

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

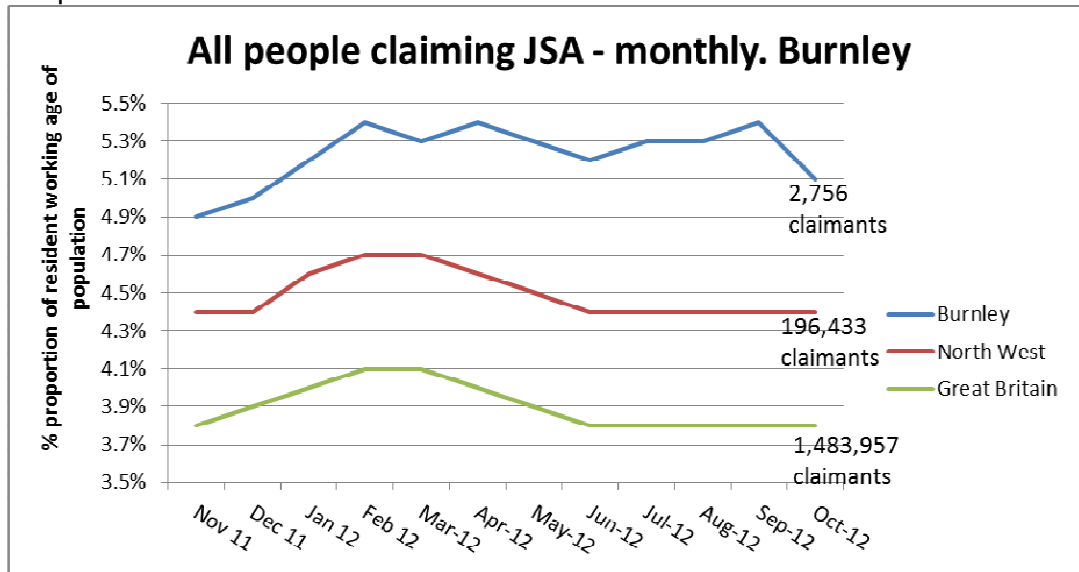
3. A number of indicators are used below to indicate the state of the Burnley Economy. It is by no means a comprehensive picture and the delays in releasing statistical information sometimes means that it is difficult to establish an up to date figure.

4 Claimant Count

Between September and October 2012 the number of Jobseekers Allowance (JSA) claimants in the borough has fallen by 132 to 2,756. The number of claimants continues to be higher than it was 12 months ago, when the count was 2,652 in November 2011.

The JSA rate (the number of JSA claimants given as a proportion of the resident working age population) fell to 5.1% in October 2012, a reduction of 0.3 percentage points from the previous month. This is 0.2 percentage points higher than 12 months ago.

Graph 1



(Source: ONS Claimant Count)

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

Graph 2 in the Appendix provides a comparison across Pennine Lancashire.

The JSA claimant count is not itself a measure of unemployment but is strongly correlated with unemployment, and, as it is an administrative count, is known without sampling error. The gain in precision is greatest for areas with smaller sample sizes, such as Burnley.

As the unemployed form a small percentage of the population, the Annual Population Survey (APS) unemployed estimates (see section 5) within local authorities are based on very small samples so for many areas, such as Burnley, would be unreliable.

For more information on employment and unemployment statistics for the Lancashire and Burnley area, including data tables and explanations of the data, see the Social and Economic Intelligence statistics page at the Lancashire County Council website.

