCG in the country for over 65 uptake levels with over 500,000 adults now vaccinated.
- We have seen the first major step on **the Government's roadmap out of lockdown**, with schools reopening and really important early indications that this has not led to a rise in COVID 19 infections. In the wider population we are also seeing fewer cases leading to hospitalisation and the lowest number of COVID 19 related deaths since early October. This all bodes well for **further easing of restrictions** in the coming months.
- Over the coming weeks we may see some fluctuation in infection rates largely due to **increased testing** in schools and businesses, with lateral flow testing now freely available to all businesses. Businesses need to register [here](#) on or before 31<sup>st</sup> March 2021. The early detection of cases is extremely important in controlling the virus as we continue to open up society and business.
- There is also confidence from leading experts that the UK is "well equipped" to stay ahead of **COVID 19 variants** and that vaccines continue to be very effective against any strains currently circulating. Again, effective **surge testing** in areas where new variants are found is key to staying ahead of the virus.
- It is also clearly still important that all of us continue to follow the rules and prevent the spread of the virus.

## Economic Impact and Support

- The **UK economy shrank by 2.9% in January** amid the third lockdown and Brexit, this follows the 1.2% growth seen during December. A key factor in this decline was the **largest monthly fall in goods imports and exports since records began** in January 1997. However, this drop was much smaller than expected, suggesting businesses have adapted to trading in lockdown.
- More positively, the **UK unemployment rate for the three months to February stood at 5%, down from 5.1% for the three months to January**. The number of workers on company payrolls in the UK climbed by almost 200,000 during the period, amid signs that the jobs market may be stabilising with more employers adapting to

lockdowns. However, the number on payrolls is still 693,000 lower than last February, before COVID 19 lockdown measures began. The jobs crisis remains acute, with 1.7 million people out of work around a five year high.

- **Government borrowing in February was £19.1 billion**, the highest figure for February since records began and £17.6 billion higher than a year earlier. The **total for the year currently stands at £278.8 billion**.
- With the continuing impact of COVID 19 on the economy and rising Government debt, the **Bank of England sees the economic outlook and particularly the relative movement in demand and supply during the recovery from the pandemic as “unusually uncertain”** despite the rapid vaccine rollout. Recognising that "It continues to depend on the evolution of the pandemic, measures taken to protect public health, and how households, businesses and financial markets respond to these developments."
- To aid with the recovery the Chancellor made his **budget statement on the 3<sup>rd</sup> March** in which he outlined his long term blueprint for the recovery. It was announced that there would be **a further £65 billion in support for workers and businesses**, as part of a three part plan to “protect jobs and livelihoods of the British people”.
- **Key budget announcements** included an extension to the furlough scheme until the end of September and more support for the self employed; a six month extension to the £20 a week uplift in Universal Credit; a three month extension to the business rates holiday in England; £408 million for museums, theatres and galleries in England to help them reopen when coronavirus restrictions ease; more than £1 billion to be shared between 45 struggling towns in England; and more investment for traineeships. Other Budget measures included a £5 billion grants scheme to help the hardest hit town centre businesses reopen; a further £1.65 billion for the UK's vaccine rollout; £19 million more for domestic violence programmes; and eight ‘freeports’ in England.
- The budget also introduced the new Levelling Up and Community Renewal Funds. The new £4.8 billion Levelling Up Fund (LUF) which will invest in infrastructure that improves everyday life across the UK such as support for town centre and high street regeneration, local transport projects, and cultural and heritage assets. While the £220m UK Community Renewal Fund (CRF) aims to support people and communities most in need across the UK to pilot programmes and new approaches and will invest in skills, community and place, local business, and supporting people into employment.
- The budget clearly recognised the need to continue to support people through the coming months, rebuild the economy and “fix” the public finances in the wake of the pandemic.
- We continue to hear stories of large high street brands closing their stores, such as John Lewis permanently closing eight more stores putting 1,465 jobs at risk and

Thorntons announcing the closure of all of its remaining shops putting 600 jobs at risk. Latest figures show that more than 17,500 chain stores and other venues closed in Britain last year, an average rate of 48 closures a day, while only just over 7,600 opened so a net decline of almost 10,000. Clearly, support such as the **£5 billion restart grant scheme** for high street retail and hospitality is vital to helping stave off further business closures.

### **Growth opportunities**

- **Town Centres** there is the opportunity for town centres to evolve and repurpose the high street to more mixed use with more residential, leisure and recreation spaces taking over from some physical retail. The budget announced 45 of the 101 Towns Fund areas who have had their funding confirmed, with Burton on Trent receiving £22.8m and Kidsgrove £16.9m to aid their recovery. There is also the new £56 million 'Welcome Back' fund for local councils to support the reopening of the high street for measures such as improving green spaces and providing more outdoor seating areas, markets and food pop ups.
- **Green Bus Revolution** as part of its "levelling up" agenda the Government has announced £3 billion in funding to make buses more frequent, cheaper, greener and easier to use. A new bus strategy will aim to see lower, simpler flat fares in towns and cities, turn up and go services on main routes and new flexible services to connect communities. This is intended to encourage people to take the greener option of the bus rather than use their car and could also see more people using their local town centres and increase footfall on the high street.
- **Consumer Demand** research by the Centre for Economics and Business Research (CEBR) has found that Britons are planning to use savings built up over the past year to spend £50 billion once restrictions are lifted on holidays at home and abroad, travel, and go out to eat in cafes and restaurants.
- **Project Gigabit** The first stages of the Government's £5 billion superfast broadband rollout to the majority of homes in the UK have been announced. Project Gigabit will initially see homes and businesses in the north of England gain access to the broadband that will accelerate recovery from the pandemic and fire up tech and creative industries. The infrastructure build should start in 2022 with 85 per cent of the UK covered by 2025.
- **HS2** SMEs from across HS2 route wanted to join Virtual Enterprise Academy. The free academy looks to up skill up to 150 businesses, giving them the tools to work on projects like HS2. Starting in April the Academy will run through until June. The modules will cover topics ranging from HR, health and safety, social value, carbon management innovation, the environment, risk management, finance and commercial awareness. To find out more click [here](#).

## Skills

- **Post Brexit study abroad scheme** a new exchange scheme that enabled students to study or work anywhere in the world will come into play this September, replacing the scheme previously on offer through the European Union. The Turing scheme is a £110 million programme that will fund 35,000 exchanges including university study, school exchanges and work placements. The Government say the new scheme offers benefits students would not have got under the previous Erasmus+ programme, including £490 a month towards living costs and students from disadvantaged backgrounds.
- **Green apprenticeships to help Covid recovery** Green apprenticeships would prepare young people for jobs in renewable energy and the restoration of the UK's natural landscape, and stop young people having their careers blighted for life by the impact of the coronavirus pandemic, according to a new report. The Transition Economics report, commissioned by Friends of the Earth, found that 250,000 green apprenticeships and a network of skills centres at further education colleges could be created with about £10.6 billion of government money.

## Local Picture

- Looking locally due to our strong position going into the crisis the number of people on some form of government economic support scheme (including Universal Credit, Furlough and Self employment Income Support) is estimated to be lower than the rest of the country, 20% compared to 23% nationally, but has increased further during the third lockdown as more people were furloughed.
- The claimant count in Staffordshire saw an **increase of 1,335 claimants between January and February 2021 to a total of 25,650 claimants** and the **claimant rate has increased from 4.5% of the working age population in January to 4.8% in February.**
- This shows the likely ongoing impact of the third lockdown on businesses and jobs, with reduced trading leading to reduced hours and staffing requirements and an increase in the furloughing of staff particularly in hardest hit sectors such as hospitality and retail.
- The area has now seen **Universal Credit (UC) claimants more than double since March (pre COVID), an increase of just under 13,600 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 February compared to 7.4% regionally and 6.6% nationally**.
- However, it is young people, women, 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 7.6% in January 2021**, 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 **55,600 furloughed job claims in Staffordshire up to the end of February, equivalent to 14% of eligible workers**, which is in line with the regional average but slightly lower than the national average of 15%. **Stoke on Trent had 14,500 jobs still furloughed**, equivalent to 13% of eligible jobs. The concern is how many of those on furlough will be able to return to work between now and when the CJRS scheme ends at the end of September.
- Overall numbers of **company and individual insolvencies in February 2021 were nearly half (49% lower) the level seen a year earlier**. This follows a similar trend seen since COVID emerged in March 2020 and will at least partly be due to government measures put in place in response to the pandemic.
- The ongoing third lockdown has seen a further decline in recruitment during February, with **job vacancies in Staffordshire decreasing by 14% between January and February** equivalent to 2,800 fewer job vacancies, which is just below the 15% decline seen nationally. **Stoke on Trent also saw a decline of 14%** with just over 1,000 fewer vacancies in February compared to January. This continued decline in recruitment has



seen vacancy levels drop by around a fifth compared to a year earlier.

