

SLOUGH BOROUGH COUNCIL

REPORT TO: Overview and Scrutiny Committee **DATE:** 10 November, 2010

CONTACT OFFICER: Rafiq Chohan, Assistant Director,
Economic Development and Inclusion (01753 875849)

WARD(S): All

PART I

FOR COMMENT AND CONSIDERATION

Effect of Economic Downturn on Economy of Slough

1 Purpose of Report

At the 1 July, 2010 meeting of the Overview and Scrutiny Committee, members requested an update at their November meeting of the affect of the economic downturn on the economy of Slough including employment. Since that meeting there has been little discernable change on unemployment either due to the new Government's in-year cuts or as a result of the weakness of the wider economy. However, concerns persist of the impact of public sector job losses following the Comprehensive Spending Review both locally and at a national level.

2 Recommendation

Members are requested to consider and comment upon the contents of this report, to note little discernable change since this was last scrutinised (particularly due to pro-active action by the council) and to consider whether a further update is required mid 2011 once the full impact of the CSR has become evident.

“The affects of the economic downturn on the economy and employment in Slough” Unemployment

Unemployment is defined as those residents claiming job seekers allowance (JSA) which in June was 3.7%. This compares with 2.4% in the South East and 3.6% nationally. This represents 3174 residents. In September, the most recent data available, unemployment remained at 3.7% but the numbers had risen to 3,221. Compared to September 2009 this does represent a slight improvement down from 4.0% and 3,443 residents.

Of those claiming JSA 65.6% (2,110 people) had been unemployed up to six months and those claiming for six to 12 months 19.2% (615 people). Those claiming for over 12 months are 15.2% (490 people). This is a worrying increase with those unemployed over 12 months having grown from 6.8% (235 people) in September 2009. **It is this long term unemployment which will have potential serious and deep societal impacts.**

A very important cohort to keep an eye on is those young people that are unemployed and the 18 to 24 year old cohort continues to grow having increased from 695 in June to 775 in September. However, this is lower than September 2009 when it was 950. The forecast reduction of the Connexions services is of particular concern on the horizon as more unsupported 16 to 18 year olds become NEETS and, in turn, join a growing number of 18 to 24 year olds.

New jobs

The new Sainsbury store represents the largest number of new jobs (450) in the town. However, there is evidence of new investment in the town centre with a few new takeaways opening and a new JD sports store on the High Street. A new software company has taken the office building adjacent to the town hall and the new Salt Hill Care Centre has opened on the Bath Road. These are all encouraging signs in a still uncertain economy.

Conclusion

The Slough economy is currently stable with no discernable or measurable worsening since June of this year. However, long term unemployment is increasing despite being lower in percentage terms than the UK as a whole. This will have potential serious societal impacts. There are encouraging signs of new investment in a difficult economic climate. Unemployment of young people will be a growing concern and will need to be monitored and appropriate resources allocated and action taken.