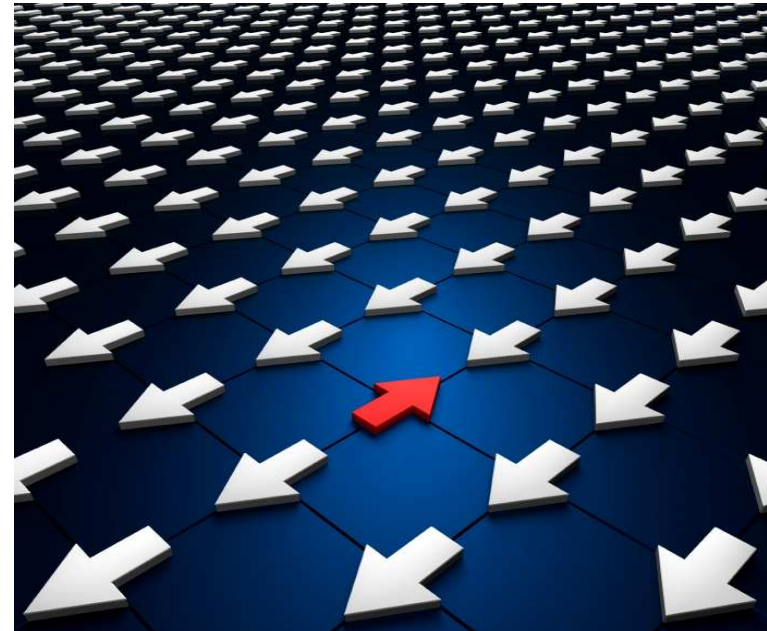


Taking action in the downturn

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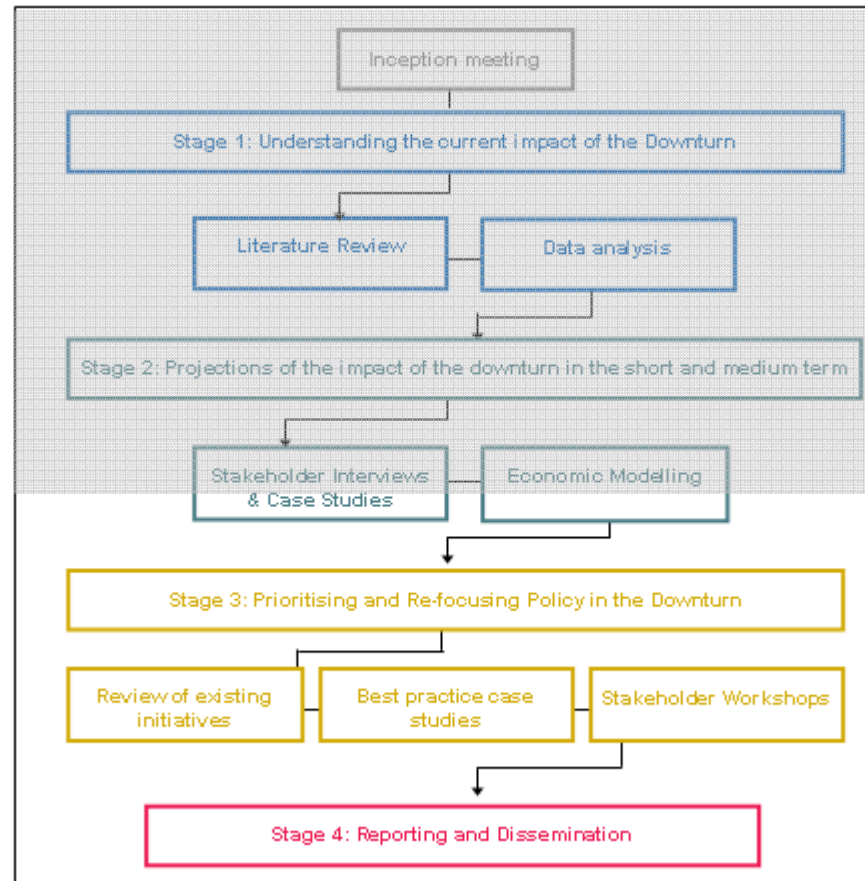
Tuesday 23rd June 2009



Wigan Council's requirements

- The Worklessness Strategy was completed in August 2008
- BUT the climate within which the strategy has set has changed dramatically
- This study will help Wigan Council to identify and respond effectively to these issues by:
 - Providing a detailed picture of the current impact of the downturn on Wigan;
 - Forecasting performance of the local economy over the short & medium term, focusing in on the factors that will influence the worklessness agenda;
 - Appraising the impact of current and proposed investment/developments, and identifying ways to enhance/add value to their impact on worklessness;
 - Appraising the current suite of programmes & projects, and identifying ways to enhance, refocus and add to these commissions.

Progress to date

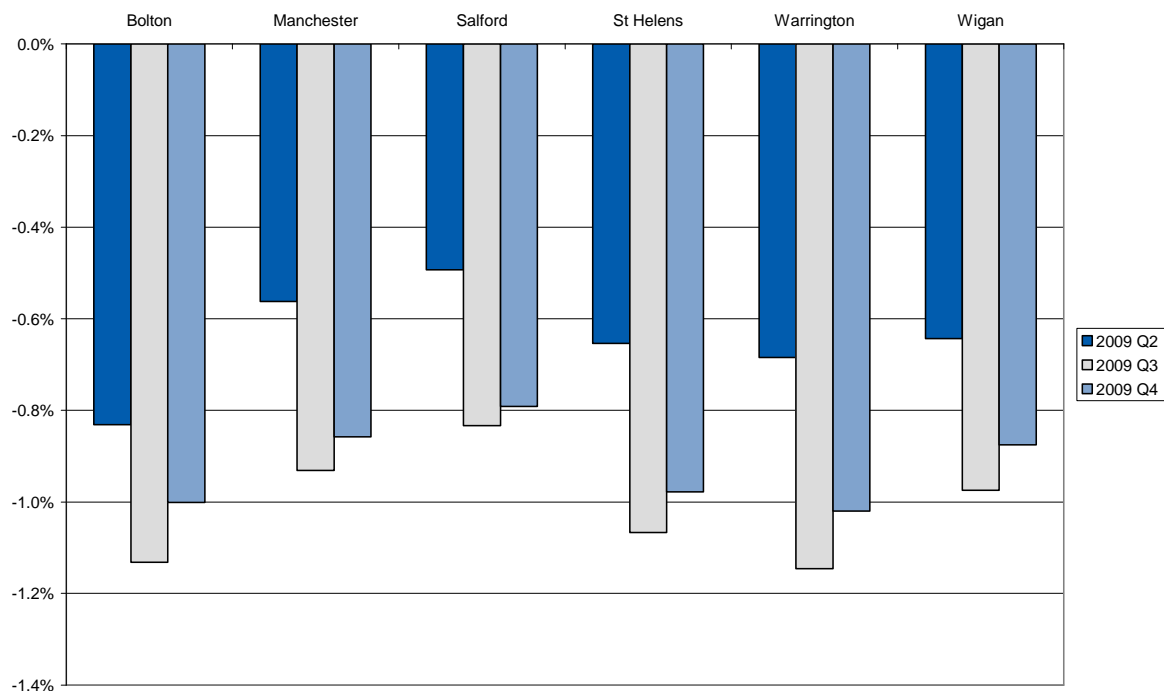


The North West is forecast a challenging 2009

- Experian estimates that the North West economy will contract by 4.1% in 2009 – slightly higher than 3.7% predicted for UK as a whole.
- It is predicted that over 275,000 people in the North West will be unemployed in 2009
- Claimant count has risen for the eighth consecutive month to 4.6%. The claimant count rate is currently the 4th highest of all regions.
- Consumer confidence remains weak – but largely in line with rest of the UK
- There are some early signs of stabilisation – the PMI Business Activity (output) Index recorded the highest score of 49 for the region.

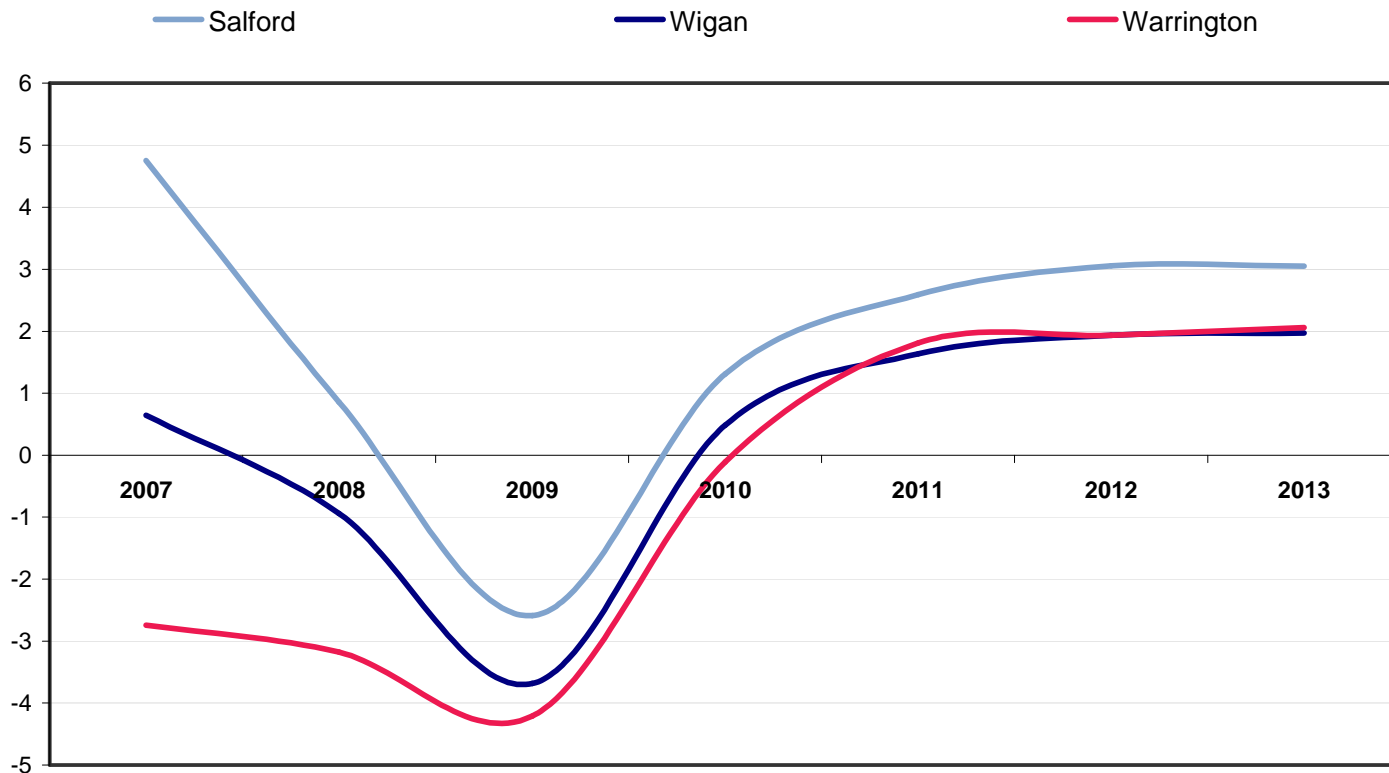
Wigan has been hit by manufacturing and construction employment decline

- Experian forecast continued employment decline in 2009 – with Q3 predicted the steepest decline from the previous quarter



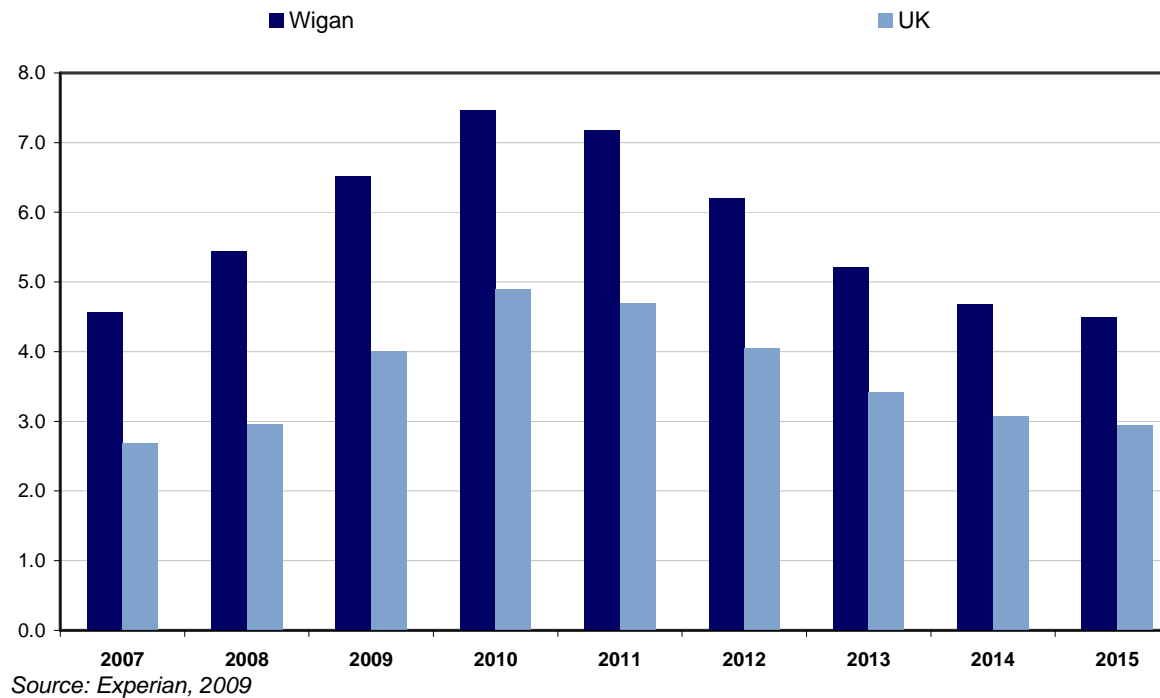
- Wigan, due to its manufacturing and construction base, is predicted to fare worse than Salford and Manchester

The medium term outlook suggests a period of tentative stabilisation, before returning to modest growth....



Source: Experian, 2009

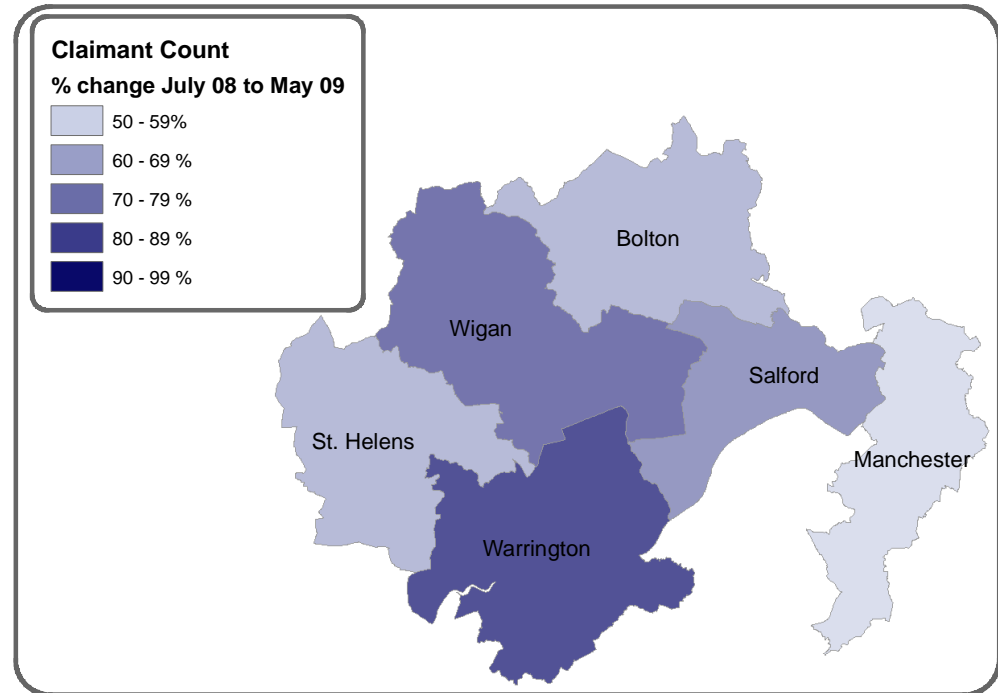
However the impact on employment will continue to be felt until 2014



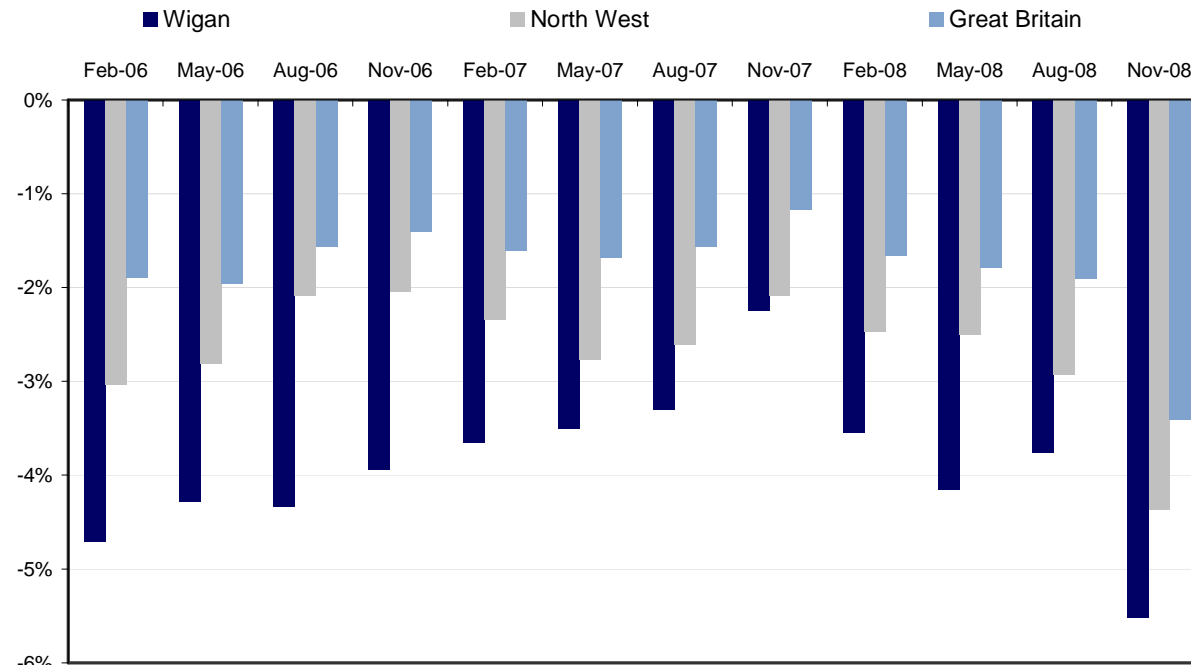
What impact will the economic climate have on Wigan's worklessness priorities?

Progress is likely to have halted in deprived areas

- Wigan has seen an increase in the number of JSA claimants since July 2008 of 82%.
- Available data suggests that Wigan has reduced worklessness rates in deprived areas – but the new JSA claimants are disproportionately from these areas



IB claimants appear to have fallen but the impact of the downturn has not been accounted for

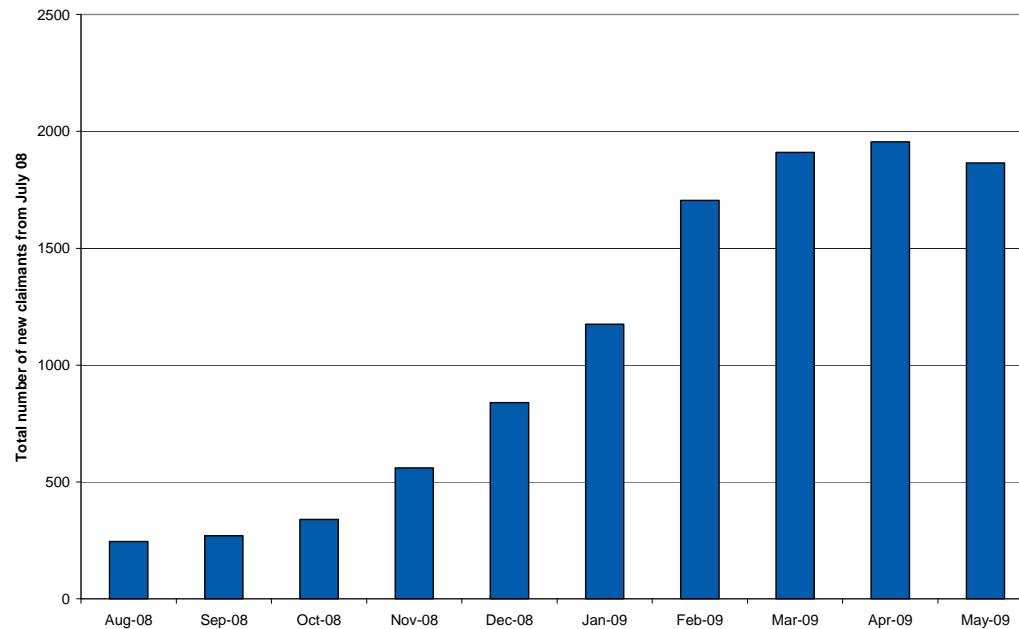


Source: DWP, 2009

- There has been little change in the number of IB claimants suffering from mental conditions