- We continue to see **demand for roles in health, social care and logistics e.g. ASOS and Pets at Home** with clear **emerging opportunities for job creation in digital (including online retail), advanced manufacturing (AI, Automation and Machine Learning), construction (£900 million Getting Building Fund) and the green economy (including retrofitting homes to improve energy efficiency and electric cars e.g. Jaguar Land Rover).**
- We will also look to build on existing strengths including advanced manufacturing through the adoption of AI, Automation and Machine Learning, construction to achieve Government house building targets and build major new infrastructure projects such as HS2 and West Midlands Freight Interchange, and advanced logistics with the online retail boom such as the recent announcement of ASOS's decision to build a £90million distribution centre creating 2,000 jobs close to Cannock and Tamworth were jobs will be very much needed and Pets at Home creating 1,200 jobs in Stafford, proving further employment opportunities for local residents and strengthening our economic recovery.
- Although the number of job vacancies has been impacted by the latest lockdown and tighter restrictions it is important that we continue to work together to support our residents reskill and upskill into the roles that do exist such as through the work of the **Countywide Redundancy Task Group**, the **£2 billion Government Kickstart Scheme with over 500 new roles created in Staffordshire and Stoke on Trent to date** find out more about the types of roles and how to express an interest at the [Stoke on Trent and Staffordshire Enterprise Partnership website](#), and the **Government Restart Scheme**.

### Local initiatives

- We are continuing to prioritise support for small businesses and people whose jobs or employment prospects have been impacted by the pandemic.
- The recent launch of the **new £5m Staffordshire Means Back to Business Support Scheme** which sees the county council working with the district and borough councils to pool resources to help businesses.

This includes:

- **More funding on top of the Additional Restrictions Grant managed by the district and borough councils** the county council will be investing £860,000 towards the scheme.
- **Contributing to the cost of apprentices through 'The Staffordshire 500'**

**Apprentices Support programme** Supporting smaller businesses not paying into the national apprenticeship levy by contributing to the cost of the 16 to 24 year old apprentices. This could create up to 500 apprentices.

- **Up to £5,000 for re training through the 'Nil Cost Training for Employers Top up Project'** offering businesses the opportunity to up skill employees or train new staff if looking to change business operations or enter new markets. Up to £5,000 would be provided and matched through other funding sources. Up to 400 Staffordshire businesses could be supported over the next 15 months through the programme.
- **The Small Business 'To Thrive' Financial Support programme** would offer grants to small businesses between £2,000 and £5,000 to cover expenditure costs. Applicants would need to demonstrate all the measures they have put in place to remain open during the restriction period.
- More information when the new initiatives go live will be available [here](#).
- Alongside this there is also the **Information Technology Business Enhancement Programme (ITBEP)** bringing in two digital advisors to share their expertise on how SME businesses can get the most out of digital technology. Find out more [here](#).
- The next round of the **£2 million Staffordshire and Stoke on Trent Business Loan Fund** will open to small businesses in April, to find out how you could access the loans ranging from £10,000 to £50,000 visit the Growth Hub [here](#).
- **Other support you can access now** includes over £615,000 in start business support, including:
  - [The Start Up Programme](#) of free online webinars and training get your business going
  - [The Start Up Loans Scheme](#) of £3,000 to £5,000 for people who have completed the Start Up Programme
  - **'Ignite'** the start up programme supporting students to start up their own business
  - [The Redundancy and Recruitment Triage Service](#) Free and one to one support for you and your staff if you are having to make redundancies. The service helps people discover their transferable skills and match them to new work.
- The **Growth Hub has launched its online webinar library** to provide dedicated support to local businesses on topics ranging from funding and finance to marketing, HR and business growth. You can access the library [here](#).

## Local Projects



- **i54 South Staffordshire Western extension** the 60 acre extension to i54 is well on schedule for completion this summer and could provide up to 1,700 much needed new jobs.
- **Stoke on Trent College** has become one of the first training providers to receive funding from Stoke on Trent and Staffordshire LEP's Skills Equipment Fund round 3, as part of the broader Getting Building Fund. £120k has been secured to deliver the Construction Industry Digital Technologies (CIDT) Project. Funding will see Burslem Campus' Training Centre secure up to date physical resources to help local people gain and enhance digital skills in AR and VR.
- Meanwhile, phase 2 of the Creative and Digital Industries (CDI) Project will see £250k allocated to fund the final phase of the Cauldon Campus' existing New Library Building refurbishment. This will help create a collaborative learning space for the development of digital skills.
- **Staffordshire's Destination Management Partnership (DMP)** it is proposed to strengthen the DMP and help Staffordshire's visitor economy to get back on its feet. This includes an additional county council investment of up to £200,000 and enhanced support and closer working between district, borough and the county councils. There will be stronger promotion of Staffordshire as a visitor destination, a focus on research and intelligence, lobbying work with the Government and other key organisations and continued business support.
- **The SSLEP's 'Supporting Businesses Out of Lockdown' campaign** is designed to make sure businesses know what they need to know to grow their business safely over the coming months and help sort out any problems they are facing. You can help make sure that the campaign works for you by spending just 10 minutes telling us about what you need, your experiences through Covid 19 and the EU transition and how you're feeling about the future. Your answers won't just get you the right info at the right time, it will help us to work with local partners and government to make things better. The survey can be accessed [here](#) until close of play on Monday 5<sup>th</sup> April 2021.
- There is also the very positive news that **JCB plans to create 850 new jobs and give 700 existing agency workers permanent contracts.** This reflects the strong rebound we are seeing in the market for construction equipment following the heavy impact caused by COVID 19, with strong demand from mainland Europe and North America.
- In conclusion, it is apparent that the third national lockdown and tighter restrictions continue to cause further economic impact to businesses and jobs but it continues to be clear that **Government and local support is playing a vital role in helping businesses to survive and stave off further job losses.** Alongside this the increasing

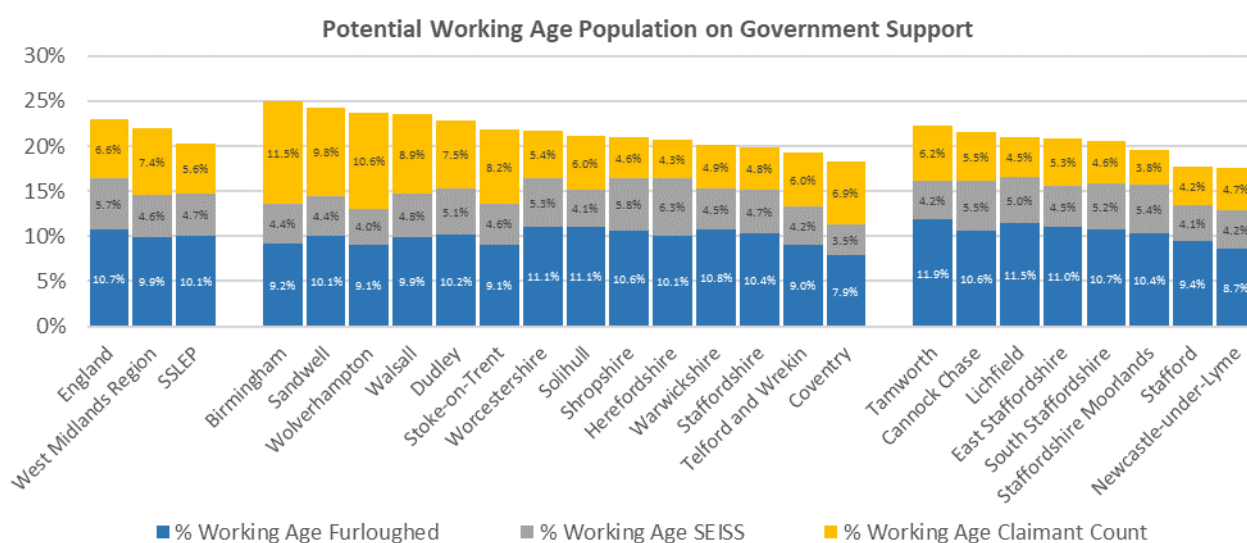
speed and success of the vaccination programme rollout continues to be a major step in the right direction to reducing further impacts.

- As the vaccines continue to be provided to the general population 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**. Alongside this the **Restart Scheme** has an important role to play in ensuring that **local residents have the skills needed within the local economy to support increased growth, productivity and prosperity**.

## 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 141,000 residents in the SSLEP area on Government support, equivalent to around 20% of the working age population which is lower than the regional (22%) and national (23%) averages. Tamworth and Cannock Chase (both 22%) have the highest rates while Newcastle-under-Lyme and Stafford (both 18%) have the lowest.

SSLEP Working Age Population	694,954
Jobs in High Risk Sectors	221,000
Claimant Count Feb 2021	38,690
Coronavirus Job Retention Scheme (CJRS) Furloughed job claims as at 28th Feb	70,100
Self-Employment Income Support Scheme (SEISS) claims up to 31st Jan	32,600
<b>Potential workers on Government support</b>	<b>141,390</b>
<b>Potential % of working age population on Government support</b>	<b>20.3%</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: February 2021

Area	Claimant Count Rate (February 2020)	Claimant Count Rate (January 2021)	Claimant Count Rate <sup>1</sup> (February 2021)	Number of Claimants (February 2021)	Monthly Change in Claimants (Numbers)	Monthly Change in Claimants (%)	Change in Claimants since March (Numbers)	Change in Claimants since March (%)
England	3.0	6.2	6.6	2,309,630	120,370	5.5%	1,246,125	117.2%
West Midlands	3.9	7.1	7.4	271,430	12,605	4.9%	127,080	88.0%
SSLEP	2.7	5.3	5.6	38,690	2,015	5.5%	19,320	99.7%
Birmingham	6.6	11.0	11.5	84,120	3,305	4.1%	34,750	70.4%
Wolverhampton	6.2	10.3	10.6	17,350	640	3.8%	6,970	67.1%
Sandwell	5.1	9.4	9.8	20,060	810	4.2%	9,280	86.1%
Walsall	4.8	8.5	8.9	15,375	710	4.8%	6,770	78.7%
<b>Stoke on Trent</b>	<b>4.5</b>	<b>7.7</b>	<b>8.2</b>	<b>13,040</b>	<b>685</b>	<b>5.5%</b>	<b>5,720</b>	<b>78.1%</b>
Dudley	4.3	7.3	7.5	14,600	535	3.8%	6,085	71.5%
Coventry	3.1	6.5	6.9	17,155	960	5.9%	9,155	114.4%
Solihull	2.8	5.8	6.0	7,715	325	4.4%	4,065	111.4%
Telford and Wrekin	3.0	5.8	6.0	6,710	200	3.1%	3,280	95.6%
Worcestershire	2.3	5.0	5.4	18,930	1,220	6.9%	10,625	127.9%
Warwickshire	2.2	4.6	4.9	17,155	1,005	6.2%	9,325	119.1%
<b>Staffordshire</b>	<b>2.2</b>	<b>4.5</b>	<b>4.8</b>	<b>25,650</b>	<b>1,335</b>	<b>5.5%</b>	<b>13,600</b>	<b>112.9%</b>
Shropshire	2.0	4.3	4.6	8,745	490	5.9%	4,735	118.1%
Herefordshire, County of	1.8	3.9	4.3	4,825	390	8.8%	2,715	128.7%
Tamworth	3.0	5.9	6.2	2,910	130	4.7%	1,420	95.3%
Cannock Chase	2.6	5.2	5.5	3,495	170	5.1%	1,840	111.2%
East Staffordshire	2.3	5.0	5.3	3,875	235	6.5%	2,155	125.3%
Newcastle-under-Lyme	2.4	4.5	4.7	3,835	180	4.9%	1,855	93.7%
South Staffordshire	1.9	4.3	4.6	3,080	170	5.8%	1,770	135.1%
Lichfield	2.1	4.3	4.5	2,780	135	5.1%	1,460	110.6%
Stafford	1.9	4.0	4.2	3,465	185	5.6%	1,810	109.4%
Staffordshire Moorlands	1.6	3.6	3.8	2,215	130	6.2%	1,295	140.8%

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

- The Claimant Count in Staffordshire saw an increase of 1,335 between January 2021 and February 2021 to a total of 25,650 claimants. While Stoke-on-Trent saw an increase of 685 over the same period with a total of 13,040 claimants in February.
- These increases in the Claimant Count are similar to the rise seen nationally. This shows the likely ongoing impact of the third lockdown on businesses and jobs, with reduced trading leading to reduced hours and staffing requirements particularly in sectors hardest hit by restrictions such as hospitality and retail. However, these increases are lower than expected due to the large number of workers still on furlough and the fact that more employers have become better adapted to lockdowns.

- 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 13,600 claimants and in Stoke-on-Trent there has been an increase of 5,720.
- Ultimately, the full effect of COVID-19 on employment will not be felt until the furlough and SEISS schemes and further Government support comes 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 February compared to 7.4% regionally and 6.6% nationally. In Stoke-on-Trent the Claimant Count rate remains above both the regional and national averages at 8.2%.
- This month all Staffordshire Districts have seen a rise in the claimant count with East Staffordshire seeing the largest rise compared to Tamworth seeing the lowest.
- Tamworth and Cannock Chase continue to record the highest rates in Staffordshire, although East Staffordshire and Newcastle-under-Lyme have the largest caseloads. However, it's important to note all Districts and Boroughs remain lower than the current national and regional rates.

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

- As well as workers across sectors being impacted differently, there are also signs that it is the lowest paid, women, 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.

### Youth Claimant Count (Universal Credit) Statistics: February 2021

Area	Youth Claimant Count Rate (February 2020)	Youth Claimant Count Rate (January 2021)	Youth Claimant Count Rate <sup>1</sup> (February 2021)	Number of Youth Claimants (February 2021)	Monthly Change in Youth Claimants (Numbers)	Monthly Change in Youth Claimants (%)	Change in Youth Claimants since March (Numbers)	Change in Youth Claimants since March (%)
England	4.1	8.8	9.1	432,940	16,850	4.0%	235,210	119.0%
West Midlands	5.1	9.6	10.0	53,055	2,235	4.4%	25,150	90.1%
Stoke-on-Trent and Staffordshire	4.1	8.0	8.4	7,535	365	5.1%	3,715	97.3%
Wolverhampton	8.8	14.8	15.2	3,240	90	2.9%	1,330	69.6%
Sandwell	7.6	14.7	15.1	3,995	105	2.7%	1,880	88.9%
Walsall	7.9	13.5	14.1	3,225	130	4.2%	1,310	68.4%
Dudley	7.1	12.5	12.8	3,065	90	3.0%	1,315	75.1%
Birmingham	6.3	11.0	11.5	16,185	635	4.1%	7,080	77.8%
Solihull	5.4	10.8	11.3	1,715	70	4.3%	890	107.9%
<b>Stoke on Trent</b>	<b>5.8</b>	<b>9.9</b>	<b>10.5</b>	<b>2,485</b>	<b>135</b>	<b>5.7%</b>	<b>1,080</b>	<b>76.9%</b>
Telford and Wrekin	4.8	9.5	9.6	1,455	20	1.4%	695	91.4%
Worcestershire	3.9	8.2	8.7	3,605	190	5.6%	2,010	126.0%
Shropshire	3.9	7.8	8.2	1,710	70	4.3%	885	107.3%
<b>Staffordshire</b>	<b>3.5</b>	<b>7.3</b>	<b>7.6</b>	<b>5,050</b>	<b>230</b>	<b>4.8%</b>	<b>2,635</b>	<b>109.1%</b>
Herefordshire, County of	3.2	6.6	7.2	885	75	9.3%	470	113.3%
Warwickshire	2.9	6.4	6.8	3,110	170	5.8%	1,775	133.0%
Coventry	2.8	5.8	6.3	3,330	225	7.2%	1,795	116.9%
Tamworth	4.9	10.6	10.8	620	10	1.6%	325	110.2%
Cannock Chase	4.8	10.0	10.1	740	10	1.4%	375	102.7%
East Staffordshire	3.5	7.8	8.6	725	60	9.0%	405	126.6%
South Staffordshire	2.9	7.3	7.6	610	25	4.3%	360	144.0%
Lichfield	3.5	7.1	7.3	515	15	3.0%	245	90.7%
Stafford	3.2	6.6	6.8	620	15	2.5%	305	96.8%
Staffordshire Moorlands	2.8	6.0	6.3	405	20	5.2%	230	131.4%
Newcastle-under-Lyme	2.9	5.3	5.9	820	80	10.8%	395	92.9%

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

- 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 7.6% in February 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 10.5% in February.
- Staffordshire has seen an increase of 230 in the youth claimant count over the latest month to a total of 5,050, while Stoke-on-Trent has seen a rise of 135 to 2,485 youth claimants.
- This month all Staffordshire Districts saw increases in youth claimants with Newcastle-under-Lyme seeing the largest rise compared to Cannock Chase which saw the smallest increase. Tamworth and Cannock Chase continue to record the highest rates in Staffordshire, both above the regional and national averages.



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

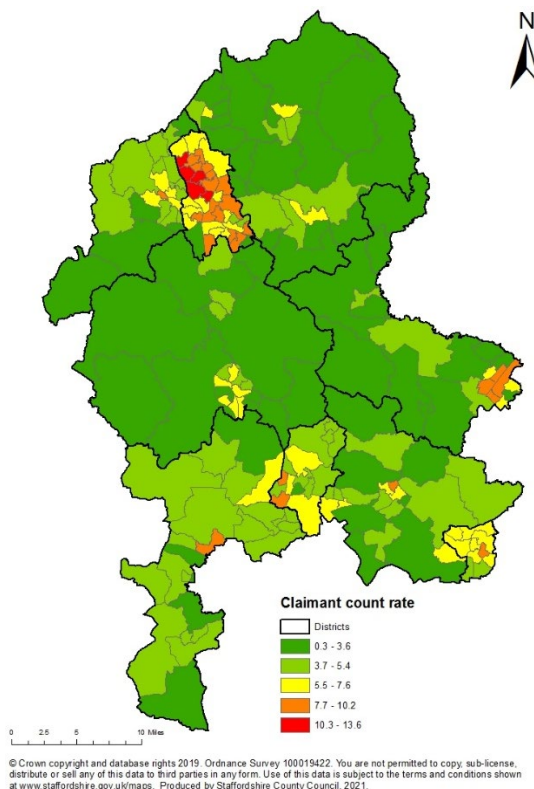
- The following maps and tables provide the latest breakdown of the claimant count by wards in Staffordshire & Stoke-on-Trent.

### Claimant Count Rate February 2021

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 47 were above the England average of 6.6% for the number of claimants as a proportion of the working age population.

The top 14 wards with the highest claimant count rate were all in Stoke-on-Trent with Joiner’s Square (13.6% or 615 claimants), Etruria and Hanley (13.1% or 680 claimants), and Moorcroft (12.6% or 460) having the highest rates.

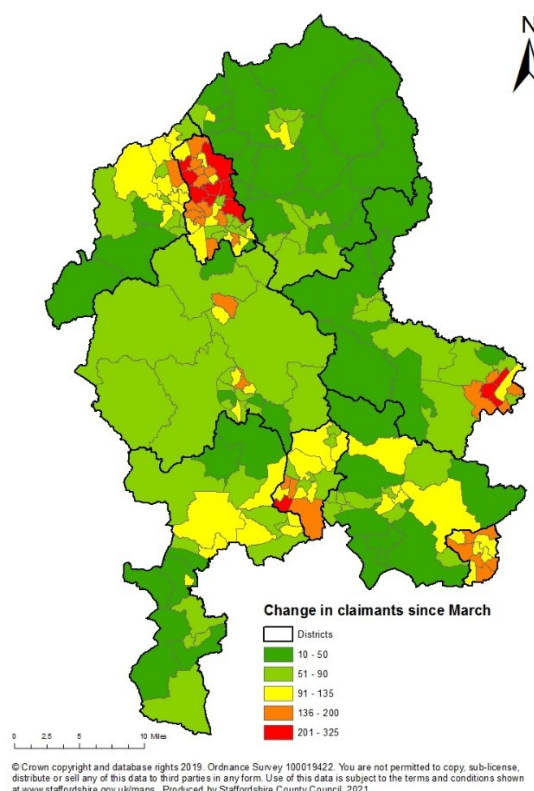
In Staffordshire, Anglesey in East Staffordshire (9.0% or 475), Burton in East Staffordshire (8.8% or 260), and Cannock North in Cannock Chase (8.6% or 405) had the highest claimant count rates.



### Change in Claimant Count since March 2020

The top 3 wards with the highest change in the number of claimants since March 2020 were in Stoke-on-Trent and included Etruria and Hanley (325 increase to 680 in total), Birches Head and Central Forest Park (320 rise to 710), and Bentilee and Ubbertley (290 increase to 690).

In Staffordshire the highest increases were seen in Anglesey in East Staffordshire (285 rise to 475), Shobnall in East Staffordshire (240 increase to 450) and Cannock South (230 rise to 455).



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

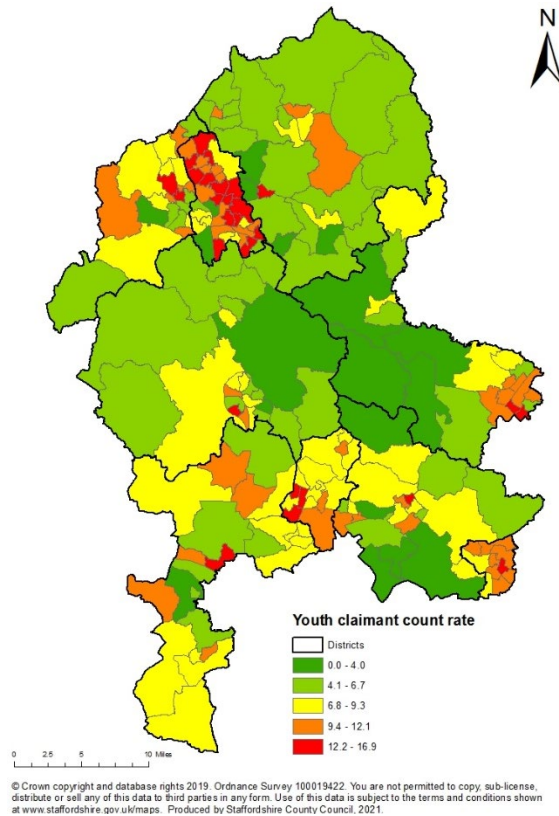
The following maps and tables provide the latest breakdown of the youth claimant count by wards in Staffordshire & Stoke-on-Trent.

### Youth Claimant Count Rate February 2021

Out of the 201 wards in Staffordshire & Stoke-on-Trent, 78 were at or above the England average of 9.1% 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 Joiner's Square (17.0%), Moorcroft (15.8%), Meir North (15.3%), Bradeley and Chell heath (14.7%), Abbey Hulton and Townsend (14.6%), Meir South (14.5%), and Bentilee and Ubbertley (14.4%).

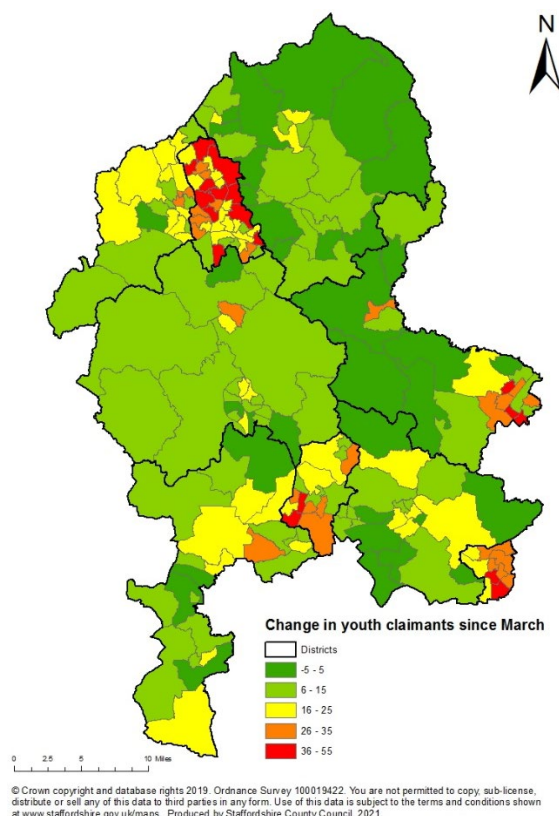
In Staffordshire, the highest rate was Glascote in Tamworth with 15.5%, followed by Cannock North (15.0%) and Stapenhill (14.5%).



### 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 6 were in Stoke-on-Trent including Birches Head and Central Forest Park (55 rise to 125), Etruria and Hanley (55 rise to 100), and Abbey Hulton and Townsend (45 rise to 115).

In Staffordshire, the highest increases were seen in Anglesey in East Staffordshire (55 rise to 85), Horninglow in East Staffordshire (45 rise to 75) and Belgrave in Tamworth (45 rise to 75).



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

- HMRC have released local authority level breakdowns of the CJRS scheme for claims submitted to HMRC by 15<sup>th</sup> March 2021 for the period up to 28<sup>th</sup> February 2021.
- The data for February is not yet fully complete as while claims relating to February should have been filed by 15 March 2021, employers could file claims later with the agreement of HMRC if they had a reasonable excuse. Claims for February can also be amended until 29 March 2021. Together these factors are likely to have a small effect on the statistics, with a potential increase for February of around 4%. The February figures should therefore be considered as provisional and will be revised in a future release.
- Based on the provisional figures, **Staffordshire had the 2nd highest number of furloughed job claims up to the end of February in the WM with 55,600**, behind only Birmingham and equivalent to 14% of eligible workers. This is to be expected given Staffordshire is the 2<sup>nd</sup> largest strategic authority area in the region but shows the potential size of the challenge as furlough ends.
- Between January and February Staffordshire has seen **a slight decrease of 1,400 furloughed jobs, but the numbers still remain high reflecting the impact of the third lockdown and tighter restrictions**. This has seen **Staffordshire's rate of furlough decrease from 15% to 14% which is in-line with the regional average and slightly lower than the national average (15%)**.
- **Stoke-on-Trent has seen the number of furloughed jobs decrease from 15,500 to 14,500**, equivalent to 13% of eligible jobs.

### Coronavirus Job Retention Scheme (CJRS) Statistics: March 2021

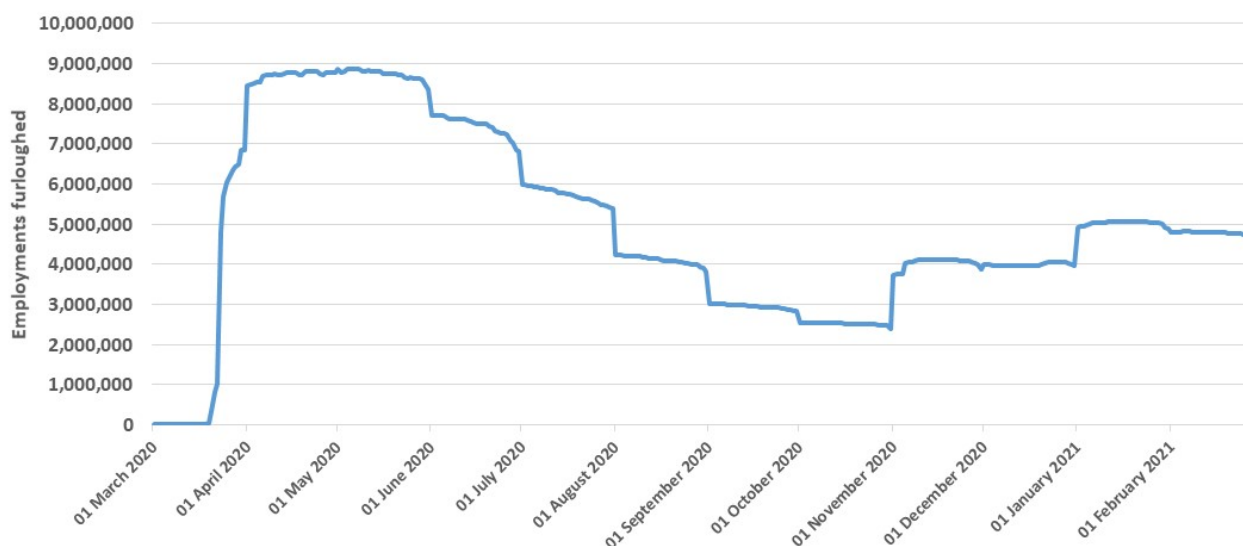
County and district / unitary authority	Total employments eligible for furlough	Total employments furloughed at 28 February (provisional)	Total take up-rate at 28 February (provisional)
Lichfield	46,900	7,100	15%
South Staffordshire	47,900	7,200	15%
<b>England</b>	25097500	3753600	15%
Tamworth	38,000	5,600	15%
Cannock Chase	46,300	6,700	14%
Staffordshire Moorlands	41,800	6,000	14%
<b>West Midlands</b>	<b>2,552,300</b>	<b>362,700</b>	<b>14%</b>
<b>Staffordshire County</b>	<b>396,000</b>	<b>55,600</b>	<b>14%</b>
East Staffordshire	58,800	8,100	14%
<b>SSLEP</b>	507,900	70,100	14%
Newcastle-under-Lyme	54,400	7,100	13%
<b>Stoke-on-Trent UA</b>	<b>111,900</b>	<b>14,500</b>	<b>13%</b>
Stafford	61,900	7,800	13%

Source: HMRC CJRS and PAYE Real Time Information

<sup>2</sup> Source: HMRC <https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-march-2021>

- Across the SSLEP area of those on furlough 55% are female and 45% male.
- There is concern as to how many of those workers which remain on furlough are to return to work between now and when furlough ends at the end of September.
- 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 803,200 (an increase of nearly 100,000 since December) employers making 4,650,200 (an increase of over 675,000 since December) furloughed job claims up to the end of February.
- Over two thirds (68%) of claims were made by SMEs with 32% in large businesses with 250+ employees. While of those workers furloughed, over two thirds (70%) were fully furloughed and 27% partially furloughed with 3% unknown. The proportion that are fully furloughed had been declining going into the second lockdown but has risen due to the impact of the second lockdown and third lockdown.
- The following chart shows the trend in furloughed job claims nationally, it shows that as lockdown was eased furlough claims gradually declined, however it is clear that the second and third lockdowns impacted jobs between November and January. Over the last couple of months claims have largely plateaued.

### Coronavirus Job Retention Scheme (CJRS) Statistics: March 2021 Time Series



- Nationally, the identified high-risk sectors of 'Accommodation and Food services' and 'Arts, entertainment and recreation' have by far the highest furlough take-up rates. While it is 'Accommodation and Food services' and 'Wholesale and retail including the repair of motor vehicles' which have the highest number of jobs that are still furloughed, with these two sectors seeing by far the highest increases during the third lockdown.

### Coronavirus Job Retention Scheme (CJRS) Statistics: March 2021 by Sector

Sector	Employers			Employments			Value of claims made for periods 1 November to 28 February (provisional) (£ million)
	Employers (PAYE schemes) with staff eligible for furlough	Employers furloughing staff at	Take-up rate at	Employments eligible for furlough	Employments furloughed at	Take-up rate at	
		28 February (provisional)	28 February (provisional)		28 February (provisional)	28 February (provisional)	
Accommodation and food services	133,800	91,700	69%	2,037,800	1,145,600	56%	3,449
Wholesale and retail; repair of motor vehicles	249,100	131,000	53%	4,520,000	918,500	20%	2,624
Administrative and support services	165,300	71,900	44%	2,739,200	383,200	14%	1,194
Arts, entertainment and recreation	41,000	26,300	64%	574,900	313,400	55%	906
Manufacturing	101,300	49,200	49%	2,363,400	294,800	12%	971
Professional, scientific and technical	308,000	101,700	33%	2,255,200	266,500	12%	898
Construction	239,100	91,100	38%	1,297,700	229,200	18%	824
Other service activities	93,600	60,400	65%	548,800	224,800	41%	626
Transportation and storage	77,100	30,700	40%	1,373,600	192,200	14%	738
Education	39,600	19,300	49%	3,236,600	191,100	6%	369
Health and social work	101,300	35,300	35%	4,199,600	181,700	4%	412
Information and communication	146,200	38,600	26%	1,239,400	108,000	9%	395
Real estate	48,000	20,400	43%	437,400	63,700	15%	212
Unknown and other	53,300	14,300	-	195,600	55,200	-	157
Finance and insurance	34,500	9,300	27%	1,083,500	30,800	3%	105
Agriculture, forestry and fishing	33,700	5,800	17%	207,000	20,300	10%	54
Water supply, sewerage and waste	5,800	2,600	45%	177,100	13,300	8%	49
Public administration and defence; social security	7,700	400	5%	1,374,100	9,700	1%	19
Households	77,700	2,500	3%	133,000	3,300	2%	10
Energy production and supply	1,300	400	33%	133,200	3,000	2%	13
Mining and quarrying	1,000	300	31%	48,900	2,000	4%	8
<b>Total</b>	<b>1,958,200</b>	<b>803,200</b>	<b>41%</b>	<b>30,175,900</b>	<b>4,650,200</b>	<b>15%</b>	<b>14,035</b>

- The Government has now set out its roadmap out of lockdown and due to the given timings of lifting certain restrictions there will be certain sectors which will continue to be adversely affected until such measures are lifted. Positively, the increase seen during lockdown has now plateaued and hopefully is a sign that businesses are adapting to the restrictions that are currently in place.
- In the longer-term, specific industrial sectors and the associated labour market may continue to be adversely affected, particularly due to 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 September. 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 find themselves out of work.



## Spotlight Section: Insolvencies during the pandemic

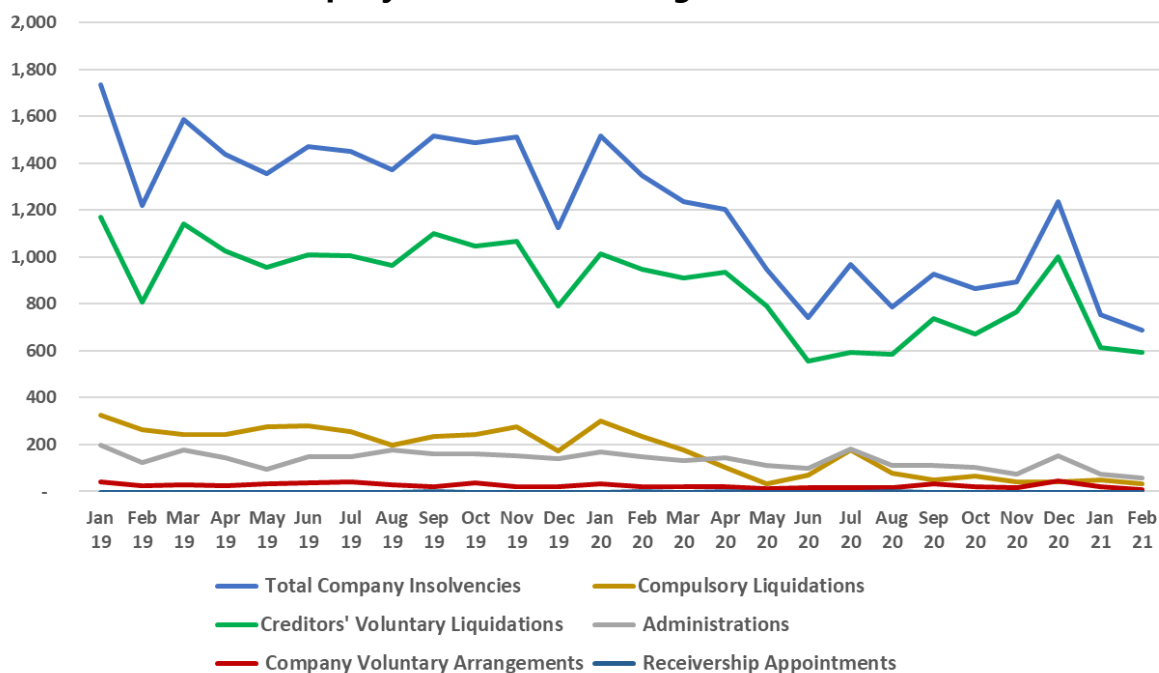
This month we revisit the Insolvency Service monthly insolvency statistics<sup>3</sup> and look at the latest figures for February 2021. The statistics cover the number of new companies and individuals who are unable to pay debts and enter a formal insolvency procedure.

### Company Insolvencies

**In February 2021 there were a total of 686 company insolvencies in England and Wales**, comprised of 591 creditors' voluntary liquidations (CVLs), 33 compulsory liquidations, 56 administrations and 6 company voluntary arrangements (CVAs).

The overall number of **company insolvencies decreased by 49% in February 2021 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 2020 and February 2021 have declined by 35% compared to a year earlier, representing just under 6,000 fewer businesses.**

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 2020 are construction (1,664), wholesale and retail (1,395), and accommodation and food (1,388).** However, levels are far lower than those seen for the same period the previous year, with construction 44% lower, wholesale and retail 38% lower and accommodation and food 36% below levels seen a year earlier.

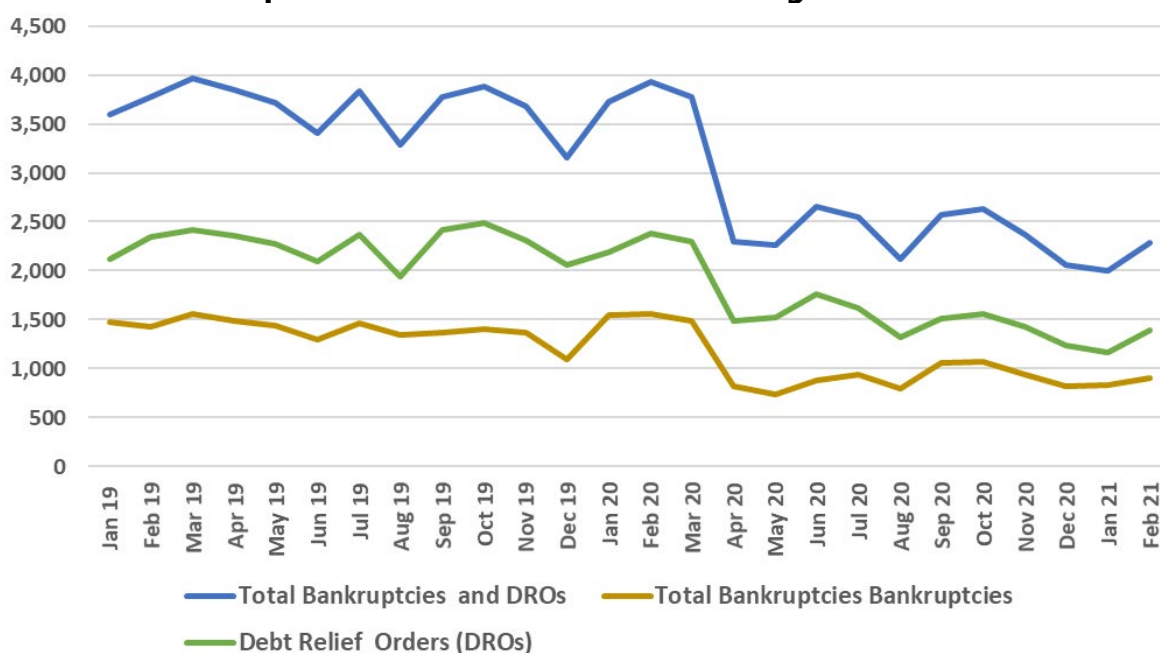


## Individual Insolvencies

There were **1,389 Debt Relief Orders (DROs) and 898 bankruptcies in February 2021** in England and Wales (the latter was made up of 813 debtor applications and 85 creditor petitions). There was a **42% reduction in DROs and a 42% reduction in bankruptcies in February 2021 compared with the same month last year**. The reduction in bankruptcies was driven by a 40% fall in debtor applications and a 59% reduction in creditor petitions.

**Total bankruptcies and DROs between March 2020 and February 2021 have declined by 33% representing just over 14,600 fewer compared to the same period a year earlier.**

**Bankruptcies and Debt Relief Orders in England and Wales**



Overall numbers of company and individual insolvencies have remained low since the start of the first UK lockdown in March 2020, when compared with the same time period last year. This is likely to be partly driven by government measures put in place in response to the coronavirus (COVID 19) pandemic, including:

- Temporary restrictions on the use of statutory demands and certain winding-up petitions (leading to company compulsory liquidations).
- 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 the direct effect of the pandemic on insolvency volumes.

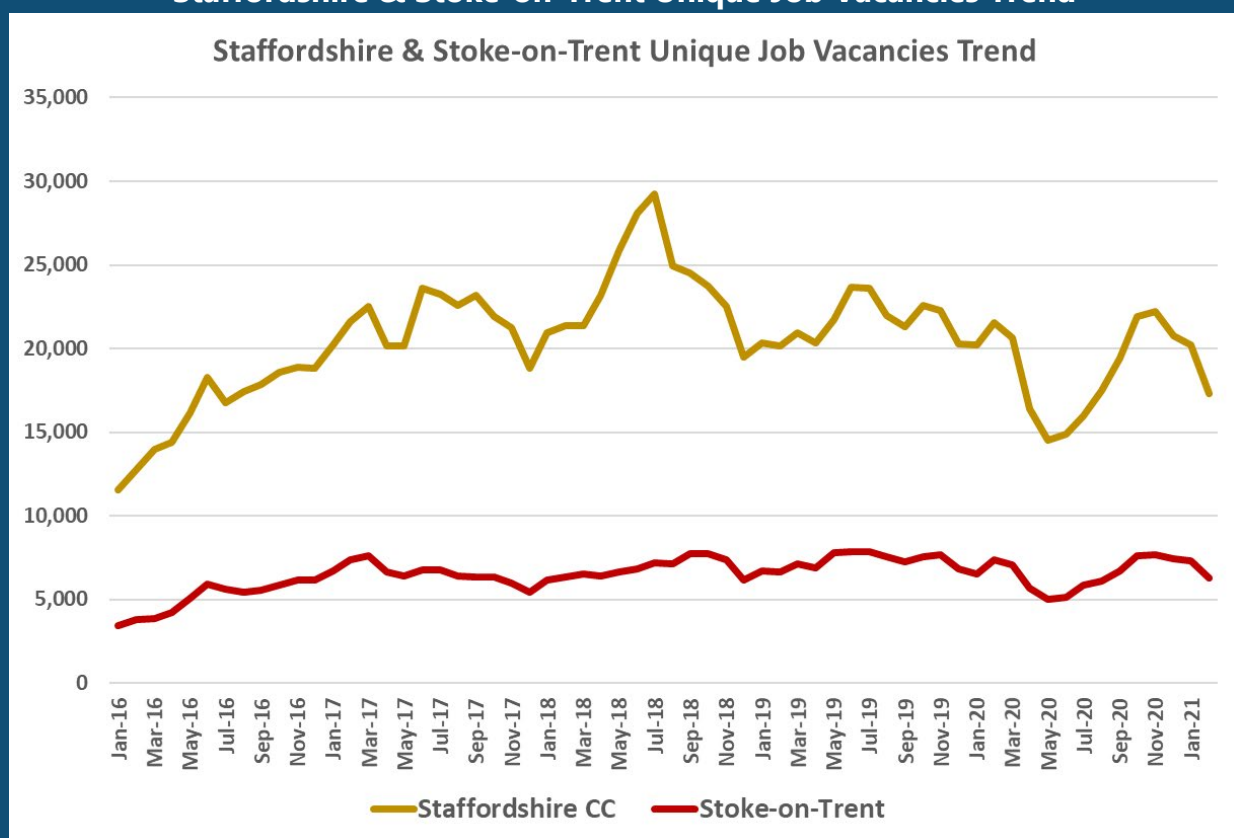
The main concern is a potential spike in company and individual insolvencies once Government support has been withdrawn.

<sup>3</sup> Source: The Insolvency Service <https://www.gov.uk/government/collections/monthly-insolvency-statistics>

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

- As seen during January, the ongoing third lockdown has seen a further decline in recruitment during February, with **job vacancies in Staffordshire decreasing by 14% between January and February equivalent to 2,800 fewer job vacancies, which is just below the 15% decline seen nationally.**
- **Stoke on Trent also saw a decline of 14% with just over 1,000 fewer vacancies in February compared to January.**
- This continued decline in recruitment has seen **vacancy levels drop by around a fifth compared to a year earlier.**

**Staffordshire & Stoke on Trent Unique Job Vacancies Trend**



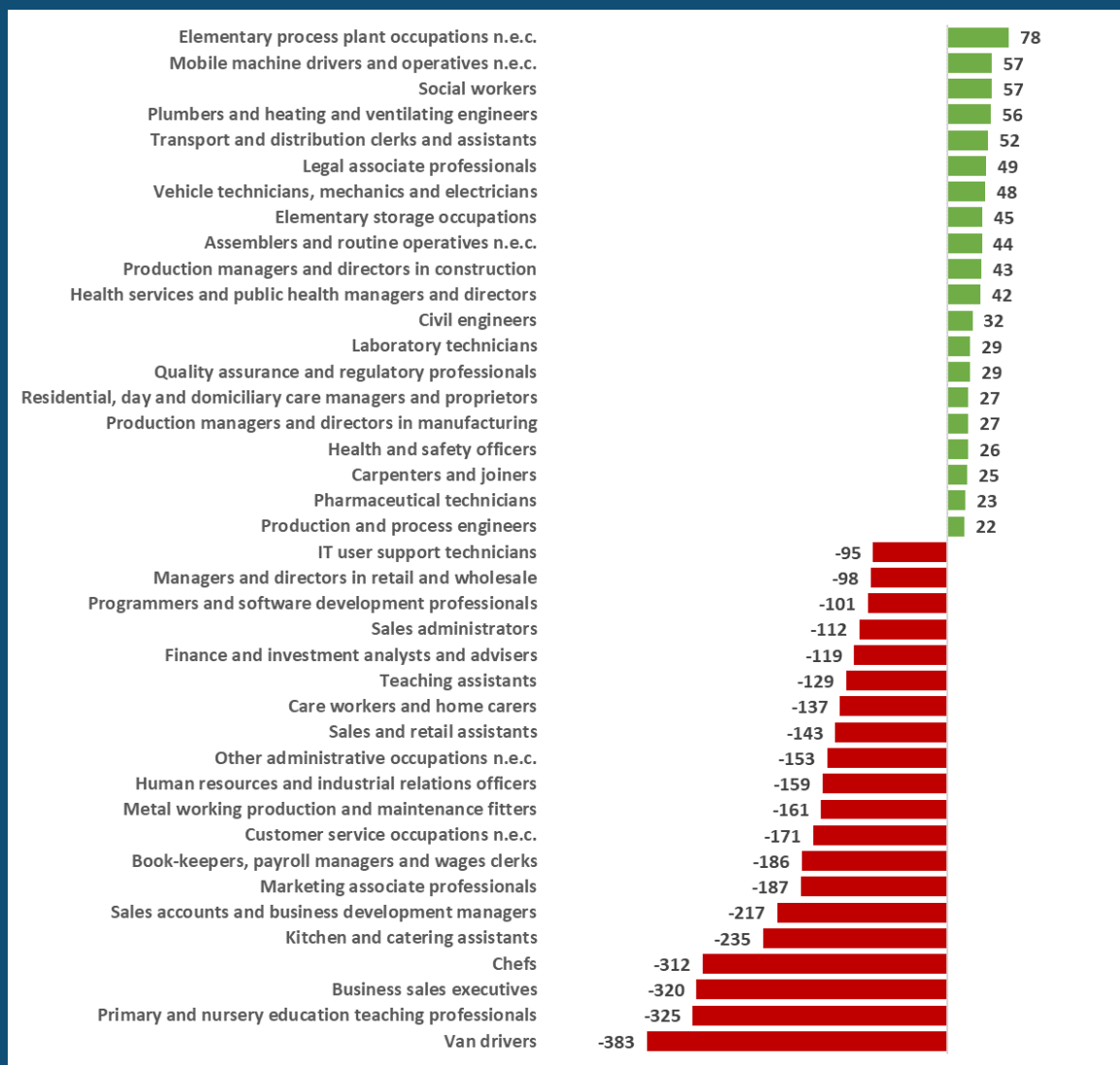
- The third lockdown has impacted all occupational groups with 'sales and customer service occupations' seeing the largest decline over the last month and 'skilled trades occupations' seeing the smallest decline.
- The occupations to see the most significant declines during February were associated to health & social care and logistics with significant declines in vacancies for nurses, elementary storage occupations and care workers and home carers. It is difficult to say fully why there may have been such a decline in these occupations during the last month

<sup>4</sup> Source: EMSI

but it may in part be related to the length of time such vacancies have been available and recruiters choosing to reassess their job adverts.

- The significant declines in nurses and elementary storage occupations vacancies has led to a wider array of the main recruitment growth occupations between Feb 2020 (pre COVID) and Feb 2021 including elementary process plant occupations, mobile machine drivers and operatives, social workers and plumbers and heating and ventilating engineers.

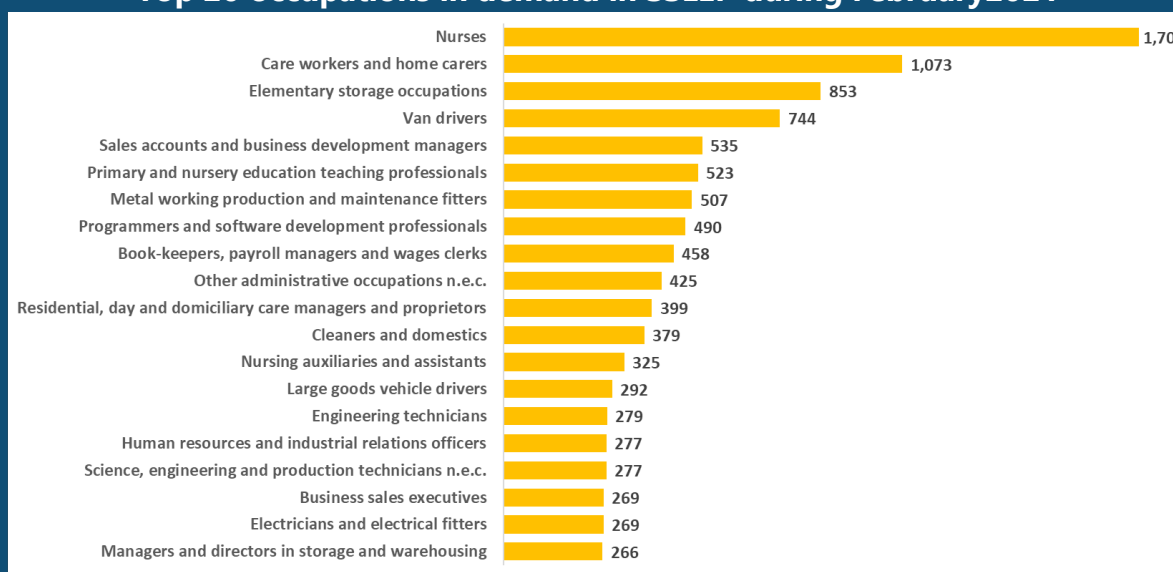
### Top 20 occupations declining and top 20 increasing between Feb 2020 (Pre COVID) and Feb 2021 in SSLEP



- However, even with these changes in recruitment during the last month, demand for roles in health and social care including **nurses and social care workers and home carers** alongside roles in logistics such as **elementary storage occupations and van drivers** remain by far the strongest of all occupations. Positively, record numbers of students have applied to study nursing at UK universities during the pandemic, with a rise of almost a third (32%) reflective of the inspirational work of the NHS during the crisis.

- There also remains demand for **primary and nursery education teaching professionals**, which is an area which was badly impacted during lockdown. While in manufacturing **metal working production and maintenance fitters** remain the occupation in most demand.
- 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, book keepers, and admin roles.**

### Top 20 occupations in demand in SSLEP during February 2021



- It is clear that there are jobs available in the local economy but clearly there will be increasing competition for those roles. 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.

### Job Vacancies Summary Table

Area / SSLEP Occupational Group	Feb 2020 Unique Postings	Dec 2020 Unique Postings	Jan 2021 Unique Postings	Feb 2021 Unique Postings	Jan 2021- Feb 2021 (Month on Month Change)	Jan 2021- Feb 2021 Monthly % Change	Feb 2020- Feb 2021 (Month on Month Change)	Feb 2020- Feb 2021 Monthly % Change	Feb 2020- Feb 2021 (Year on Year Change)	Feb 2020- Feb 2021 Annual % Change
Staffordshire CC	21,569	20,769	20,217	17,334	-2,883	-14%	-4,235	-20%	-4,235	-20%
Stoke-on-Trent	7,346	7,426	7,314	6,302	-1,012	-14%	-1,044	-14%	-1,044	-14%
SSLEP	28,915	28,195	27,531	23,636	-3,895	-14%	-5,279	-18%	-5,279	-18%
West Midlands	194,980	180,033	176,672	153,000	-23,672	-13%	-41,980	-22%	-41,980	-22%
England	2,229,882	2,097,128	2,050,752	1,733,953	-316,799	-15%	-495,929	-22%	-495,929	-22%
South Staffordshire	655	825	786	792	6	1%	137	21%	137	21%
Newcastle-under-Lyme	1,676	1,694	1,659	1,521	-138	-8%	-155	-9%	-155	-9%
East Staffordshire	3,678	3,838	3,795	3,252	-543	-14%	-426	-12%	-426	-12%
Stafford	4,887	5,328	5,124	4,279	-845	-16%	-608	-12%	-608	-12%
Lichfield	2,533	2,569	2,526	2,137	-389	-15%	-396	-16%	-396	-16%
Cannock Chase	2,657	2,632	2,509	2,082	-427	-17%	-575	-22%	-575	-22%
Tamworth	3,392	2,634	2,548	2,134	-414	-16%	-1,258	-37%	-1,258	-37%
Staffordshire Moorlands	2,091	1,249	1,270	1,137	-133	-10%	-954	-46%	-954	-46%
Managers, Directors and Senior Officials	1,951	2,088	2,033	1,799	-234	-12%	-152	-8%	-152	-8%
Professional Occupations	7,086	7,606	7,600	6,358	-1,242	-16%	-728	-10%	-728	-10%
Elementary Occupations	2,469	2,839	2,576	2,108	-468	-18%	-361	-15%	-361	-15%
Skilled Trades Occupations	2,632	2,310	2,356	2,246	-110	-5%	-386	-15%	-386	-15%
Process, Plant and Machine Operatives	2,234	2,231	2,087	1,857	-230	-11%	-377	-17%	-377	-17%
Caring, Leisure and Other Service Occupations	2,685	2,699	2,610	2,155	-455	-17%	-530	-20%	-530	-20%
Associate Professional and Technical Occupations	5,625	4,943	4,898	4,227	-671	-14%	-1,398	-25%	-1,398	-25%
Administrative and Secretarial Occupations	2,986	2,510	2,545	2,222	-323	-13%	-764	-26%	-764	-26%
Sales and Customer Service Occupations	1,247	969	826	664	-162	-20%	-583	-47%	-583	-47%

## 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 understating 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.