

## **SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Overview and Scrutiny Committee

**DATE:** 2<sup>nd</sup> December 2010

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**WARD(S):** All

### **PART I** **FOR INFORMATION AND COMMENT**

#### **LONG TERM UNEMPLOYMENT IN SLOUGH**

##### **1 Purpose of Report**

At the last Overview and Scrutiny Committee members requested an update on long term unemployment (those claiming job seekers allowance for more than 12 months) and the impact particularly on people aged over 50.

##### **2 Recommendation**

Members are requested to consider and comment upon the contents of this report which highlights the long term unemployment status of over 50's and challenges in the future, in particular, relating to ESA and incapacity allowance claimants.

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For some years now Slough has managed to keep long term unemployment below the UK and South East average partly due to Slough Borough Council and its partners providing additional investment in supporting newly unemployed individuals and partly to do with an abundance of jobs in and around Slough.

Despite this additional support the recent recession has resulted in long term unemployment increasing. Whilst this is a matter for concern and should be monitored closely, Slough continues to have lower long term unemployment than the South East and the UK as a whole. This is all the more remarkable given that there is a correlation between low skills as measured by qualifications and long term unemployment. Slough is uniquely bucking the trend of this correlation. Slough has for some years had a low skilled working age population, though this has been improving quite dramatically in the last few years. October 2010 long term unemployed figures are given below.

**October 2009   Slough 260   Slough 7.4%   South East 9.5%   UK 11.5%**

**October 2010   Slough 465   Slough 14.7%   South East 17.0%   UK 17.5%**

This is a marginal improvement from September 2010 down from 490 and 15.2%.  
Total unemployed in Slough in October was 3,156.

## **Over 50's**

In October 2009 there were 540 (15.3%) over 50's unemployed and in October 2010 there were 510 (16.1%). This is a lower percentage than the South East (17.7%) but marginally higher than the UK (15.3%).

According to the Annual Population Survey 2009 the Slough cohort aged between 50 and 64 is 18,400. This represents 21.2% of the total working age population of Slough aged between 16 and 64.

There is currently no direct data set available that provides up to date information regarding the exact number of over 50's that are long term unemployed i.e. over 12 months. However, those unemployed over 6 months for this group are 220. It is likely that some of this group will have been on job seekers allowance for over 12 months. It is more likely that those that were previously long term unemployed have previously switched to ESA and incapacity benefit claim which in Slough is a total of 4,850 (5.6%) across all age ranges 16 to 64. This percentage is higher than the South East average of 4.6% but lower than the UK average of 6.7%.

## **Slough JSA claimants by age and duration– Source NOMIS October 2010**

	<b>Slough (numbers)</b>	<b>Slough (%)</b>	<b>South East (%)</b>	<b>Great Britain (%)</b>
<b>By age of claimant</b>				
Aged 18-24	770	24.5	27.1	29.1
Aged 25-49	1,870	59.3	54.8	55.3
Aged 50 and over	510	16.1	17.7	15.3
<b>By duration of claim</b>				
Up to 6 months	2,140	67.8	67.0	65.5
Over 6 up to 12 months	550	17.5	16.0	16.9
Over 12 months	465	14.7	17.0	17.5

Source: ONS claimant count - age and duration

Note: % is a proportion of all JSA claimants

## **Changes to benefits and reductions in jobs available**

Changes to the benefits system to provide a universal credit designed to encourage people back to work will represent greater challenges to our community in the current climate. With a significant proportion of ESA and incapacity benefit claimants likely to be reassessed as able to work and required to seek work the jobs market for some of these residents will be more challenging. Whilst generally it is fair to say that many individuals are keen to return to work, the barriers to work though are multiple and complex and include a combination of factors; poor health, poor skills including language barriers, benefit traps and jobs that are not designed to accommodate the physical or mental ability of such individuals. In addition, as Slough has seen its overall population rise and jobs decrease, the jobs density i.e. the number of jobs to number of people of working age has fallen to 0.95 below 1.00 for the first time for many years, although this is still a higher density than the South East (0.82) and the UK. (0.79).

The Council along with partners including future Work Programme providers should consider the development of new programmes to provide appropriate developmental support to those willing and able to work. This will also mean the possibility of

developing resources to maintain increasing numbers of people with less good health in the work place with more flexibility and more thought given to the design of work to sustain such people in the workplace.

## Working Age Client Group May 2010

	Slough (numbers)	Slough (%)	South East (%)	Great Britain (%)
Total claimants	11,900	13.7	10.7	14.7
<b>By statistical group</b>				
Job seekers	3,070	3.5	2.4	3.5
ESA and incapacity benefits	4,850	5.6	4.6	6.7
Lone parents	1,960	2.3	1.3	1.7
Carers	770	0.9	0.8	1.1
Others on income related benefits	440	0.5	0.4	0.5
Disabled	630	0.7	0.9	1.0
Bereaved	190	0.2	0.2	0.2
Key out-of-work benefits <sup>†</sup>	10,320	11.9	8.7	12.4

Source: DWP benefit claimants - working age client group

† Key out-of-work benefits include the groups: job seekers, ESA and incapacity benefits, lone parents and others on income related benefits. See the **Definitions and Explanations** below for details

Note: % is a proportion of resident population of area aged 16-64

## In conclusion

Slough's long term unemployment amongst the over 50's is less marked than the South East and appears to have seen marginal improvement in the last year and remains below that of other age groups. This is a matter for some satisfaction. However, the greater challenge will be in the proportion of over 50's currently on ESA and incapacity benefit that will be reassessed as fit to work over the next few years and re-categorised as Job Seekers. Slough over 50's face multiple and complex challenges with confidence, skills, poor language, poor physical and mental health all likely to be factors along with greater competition for fewer jobs. Workplace design for older workers will need to be actively managed to take into account the poorer general health of older workers to enable their sustained presence. This is an organisational development challenge as well as an economic development one. Policies and support programmes will need to be developed to respond to this opportunity along with partners in the private, public and voluntary sectors in Slough.