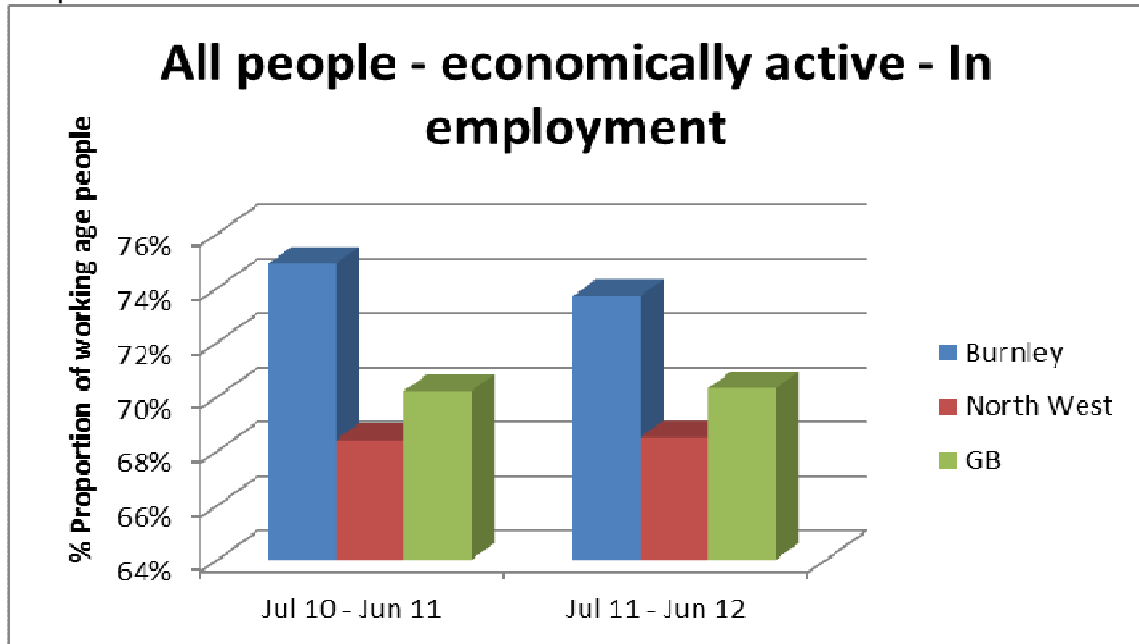
http://www.lancashire.gov.uk/office_of_the_chief_executive/lancashireprofile/unemployment/ofmodel.asp

5 Employment and Unemployment

For the period July 2011 to June 2012 the number of economically active people in Burnley, in employment was 39,990 or 73.7% of the working age population. This is higher than the previous corresponding 12 month period, July 2010 to June 2011, when the number of economically active people in employment was 38,800 or 74.9% of the working age population.

Graph 3 shows how Burnley compares to the North West and Great Britain.

Graph 3



Source: Nomis, Local Authority Profile.

ONS annual population survey

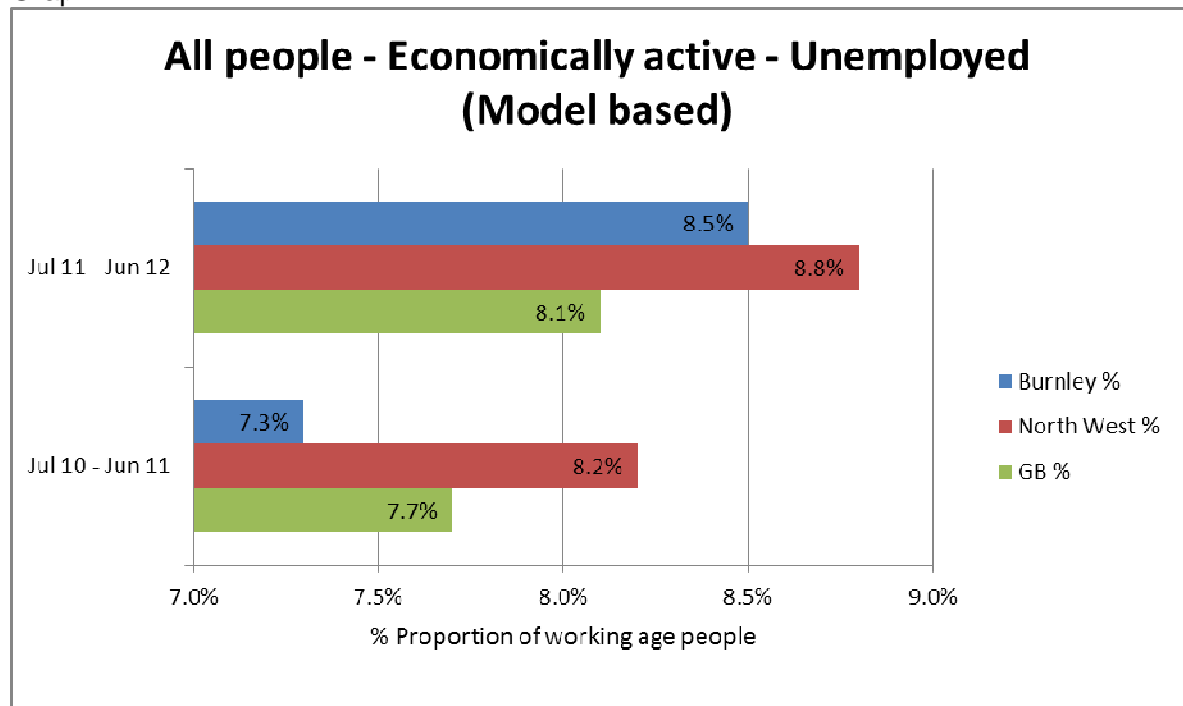
Note: numbers are for those aged 16 and over, % are for those of aged 16-64

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

For the same period July 2011 to June 2012 the number of economically active people in Burnley who were unemployed was 3,700 or 8.5% of the working age population. This is higher than the corresponding prior 12 month period when the number of economically active people who were unemployed was 3,100 or 7.3 of the working age population.

The model-based estimate for local authorities Improves on the APS estimate by borrowing strength from the claimant count to produce an estimate that is more precise (i.e. has a smaller confidence interval).

Graph 4



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.

6 Worklessness

There has been no update to the Department for Work and Pensions (DWP) Benefits figures since the August report to this committee. The next release is due in February 2013.

7 Job Centre Vacancies

It should be noted that the following figures relate to vacancies and not jobs, i.e. one vacancy could be for three packers.

In October 2012 there were 802 vacancies notified to Burnley Jobcentre Plus. This is 83 more vacancies than were notified in September 2012. In the North West and Great Britain over the same time period (Sept 12 – Oct 12), the number of vacancies fell. There are now considerably more vacancies in Burnley than there were 12 months ago, when in November 2011 there were 476 vacancies.

The number of vacancies by Industry over a 12 month period can be seen in Graph 5 in

the Appendix.

8 **Redundancies**

Since the last report Job Centre Plus have been notified of three redundancies in the Burnley area at HML. They have also been notified of 29 staff who are due to be made redundant from Burnley Council at the end of March 2013.

9 **Support for business**

The Business Support team are working with 22 new, SME businesses who are considering Burnley for expansion of an existing operation or for relocation into the Borough. From these 22 companies, 5 are from outside of the Borough and include two significant requirements, one being for a large manufacturing company specialising in the production of equipment for the Food & Drink industry whilst the other is a high quality office requirement. Companies considering relocation from outside the borough are always complex but from discussions there is a feel that Burnley is a good place to do business and is proactive in its support to business.

A high profile company expansion within the borough is on target; Sweet Dreams Ltd who acquired the former Build Centre on Colne Road are currently redeveloping the site to provide; new Office, Showroom and Warehousing facilities totalling 55,000 sq. ft. The Business Support team have been working with the company over a number of years, this £3m investment and redevelopment of the Primrose Mill site will create a number of new job opportunities and safeguard a further 185 jobs in addition, the redevelopment allows the company to consolidate to a single site operation, bringing with it significant cost savings.

As reported previously, the Accelerating Business Growth (ABG) programme has been fully operational since August '12; nine Burnley companies have made an expression of interest to the scheme and with four Businesses having been successful resulting in £254,000 of direct financial assistance, the primary focus of ABG is to create job opportunities and assist Burnley businesses to continue to grow.

The latest edition of "In Business Burnley" has now been produced with positive feedback from companies, this has led to a request from one of the businesses featured to request a further 100 copies to assist with a overseas expansion and linked to work undertaken earlier in the year where the Business team assisted the company to attend a large trade fair in Germany.

The ERDF Start-up Lancashire bid has been approved and the consortia delivering the project are currently working up the scheme. It is anticipated that there will be an official launch in January 2013.

It has been agreed to undertake another Work Inspiration Event following the success of the one in March this year at Aircelle. All partners involved see this as an important contribution to supporting/encouraging young people into employment. The event is being planned for 1st March 2013 and is to be held at Thomas Whitham Sixth Form College.

The Business Support Team are working with UCLan to promote and deliver a new Business Network initiative targeted at SME's and will focus on addressing some of the issues that they face, running their businesses today. The programme is to include 4

Masterclass sessions with expert speakers throughout 2013. In addition to the Masterclass sessions businesses will be encourage to also attend 4 action meetings aimed at developing some of the ideas that come out of the Masterclasses.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

10 None.

POLICY IMPLICATIONS

11 None.

DETAILS OF CONSULTATION

12 Director of Economic Regeneration – Mike Cook
Executive Member for Regeneration and Economic Development- Councillor Andy Tatchell

BACKGROUND PAPERS

13 None.

FURTHER INFORMATION

PLEASE CONTACT:

ALSO: