

Report to: Regeneration Panel

Date: 21 January 2009

Subject: Economic Development Update

Report of: Executive Director of Environmental Services

Contact officer: Keith Molloy 01942 828988

Purpose / summary: To update Members on current progress in the Wigan economy and major investment decisions.

Alternative options considered and reason for selecting the one recommended: This report is for information only.

Recommendation / decision: That members note the content of the report.
The decision will be made as a result of this report and will be published within 48 hours

Risks / Implications:

Financial:	N/A
Staffing:	N/A
Policy:	N/A
Equal Opportunities - Has a Diversity Impact Assessment been conducted?	No
Wards affected:	All

Property Implications – Does the proposal involve a reduction, addition or change to the Council’s asset base or its occupation?

No

If yes, have the property implications been agreed with the Corporate Property Officer?

Does this proposal have significant implications for the Council and the local population?

A diversity impact assessment is not necessary at this stage, however, equality and diversity implications have been considered when producing this report.

Does this proposal involve a new policy or procedure or significant changes to an existing policy or procedure?

No

Has the Service Director - Borough Solicitor confirmed that the recommendations within this report are lawful and comply with the Council's Constitution? **No**

Has the Service Director - Corporate Services confirmed that any expenditure referred to within this report is consistent with the Council's budget? **No**

Are any of the recommendations within this report contrary to the Policy Framework of the Council? **No**

For Cabinet reports only :

Categorisation of the report:	x
Discussion leading to a decision	
Monitoring	
Sharing for corporate understanding	

	x
Discussion	
Decision	
Information	

Tracking/Process:

	Consultation	Ward Members	Partners
Panel	Overview & Scrutiny	Cabinet	Council
Regeneration 21/01/09			

There are no Background Papers to this Report within the meaning of Section 100D of the Local Government Act 1972.

Proper Officer Martin Kimber

Date 2 January 2009

1.0 Background

- 1.1 This report forms part of the regular series providing information on the current state of the Wigan economy and progress in attracting new jobs and investment to the Borough. The report looks at current unemployment, progress on major employment sites, enquiries for sites and buildings and investments for the period September 2008 to December 2008.

2.0 Unemployment

- 2.1 The figures show an unemployment rate of 3.2% for October 2008. There has been an increase in the rate of unemployment for Wigan over the past 12 months October 2007 to October 2008. In real terms we have seen an on flow of 1610 extra claimants on to job seekers allowance (JSA) register over this period. This is a reflection of the redundancy situations that have arisen with major employers in the Borough over the past 12 month period. In comparison, analysis of figures for Greater Manchester show a significant annual increases in male unemployment across all districts.
- 2.2 The unemployment rate for Wigan Borough compares to 2.6% for the UK, 3.0% for the North West and 3.1% for Greater Manchester. Table 1 (2.7) provides a ward by ward analysis of the data. (Please note that the office of national statistics – NOMIS and Manchester Enterprises policy and research team still use 2004 wards).
- 2.3 Month-on-month, 9 GM districts experienced unemployment increases. The largest increase was in Stockport (3.9%), with the only decrease in Oldham (-1.7%). GM (2.0%) was below the NW (2.1%) and UK (2.7%).
- 2.4 There was a significant annual increase in unemployment across all Greater Manchester Districts.
- 2.5 Monthly female unemployment increased across only 4 Greater Manchester Districts. Greatest increase in Tameside (3.8%); greatest decrease in Oldham (-4.3%). GM's (-0.2%) decrease was below the NW (-0.5%) but above the UK's 0.6% increase
- 2.6 Female unemployment (1.7%) continues to be significantly lower than male unemployment (4.5%). This trend is likely to continue.

2.7 Table 1 – Unemployment by ward October 2008

Area	Total		Male		Female	
	number	rate	number	rate	number	rate
Abram	311	4.1	233	5.9	78	2.2
Ashton-Golborne	200	2.2	137	2.9	63	1.4
Aspull-Standish	170	1.9	122	2.6	48	1.1
Atherton	323	4.9	240	7.0	83	2.6
Bedford-Astley	226	3.4	164	4.8	62	2.0
Beech Hill	247	3.6	180	5.1	67	2.0
Bryn	182	2.3	145	3.6	37	1.0
Hindley	275	3.3	192	4.4	83	2.1
Hindley Green	234	2.6	182	3.8	52	1.2
Hindsford	325	3.8	249	5.6	76	1.8
Hope Carr	224	2.7	173	4.1	51	1.3
Ince	338	5.6	261	8.3	77	2.7
Langtree	148	1.6	103	2.1	45	1.0
Leigh Central	301	4.2	234	6.0	67	2.1
Leigh East	281	3.2	221	4.9	60	1.4
Lightshaw	188	2.0	145	2.9	43	0.9
Newtown	352	5.7	255	8.0	97	3.3
Norley	350	6.2	271	9.3	79	2.9
Orrell	147	2.2	114	3.2	33	1.0
Swinley	238	3.7	178	5.1	60	2.0
Tyldesley East	189	1.9	142	2.7	47	1.0
Whelley	274	4.5	203	6.2	71	2.5
Winstanley	194	1.8	148	2.7	46	0.9
Worsley Mesnes	305	3.8	236	5.7	69	1.8
Great Britain	939,900	2.6	684,845	3.6	255,055	1.5
North West	127,638	3.0	96,005	4.3	31,633	1.6
Wigan	6,048	3.2	4,546	4.5	1,502	1.7

2.8 The highest unemployment rates remains Norley (6.2%) although the rate for Norley remained constant from the previous quarter whereas Ince (5.6%) and Newtown (5.7%) both experienced slight increases on the previous quarter. Over the next 3 months further increases are to be due to redundancy announcements and the general economic climate. (Please see section 7).

Source: NOMIS and Manchester Enterprise Policy and Research

3.0 Progress on Employment Sites

3.1 Pemberton

Peel Holdings owners of the majority of remaining development land at Pemberton submitted an outline planning application for development of the site accompanied by a masterplan. The proposals include a mix of uses including employment, small shops and a hotel.

3.2 Westwood Park

The Westwood Park site continues to be the subject of details discussions as the location of a major inward investment in the form of the Chinagateway project. The complex nature of the negotiation and general uncertainty in world wide trading conditions has slowed progress on the project. Progress is being made in the work required as part of the A49 diversion which will be needed as

part of the development although no further contracts will be awarded until additional funding is secured to support the project.

3.3 Northleigh, Hindley Green

Progress is being made in developing a masterplan for the Northleigh site working with the new homes and communities agency and others with an ownership interest in the land at Northleigh. Most recently delays have arisen due to the need for further and more detailed technical studies. The final report is expected in May 2009. The masterplan will include preferred areas within the site for a mix of residential and employment uses. The masterplan will form the basis of future consultation and the preparation of more detailed planning applications.

3.4 Wilding Street, Lower Ince

The Wilding Street site was brought forward as part of the foundation economic development zone and designated for a mix of employment and community uses. Most recently the site has been identified in part as a possible location for the relocation of 2 local primary schools and feasibility work is ongoing in this respect. The future use of the remainder of the site for employment purposes is still being considered but in the current climate there is no interest from developers.

4.0 Enquiries

The total number of enquiries received by the property finder service during the period October to December is 132. The breakdown is as follows:

Telephone Enquiries: 91

Internet Enquiries: 41

The number of enquiries is slightly higher than when compared to last year. Also, the nature of enquiries has changed with an increase in the number of enquiries relating to business support rather than just premises enquiries.

5.0 Investment Successes

5.1 Valueworks

An internet e-commerce firm based in Wigan has won a £500,000 grant to enable it expand and double staff numbers.

Formed in 2000, Valueworks supplies web-based software designed to save clients money on procurement and supply chain functions.

The £500,000 'Grants for Business Investment' from the North West Regional Development Agency (NWDA) will enable the company to expand its presence in the construction and social housing sectors and increase its staff numbers to 123.

5.2 JJB

Wigan-based retailer JJB Sports has secured £1m of government funding to provide a bespoke customer service training package for more than 600 of its store staff across the country. The training programme will be a mix of workshops, presentations and assessments and all staff that complete the programme will receive an NVQ Level Two.

5.3 Wilkinsons

Wilkinsons home and DIY store opened on 7 November 2008 and had a weekend launch in partnership with Wish FM.

The store employs approx 150 staff of which 20 - 25 are full time, the remainder part time to allow for a flexible workforce.

The existing shell of Debenhams was extended to accommodate a total area of 76,000sq ft, the upper floor is currently not used for trading.

6.0 Redundancies

6.1 During this period no new redundancies were announced but an update on major ongoing redundancy situations follows:

6.2 Quinn Radiators – Update

The Leigh skills has provided guidance and assistance where possible to former employees of Quinn Radiators in terms of training and other employment opportunities.

6.3 Asda - Update

As previously reported Asda (Ince) were very receptive to support offered by Wigan Council. The site closed earlier than originally anticipated at the end of October 2008. Of the 460 employees 142 were assisted into employment elsewhere, in addition a large number of drivers sought employment through logistics agencies. Of the remaining employees it is understood that as many as 100 alternative jobs were offered within the Asda business locally. Many of the staff were been signposted to training and college courses to improve their employability.

7.0 Economic Downturn

7.1 The economic downturn has been widely reported and has specific consequences both nationally and locally. Whilst we are currently not dealing with any new redundancy situations it is very likely that the first quarter of 2009 will prove to be the most difficult for business in terms of trading conditions.

7.2 There is evidence to suggest extended holiday breaks over the Christmas period and that businesses are looking at reducing number of temporary employees as a way of reducing costs in the short term. As commercial rents fall due in the first quarter of 2009 it is likely that businesses will need to look to further reduce costs and in the current climate further full time staff redundancies are likely.

7.3 Business link have responded to the current challenges and a number of additional 'products' to help support business are now in place and available through the business link brokerage service. In addition to services offered through this mechanism the Council has contracted separately with Bolton business ventures to enhance services they currently deliver in the Borough to support business and add to this a number of one off 'Credit Crunch' workshops which have been offering a range of business advice and support.

7.4 In terms of other regionally significant interventions, the NWDA launched £10m business support fund, a transition loan fund of at least £10m, aimed at providing the region's small and medium-sized businesses with immediate access to finance. The initiative, announced at the second meeting of the joint economic commission for the North is available to companies with a viable business plan and an ability to service the borrowing required, but which have been unable to obtain such funding from conventional sources. The NWDA and hope the funding will help companies 'survive and grow' and confirmed it is separate to the £140m venture capital loan fund, which will be available from April 2009. Under the scheme, businesses will be able to apply for loans between £3,000 and £50,000. Detail of these schemes and other business support are available on the NWDA web site and through the Business Link web site at www.businesslink.gov.uk.

Martin Kimber
Executive Director of Environmental Services
RP/ER/KM/LC/33.0P
2 January 2009