

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

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

SUMMARY OF KEY POINTS

3. 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.

4 Unemployment

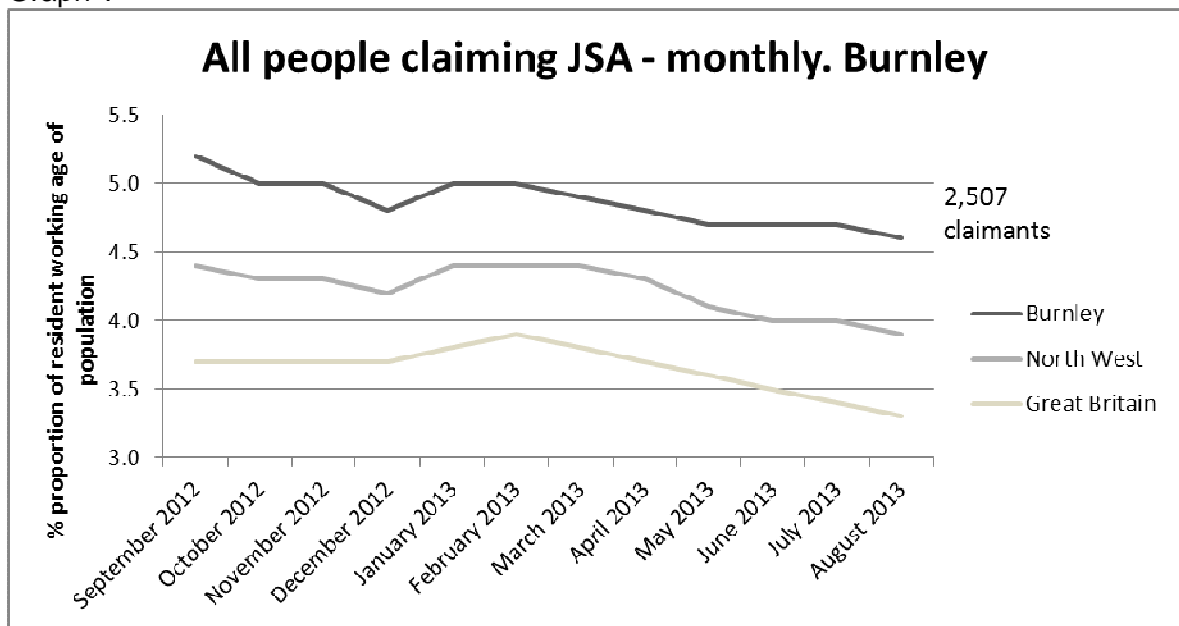
Between July and August 2013 the number of Jobseekers Allowance (JSA) claimants in the borough has reduced by 65 claimants, from 2,572 in July to 2,507 in August. The number of claimants remains lower than it was 12 months ago, when the count was 2,888 in September 2012.

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

The JSA rate (the number of JSA claimants given as a proportion of the resident working age population) in Burnley was 4.6% in August 2013. This is 0.1 percentage points lower than the previous month and 0.6 percentage points lower than 12 months ago.

In the North West the JSA rate was 3.9% in August 2013 and in Great Britain it was 3.3%.

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.

5 Employment and Unemployment

These figures will next be updated on 16th October.

6 Worklessness

These figures will next be updated on 14th November.

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.

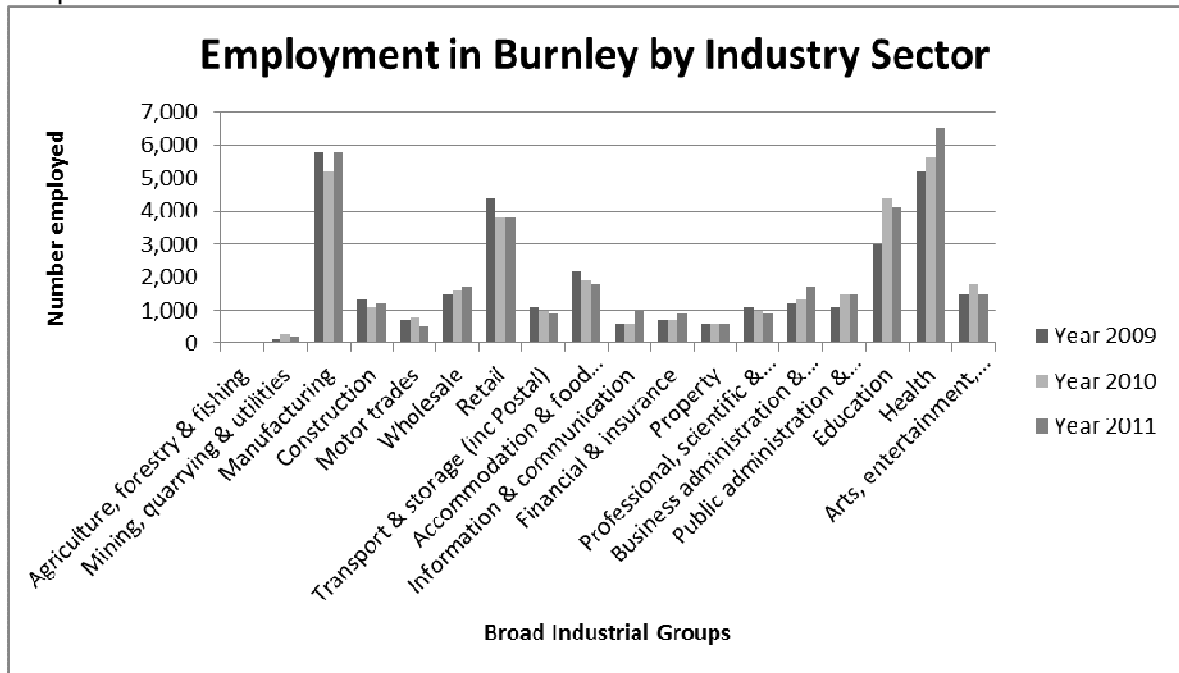
9 Enterprise

Between 2009 to 2011, the number of employees in Burnley increased by 2,500 or 7.8%.

In 2009 there were a total of 32,100 people in employment in Burnley across all Broad Industrial Groups*. This grew to 34,600 people in employment by 2011.

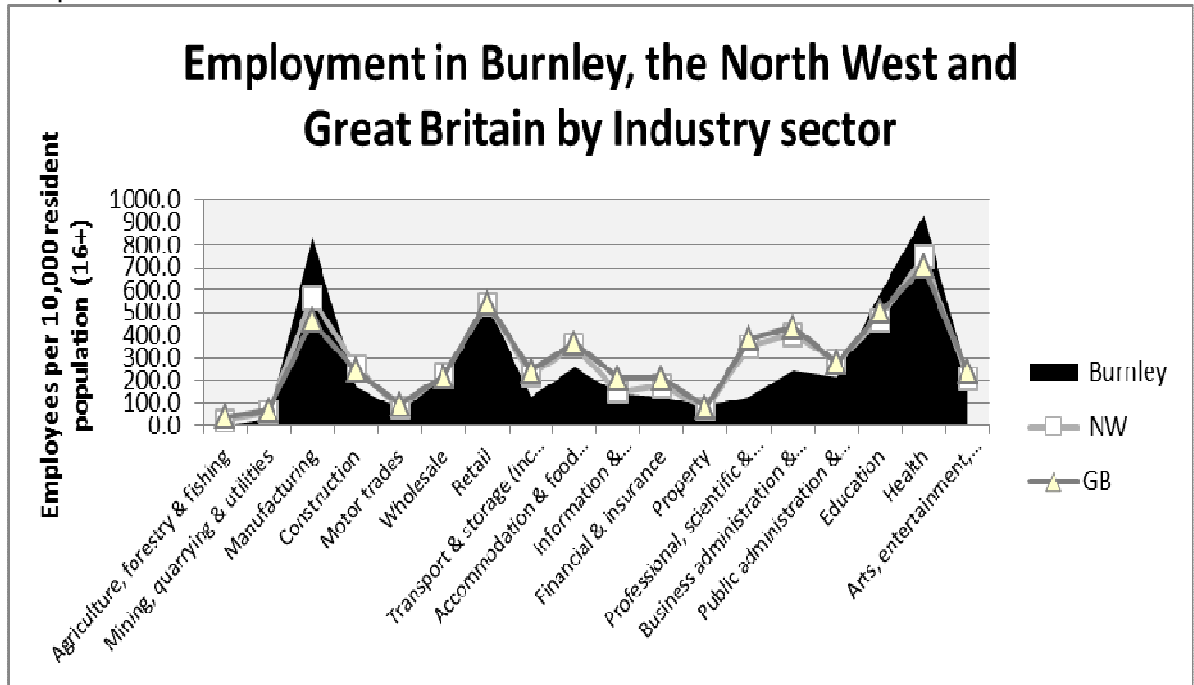
The two sectors with the largest share of employment in 2011 were Health with 4,100 people in employment or 19% of the total and Manufacturing with 5,800 people in employment or 17%.

Graph 2



Burnley has a higher proportion of its employees employed in Manufacturing, Wholesale, Property, Education, and Health than the average across the North West and Great Britain.

Graph 3



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 Support for business

The Business Support Team are currently working with 36 companies who are looking to relocate into the town or move within the Borough. Of these 36 enquiries, 10 are from companies looking to relocate into Burnley from outside of the area and the remaining are existing Burnley companies looking to relocate/expand internally. The requirements range from small office units up to 80,000 sq ft of industrial space.

As reported previously, progress continues on Burnley Bridge. Towards the end of August one of the largest cranes in the UK was on site lifting into place the beams that will form the bridge across the canal. In addition, the first phase of speculative units are under construction comprising 19,000 sq ft with a complete building refurbishment comprising 60,000 sq ft due to be completed Easter '14. The Business Support team are in detailed

discussion with a number of businesses considering relocation.

It is pleasing to report the formal opening of the £3.5m Sweet Dreams Ltd facility took place very recently, the company employing 190 people were supported through the Accelerating Business Growth programme with Grant support of £68,000 linked to capital equipment and job creation. The investment will allow the company to make 8 new jobs and to safeguard 10.

The last session of the Knowledge Network 4 Business programme was held at the ACE Centre in Nelson in August. This was the fourth seminar held in partnership with Pendle Council, UCLan and the Economic and Social Research Council. Companies from across Burnley and Pendle attended seminars with guest academic speakers from UCLan on a range of topics including Public Relations, Arbitration and HR and Marketing Strategy.

The business support team are taking the Council trailer to one of Burnley's largest business parks at Rossendale Road. The trailer will allow businesses to drop in and see members of the business team without appointment for an informal chat about issues affecting their business and also to find out more details about the various business support initiatives currently available. Letters have been circulated to all the businesses on the estate to let them know where the trailer will be and the times it will be open.

The latest edition of In Business Burnley magazine is about to go to print and will be circulated to over 600 businesses, agents and developers. One of the main features in the edition is the celebration around the most Enterprising Place Award.

Funding Programmes – Update:

Accelerating Business Growth:

SACO (Specialist Anodising Company) based on Elm Street are manufacturers of aluminium components for the cosmetic industry have recently had their application approved. As part of their growth plans the company recently acquired a 78,000 sq. ft. building on Heasandford Industrial Estate and are investing a further £849,000 in new machinery. The company have been awarded £150,000 grant and are to create 20 new jobs. The total amount of grant awarded to Burnley companies is £690,924 leading to the creation of 103 jobs.

Aerospace Supply Park:

The first application for financial assistance to relocate to the site has been submitted by Kaman Tooling. Total project costs are in excess of £4million. A further three applications are currently being worked up by companies. In addition, since the last scrutiny report two other companies have enquired about the site and these are being followed up.

Business Growth Programme:

Three applications for financial assistance have been submitted to the Business Support Team since the last scrutiny committee and all three schemes will be completed by the end of the financial year. A number of other companies have expressed an interest in the support available and the Business Support Team are currently in discussions with them.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

11 None.

POLICY IMPLICATIONS

12 None.

DETAILS OF CONSULTATION

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

BACKGROUND PAPERS

14 None.

FURTHER INFORMATION

PLEASE CONTACT:

ALSO: