

OVERVIEW & SCRUTINY COMMITTEE

REPORT TO: Overview and Scrutiny Committee **DATE:** 7 June 2011

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WARD(S): All

PART I

FOR COMMENT AND CONSIDERATION

ECONOMIC DOWNTURN AND THE EFFECT ON SLOUGH- UPDATE

Purpose of Report

1. At the 10 November 2010 meeting of the Overview and Scrutiny Committee, members requested an update at their June 2011 meeting of the affect of the economic downturn on the economy of Slough including employment.

Recommendation

2. 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 end 2011.

The effects of the economic downturn on the economy and employment in Slough

Unemployment

3. Unemployment is defined as those residents claiming job seekers allowance (JSA). A full table of data will be circulated at the meeting.
 - In April 11 was 3.9%. This compares with 2.5% in the South East and 3.7% nationally.
 - This represents 3,343 residents. This has seen an increase from the last update in Nov 10 by 169.
 - Compared to last year this time, April 2010, represents a slight improvement down from 4.0% and 3,510 residents.
 - Of those claiming JSA 2,350 people had been unemployed up to six months
 - those claiming for six to 12 months - 630 people.
 - Those claiming for over 12 months are 360 people. This has seen a decrease from the last report which is encouraging. However, **It is this long term unemployment which will have potential serious and deep societal impacts.**
4. A very important cohort to keep an eye on is those young people that are unemployed and the 18 to 24 year old cohort continued to grow this year but saw a drop in April from 825 in March 2011 – 770 in April 11. However, this is lower than September 2010 when it was 950.
5. Of particular concern is the risk that unsupported 16 to 18 year olds become NEET's (Not in Education, Employment or Training) and, in turn, join a growing number of unemployed 18 to 24 year olds.

6. Benefit changes for Incapacity Benefit Claimants moving to Employment Support Allowance and Lone Parent Income support changes will impact on the Job Seekers Allowance register potentially showing an increase in Job Seekers.

Employment Support

7. Slough Borough Council run an Employment and Enterprise group which provides support to various unemployed communities with specific support for Lone Parents, new migrant communities, BME groups and young people.
8. In addition to this the DWP Work Programme contracts are now confirmed and A4E and Maximus are the successful providers who will be delivering employment support in Slough from July 2011 onwards.

New jobs

- The new Terminal 2, being completed in 2014 will see the creation of a number of jobs as well as supporting travel and the economy of Slough.
- A new Burger King Drive Thru on the trading estate will create a number of jobs
- A new company Selco Warehousing is due to open on the trading estate again creating a number of jobs.
- Digital Arts, a new Japanese company has taken office space in Slough creating a number of jobs.

Thames Valley Berkshire Local Enterprise Partnership

9. This Partnership has now been established and has set up an Executive, a Board and a number of priority sub groups. One Slough business is represented on the Board and further engagement with smaller business will be taking place in the next 3 months. It will be important to ensure Slough priorities and concerns are communicated effectively to the LEP so that adequate focus is given to Slough.

East Berkshire Local Economic Assessment

10. The East Berkshire Local Economic Assessment which has been prepared by Regeneris Consulting, brings together data and intelligence on various economic datasets. It constructs a single document that tells the story of East Berkshire's economy, comprising of the Borough of Slough and Windsor and Maidenhead. It is an important document that will inform strategies and interventions going forward and particularly the activities of the Thames Valley Berkshire Local Enterprise Partnership.

Business Views

11. Business have mixed levels of optimism about the economy. They are concerned about the increased price pressures of fuel, electricity and essential resources. But are pleased about the reduction in corporation tax, cancellation of fuel duty, reduction in regulations and the merger of Income Tax and National Insurance.

Conclusion

12. The Slough economy is recovering at a very steady rate but there is still much uncertainty and concern about real economic stability and growth.
13. Town Centre voids are being filled but by lower end less quality shops, providing little choice to shoppers. Eateries are growing in the Town centre with a new Nandos, Murch Pilau and other fast food places opening up. Traditional retail in Slough is suffering but retail linked to restaurants etc is thriving in Slough. Although this is a mixed picture, in general the Town Centre long term viability is a concern.
14. Unemployment has been lower from this time last year but has seen an increase month on month since Dec 2010. We will need to continue to monitor this and if unemployment continues to grow, will have to work with partners to combat this.

15. There are encouraging signs of new investment in a difficult economic climate.
16. Unemployment of young people will be a growing concern and will need to be monitored and appropriate resources allocated and action taken.