The number of young people claiming benefits has risen

- Total number of young people claiming 'all benefits' rose



- Between July 2008 and May 2009 a total of 1865 out of 4300 new JSA claimants were aged below 29

Barriers to employment remain for Wigan residents

- The Borough is characterised by lower levels of **self-employment** – 6.3% compared to rest of UK 9.3%

- **Access to training** remains an issue
- Training budgets have been cut in the private sector as a result of the downturn

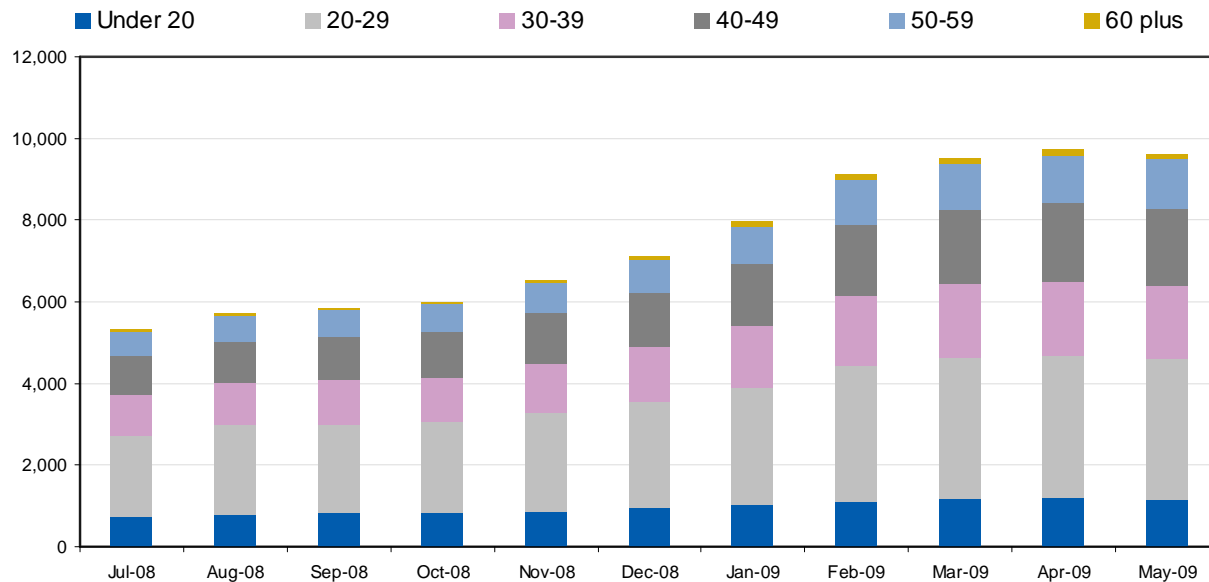
	Apprenticeship Starts (2007/08)	Apprenticeship Starts (2008/09)
Bolton	900	1,000
Manchester	700	900
Salford	600	700
Stockport	700	900
Warrington	600	700
Wigan	1,200	1,000
North West	19,800	21,600
Total	117,600	140,500

Source: DCSF, 2006 to 2008

- Apprenticeship take-up is less positive in Wigan than other areas with a decrease in number of starts from 1,200 in 2007/08 to 1,000 in 2008/09

New challenges for Wigan in light of downturn...

- Growth in JSA claimants from broad range of backgrounds – particularly older age group



Source: ONS, 2009

- There are now 14 JSA claimants per live unfilled vacancy

New challenges for Wigan in light of downturn...

- **Construction and manufacturing** sectors have clearly been hit
- **Elementary occupations** have been hit relatively harder than managerial and higher skilled occupations.
- The number of **NEET has risen slightly**, with a large proportion of the on flows coming from education

	Nov 2006	Nov 2007	Nov 2008
Wigan	9.9%	8.2%	8.5%
NW	8.9%	7.9%	7.8%
England	7.7%	6.7%	6.7%

Source: DCSF, 2006 to 2008

Next Steps

- Finalising the economic forecasts – Interim Paper due 26th June
- Mapping existing initiatives via consultations with stakeholders and delivery partners
- Appraising the current initiatives, identifying how to refocus, enhance and add to these commissions

