

REPORT TO ECONOMIC REGENERATION SCRUTINY COMMITTEE



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PORTFOLIO	Regeneration and Economic Development
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The State of the Local Economy

PURPOSE

1. To update members on the state of the local economy and key Economic Development support.

RECOMMENDATION

2. To consider the contents of this report

REASONS FOR RECOMMENDATION

3. To allow Members to discuss the current state of the local economy in Burnley.

SUMMARY OF KEY POINTS

4. A number of indicators are used below to indicate the state of the Burnley Economy. It is by no means a comprehensive picture and the delays in releasing statistical information sometimes means that it is difficult to establish an up to date figure.

5 Unemployment

Between September and October 2013 the number of Jobseekers Allowance (JSA) claimants in the borough has reduced by 209, from 2,336 in September to 2,127 in October. The number of claimants remains lower than it was 12 months ago, when the count was 2,744 in November 2012.

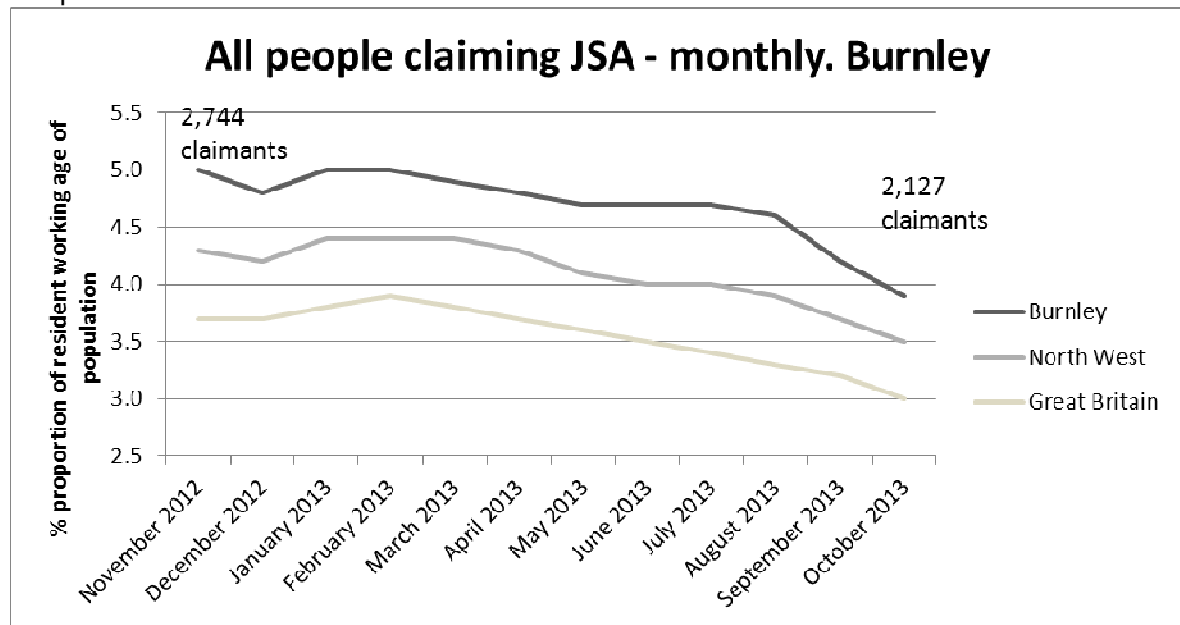
In both the North West and Great Britain, the number of JSA claimants fell between September and October 2013.

The JSA rate (the number of JSA claimants given as a proportion of the resident working age population) in Burnley was 3.9% in October 2013. This is 0.3 percentage points lower than the previous month and 1.1 percentage points lower than 12 months ago.

In the North West the JSA rate was 3.5% in October 2013 and in Great Britain it was 3.0%.

As can be seen in Graph 1, the gap between Burnley, the North West and Great Britain has been closing over the last 12 months and there is not now as much disparity between the three.

Graph 1



(Source: ONS Claimant Count)

Rates are calculated using the mid-2011 resident population aged 16-64.

The claimant count given is the Residence based proportion. This is the official measure below national/regional level.

Claimant count figures do not yet include claimants of Universal Credit. Further information is available at

<http://www.nomisweb.co.uk/articles/742.aspx>

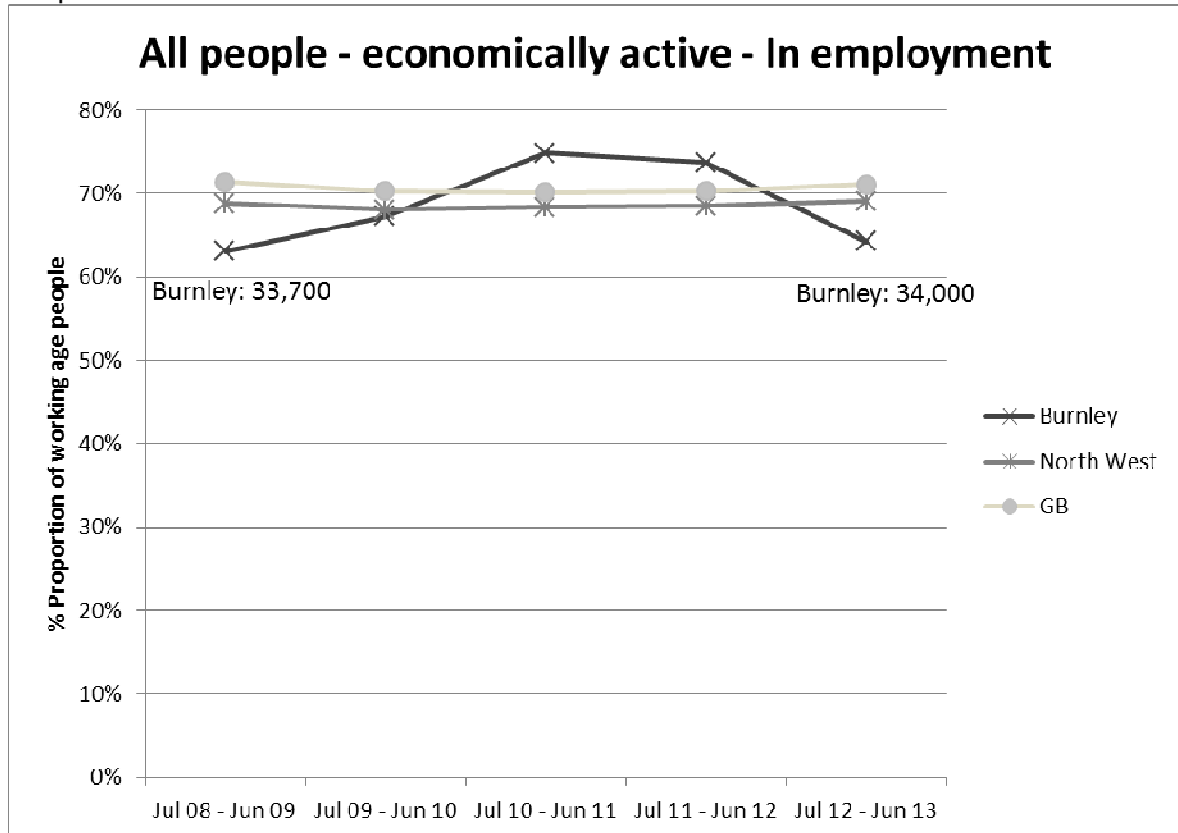
Appendix 1 provides a comparison against Pennine Lancashire.

6 Employment and Unemployment

It is important to note that the data contained in this section should be treated with caution as the figures are based on a small sample size.

For the period July 2012 to June 2013 the number of economically active people in Burnley, in employment was 34,000 or 64.3% of the working age population. This is lower than the previous corresponding 12 month period, July 2011 to June 2012, when the number of economically active people in employment was 39,900 or 73.7% of the working age population.

Graph 2

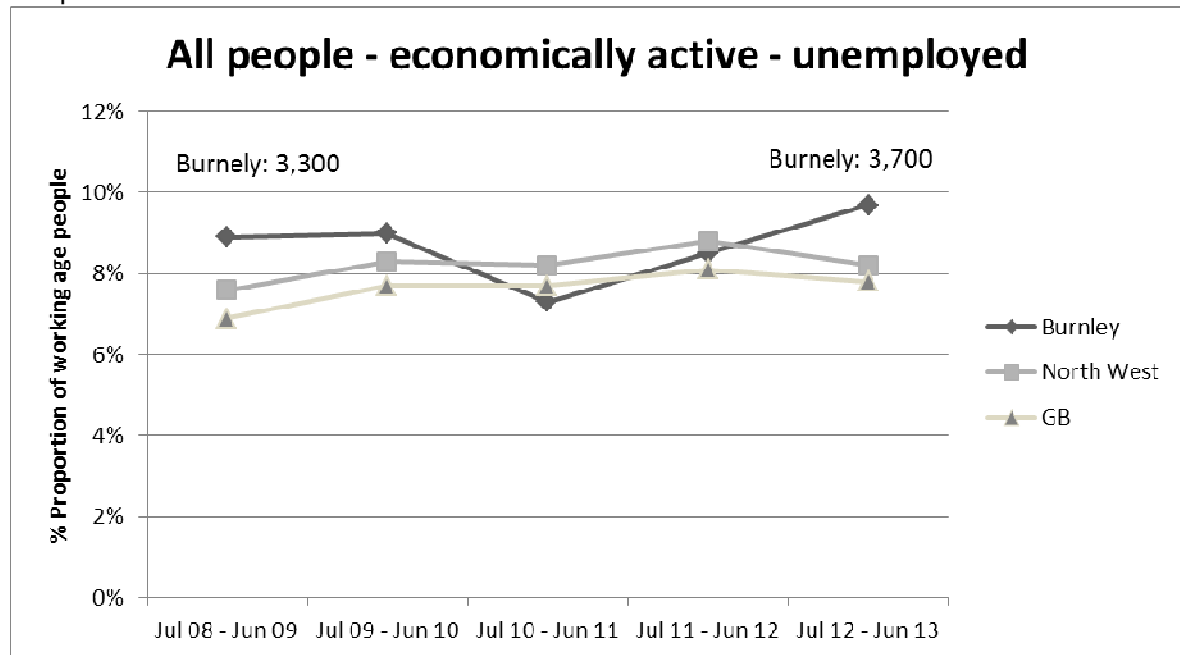


For the same period July 2012 to June 2013 the number of economically active people in Burnley who were unemployed was 3,700 or 9.7% of the working age population.

The number of people who were unemployed has not changed overall from 12 months ago (Jul 11 – Jun 12) when the count was also 3,700.

However, the percentage of this figure as a proportion of the working age population has changed (due to the changing nature of the population), therefore the number of unemployed people in July 2012 to Jun 2013 appears to be higher than the 8.5% seen one year ago in July 11 to June 2012 .

Graph 3



Source: Nomis, Local Authority Profile.

ONS annual population survey

Note: numbers are for those aged 16 and over, % are for those of aged 16-64

This data should be treated with caution as the figures are based on a small sample size.

7 Worklessness

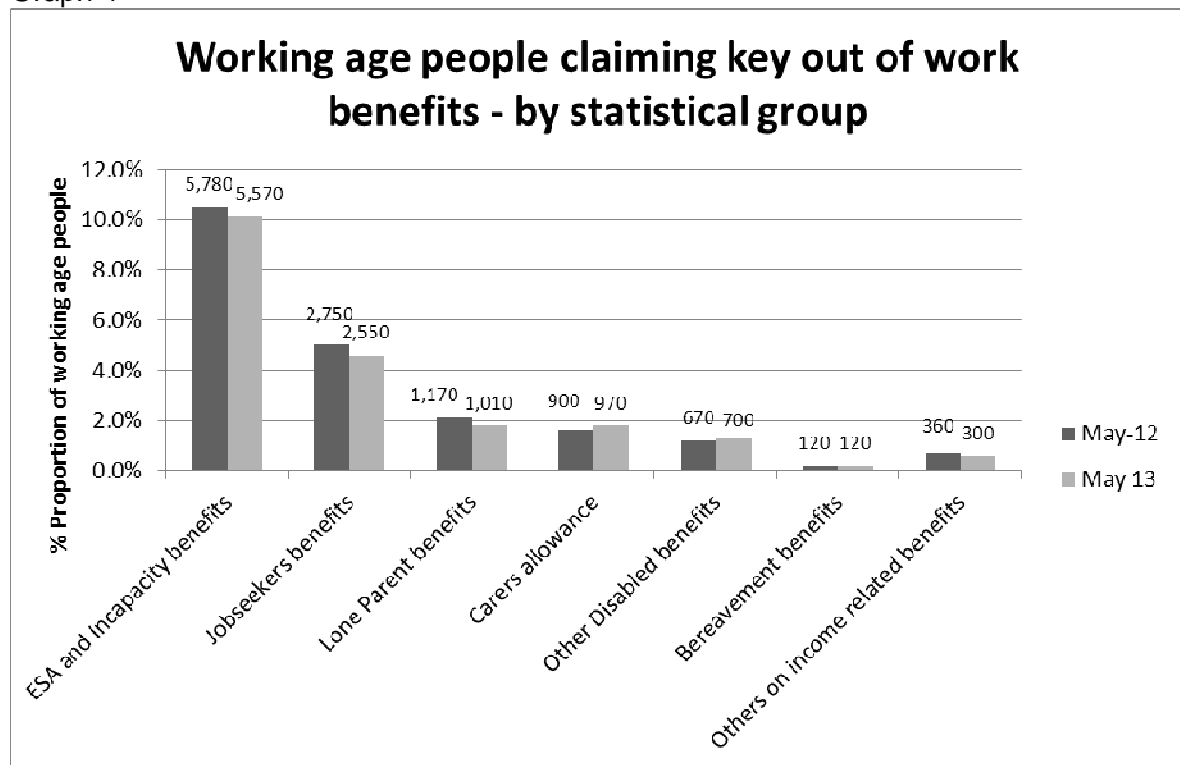
The number claiming key out of work benefits as a proportion of the working age people claiming out-of-work benefits for the entire Burnley borough has fallen by 620 over the period May 2012 to May 2013, from 10,060 to 9,440 and from 18.3% to 17.2% respectively.

The figure for May 2013 is also lower than the previous quarter, February 2013 when there were 9,620 people claiming key out of work benefits.

Across the North West the number of people claiming key out of work benefits has also decreased in the last quarter from 14.3% in February 2013 to 13.8% in May 2013. Within Great Britain there has been a decrease over the same period from 11.7% to 11.2%. Like Burnley, both now have less claimants than in May 2012.

Graph 4 provides an insight into the changes which have occurred across the individual benefits which make up this sum. Note that claimants can claim more than one benefit.

Graph 4



8 Redundancies

Job Centre Plus have still not been notified of any redundancies in the Burnley area at all throughout the year 2013.

Job Centre Plus receive an official notification where a company intends to make redundancies of 20 people or more.

9 Enterprise

New figures show that between 2011 and 2012 there was a decrease of 100 jobs across all Broad Industrial Groups*, a change of -0.3%.

Taking a longer term view of employment change. Between 2009 to 2012, the number of employees in Burnley increased by 2,100 or 6.1%.

The two sectors with the largest share of employment in 2012 were Health with 7,100 people in employment or 21% of the total and Manufacturing with 5,400 people in employment or 16%.

In 2009 there were a total of 32,300 people in employment in Burnley across all Broad Industrial Groups. This grew to 34,400 people in employment by 2012.

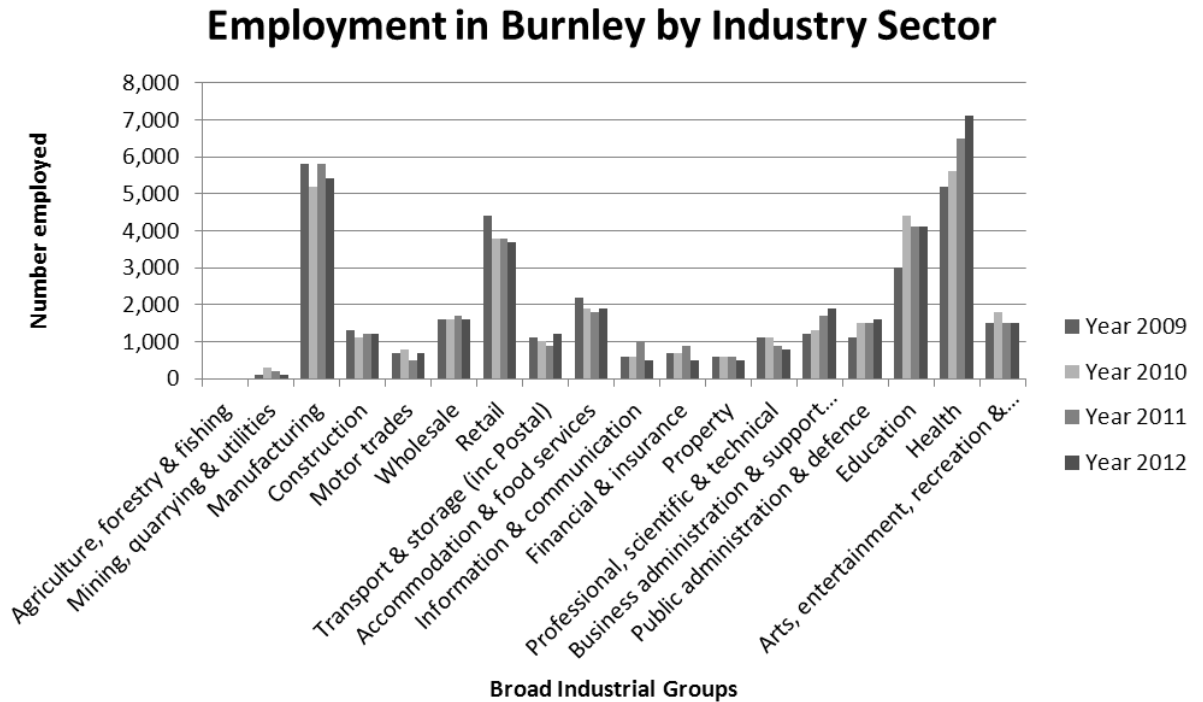
The growth in employment in Burnley between 2009 to 2012 contrasts sharply with Pennine Lancashire, the North West and Great Britain, none of whom created as much employment growth during this period as Burnley.

Table 1: Percentage growth in number of employees between 2009-2012

Burnley	+6.1%
Blackburn with Darwen	-1.3%
Hyndburn	-1.9%
Pendle	+2%
Ribble Valley	-1.4%
Rossendale	-2.5%
North West	-0.9%
Great Britain	+0.3%

Graph 2 shows the change in the number of people employed in Burnley across all Broad Industrial Groups from 2009 – 2012.

Graph 2



Source: ONS, Business Register & Employment Survey 2011, ONS Mid Year Population Estimates 2011.

Note: All figures have been rounded to the nearest 100.

Caution: Data is based on a small sample size so should be treated with caution.

*UK Broad Industrial Groups: Agriculture, forestry & fishing (A)**; Mining, quarrying & utilities (B,D and E), Manufacturing (C), Construction (F), Motor trades (Part G), Wholesale (Part G), Retail (Part G), Transport & storage (inc postal) (H), Accommodation & food services (I), Information & communication (J), Financial & insurance (K), Property (L), Professional, scientific & technical (M), Business administration & support services (N), Public administration & defence (O), Education (P), Health (Q), Arts, entertainment, recreation & other services (R,S,T and U).

**Excluding farm agriculture.

10 Apprenticeships

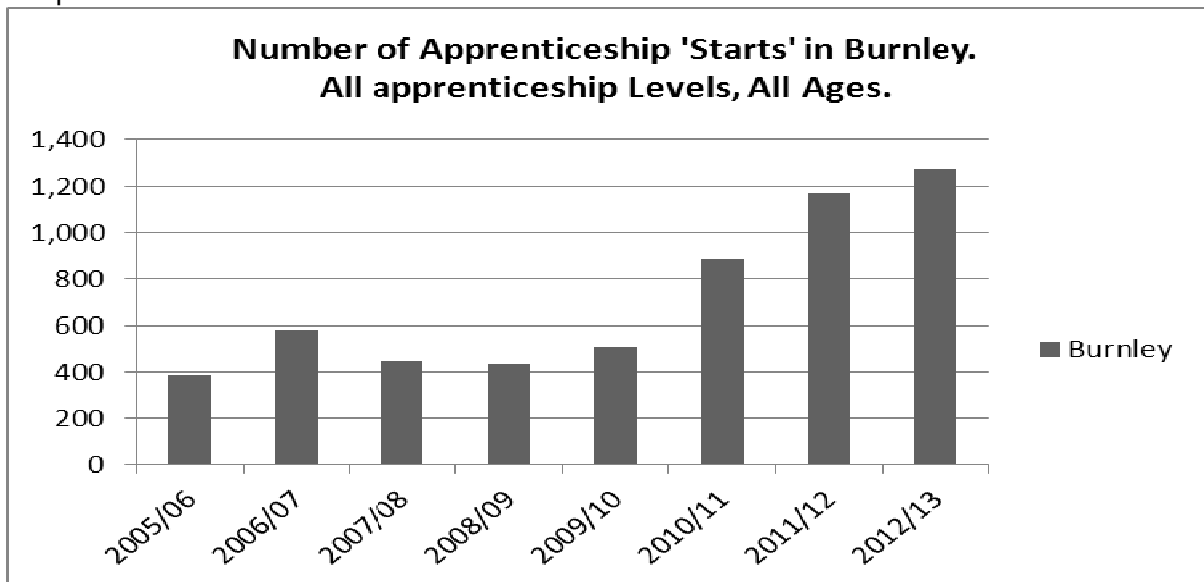
Apprenticeships 'Starts' figures have been updated for the full year provisional 2012/13.

In Burnley, there were 1,280 apprenticeship starts across all ages and levels for the year 2012/13. This is 110 more apprenticeship 'starts' than the previous academic year.

As Graph 4 demonstrates, apprenticeship 'starts' have continued to grow year on year. In 2005/06 (the earliest date that data is available from) there were only 390 apprenticeship 'starts' in Burnley. A 70% increase.

There has been no update to the figures for apprenticeship 'achievements' since the August report.

Graph 3



Graph 4 provides a visual breakdown of apprentice starts by Age



It should be noted that data is not available for the 25+ age group for the year's 2005/06 and 2006/07
Source: BIS/The Data Service. Apprenticeships - Breakdown by Geography, Age and Level.

11 **Support for business**

The Business Support team are currently working with 28 companies looking to relocate into the Borough or expand within. There are a range of companies with some discussions at an advanced stage. The companies represent a range of sectors including Aerospace, Telecoms, Logistics, Textiles and Design with requirements ranging from 2,000 sq ft to 65,000 sq ft.

The Business Support Team have also been running training seminars called the Knowledge Network for Business in partnership with Pendle Borough Council, UCLan and the Economic and Social Research Council. The seminars have been running since March with the 7th and final event taking place on Friday 22nd of November. The sessions have allowed businesses to attend training sessions run by academics experts in fields such as PR, Marketing, HR, arbitration and Social Media. There have been up to 47 Burnley businesses attending over the course of the seminars. Feedback from companies has been extremely positive on the sessions.

Barnfield Developments have recently submitted detailed planning applications for Phase II of Empire Business Park on Liverpool Road. The plans will see the site at full capacity with three large companies already signed up to take space. The Business Support Team are actively working with the companies to assist them in their relocation.

A significant milestone at Burnley Bridge has been accomplished; the bridge spanning the Leeds/Liverpool Canal linking the employment site to Junction 9 of the M65 has been completed on time and to schedule, the scheme once complete is anticipated to create over 1,400 jobs in the local economy.

In addition the 60,000 sq ft building currently under refurbishment and first phase of speculative units are due to be wind and water tight before the end of the year and due for completion by Easter '14 – the team are now involved in working up the details of the opening ceremony/launch which is anticipated to be in the first quarter of 2014.

The team have recently organised a Commercial Developer & Agent day in conjunction with Place Northwest business magazine. The day brought together of over 50 commercial agents, land agents and business professionals from Manchester and the Northwest, delegates visited a number of sites showing a range of development opportunities. During lunch presentations were provided on key projects including; Innovation Drive, On the Banks and Burnley Bridge, infrastructure projects including the Todmorden Curve and also the comprehensive Learning & Training provision Burnley has to offer. The day was well received and has generated a number of further ongoing enquiries the team are dealing with.

The Biennial Business Survey is about to be sent out to all companies in the Business Directory. The purpose of the survey is to investigate business trends, obtain employers' opinions on recruitment, training, broadband usage, business premises, and business support. The findings of the survey will help the Council and other Business Support Agencies to focus support based on the needs of businesses. All completed surveys will be entered into a prize draw as a way of encouraging companies to return their survey and therefore enable us to obtain more comprehensive results.

Friday 15th November saw the Lancashire Telegraph Awards being held at Ewood Park. It is pleasing to report that three Burnley companies won awards. These are: DP Structures – Small Business of the Year Award, Velocity Composites – Innovation & Technology Award and The Original Factory Shop – Retailer of the Year Award.

Funding Programmes – Update

Accelerating Business Growth: No further applications have been approved since the last report.

Regional Growth Fund - Aerospace Supply Park: The first grant panel has been arranged for early December. Two applications are to be considered for approval totalling a grant value of £351,000 and generating 54 new jobs.

Business Growth Programme: The first two applications have been approved and offer letters sent to the companies. Further applications have been received and they are currently being processed leading to 12.5 new jobs being created.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

12 None.

POLICY IMPLICATIONS

13 None.

DETAILS OF CONSULTATION

14 Director of Economic Regeneration – Mike Cook
Executive Member for Regeneration and Economic Development- Councillor Shah Hussain

BACKGROUND PAPERS

15 None.

FURTHER INFORMATION

PLEASE CONTACT:

ALSO: