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Berkshire Economic Commentary August 2010

Coverage
Berkshire Unitary Authorities

Theme
The Local Economy

Issued by
[Berkshire Observatory](#)
[Joint Strategic Planning Unit](#)
Berkshire Economic Strategy Board

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Berkshire Economic Commentary

Terms of Reference

This commentary has been produced by the [Berkshire Observatory](#), the [Joint Strategic Planning Unit](#) and the [Berkshire Economic Strategy Board](#). It provides a synopsis of the current economic climate in Berkshire, drawing on information provided by several of our partners.

Berkshire is defined as the unitary authorities of:

- Bracknell Forest
- Reading
- Slough
- West Berkshire
- Windsor & Maidenhead
- Wokingham

QUESTIONS SPECIFIC TO THIS MONTH

The following questions, requested by the Department for Business, Innovation & Skills (BIS) and the South East England Development Agency (SEEDA), were asked to all six of the Berkshire Unitary Authorities. Below are the responses received:

What are the impacts of the changes to the national planning regime to developments?

None Reported.

What are the expected public sector cuts, and impacts of these, in your region?

None Reported.

What is the general feeling in the region about the prospects of the next 6 months?

None Reported.

Update from the Royal Borough of Windsor & Maidenhead (RBWM)

- Job Seekers Allowance figures look to be continuing to go in the right direction although RBWM do not feel they truly measure the real unemployment rate. We still have concerns around youth unemployment and the NEET group.
- SME Businesses are still complaining about the availability of credit.
- Hotels are reporting good performance over the summer months and good forward bookings for Sept/Oct which they feel shows increased confidence in the market.
- Attractions were reporting good footfall figures over the early part of the summer especially during the fantastic weather.
- The ash cloud early in the season had a negative impact on the number of overseas visitors.
- Working in partnership with Job Centre Plus, A4E and Shaw Trust who are recruiting for new Sainsbury's store opening in Slough scheduled for Nov 2010.
- A4E & Shaw Trust delivering Pre-Employment training to their customers in Slough – Grow clients signposted.
- Due to existing Sainsbury's staff moving to Slough store, Grow in partnership with JCP will back fill 50-80 staff for Maidenhead & Taplow stores.
- Grow to host recruitment day on 10 October which will fast-track applications for those most disadvantaged client groups.
- Other recruitment campaigns to be delivered:
 - Ten Group moving to Maidenhead 200 staff needed with focus on graduates.
 - Poundworld opening in Maidenhead.
 - Wilkinson backfill awaiting numbers.
 - Travelodge opening – they have declined skills/recruitment support as site will be staffed by existing staff from outside borough.
 - Employer Engagement Manager to work with Town Centre Managers to supply staff for retail Christmas temporary campaigns.

Source: The Royal Borough of Windsor & Maidenhead, 23 August 2010

Update from Wokingham Borough Council

- Wokingham's Business Skills and Enterprise Partnership, the Forest school and the Chamber of Commerce are working together to launch the Wokingham Business Academy which aims to assist young people to start and grow their business in the local area.
- Local businesses can provide youngsters with the opportunity to learn more about future employment options by attending a careers fair aimed at the boroughs secondary schools to be held on Wednesday 6 October.
- Connections Recruitment has set up its new EMEA head office at IQ Winnersh as part of a company expansion strategy.
- Both Wokingham and Bracknell Councils have approved plans to part-fund the transformation of a Bracknell and Wokingham college building into a vocational skills centre for school leavers. The aim is to give them work skills to help combat rising levels of unemployment among young people.

Footfall / Car Parking Figures

Car parking figures for Bracknell Forest were, on average, 5% lower in July 2010 than the same time last year.

Source: Bracknell Forest Borough Council, 17 August 2010

KEY CHALLENGES & HOTSPOTS

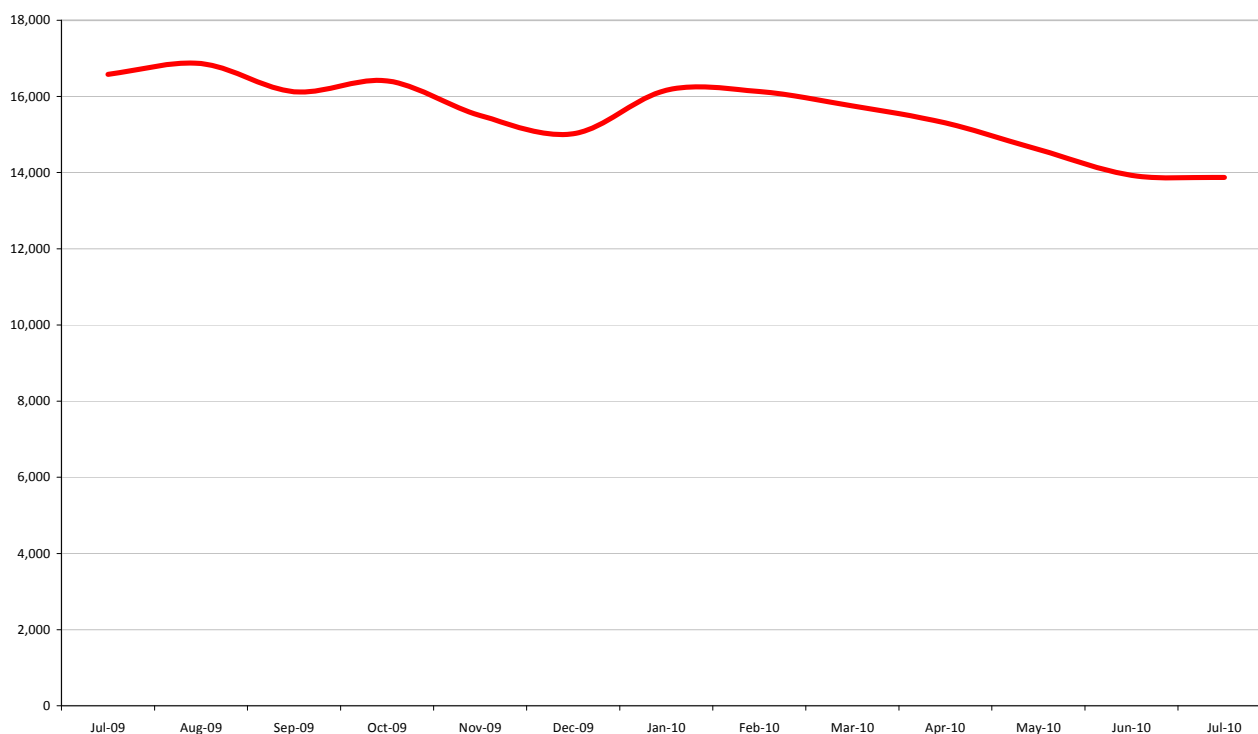
Job Seekers Allowance (JSA) Claimants

The measure of JSA claimants is the only, regularly updated, statistic available that shows levels of unemployment broken down to Unitary Authority level. It does, however, assume that all who are unemployed claim this benefit, which is not always the case.

Until an alternative is available, JSA claimant counts remain the most reliable indicator of unemployment levels across the UK.

Graph A charts the number of Job Seekers Allowance claimants in Berkshire from July 2009 to July 2010:

Graph A: JSA Claimants in Berkshire, Jul 09-Jul 10



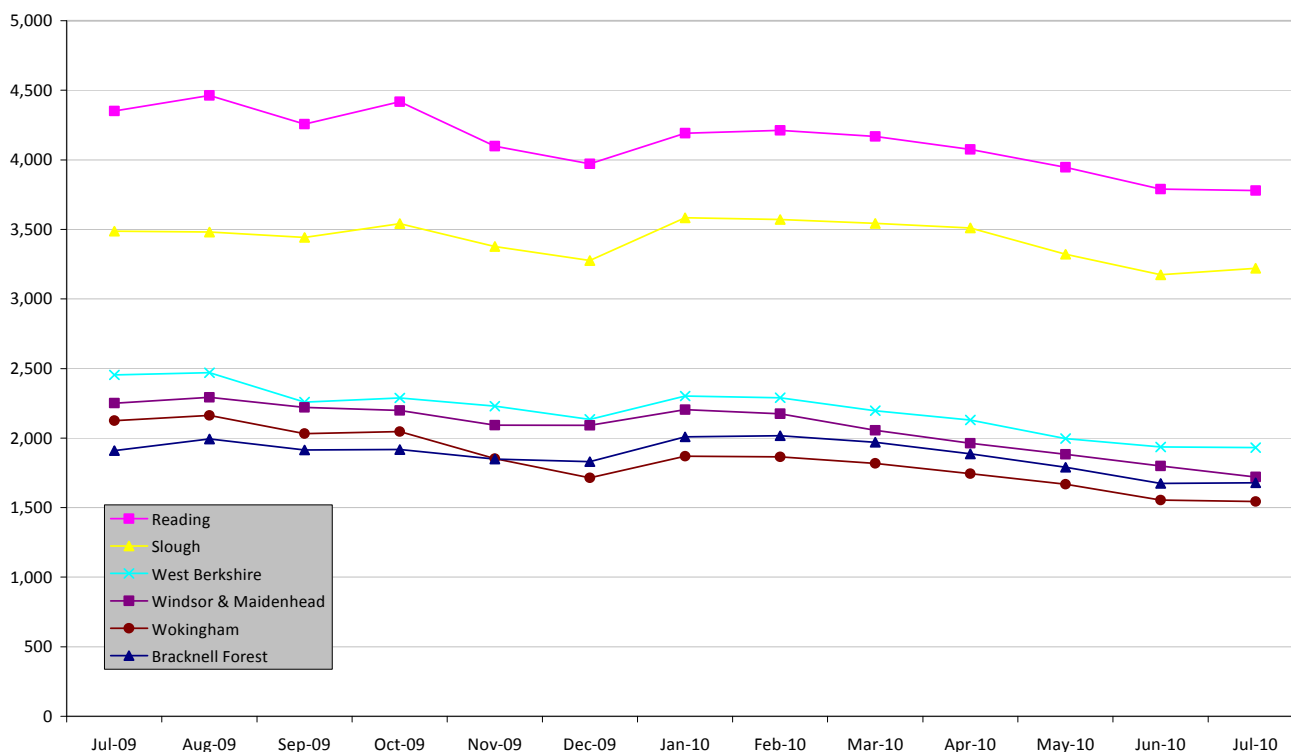
Source: Berkshire Observatory, ONS

During the last 12 months, there has been a general downward trend, with unemployment remaining just under 14,000 in June and July 2010, the lowest it has been since February 2009.

Although the downward trend is beginning to plateau, it has been consistent since the beginning of 2010, which is an encouraging sign of recovery. However, it is still more than double the pre-recession unemployment rate for Berkshire (see page 9).

Graph B displays the number of JSA claimants, broken down by Berkshire unitary authority, over the last 12 months.

Graph B: JSA Claimants in Berkshire, per Unitary Authority, Jul 09-Jul 10



Source: Berkshire Observatory, ONS

The downward trend seen across Berkshire is mirrored in each of its constituent parts. Since January 2010, each of the Berkshire unitary authorities (UA) has seen consistent declines in the numbers of JSA claimants. For the third month in a row, every UA had less people claiming unemployment in the most recent month than they did a year earlier. Taken on its own, July 2010 saw no significant change in unemployment from the previous month, leading to an **overall decrease of only 55 people across Berkshire.**

Table 1 shows the detailed figures for JSA claimants, per Berkshire unitary authority, July 2009 to July 2010:

Table 1: JSA Claimants in Berkshire, per Unitary Authority, Jul 09-Jul 10

Area	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10
Bracknell Forest	1,909	1,994	1,915	1,917	1,849	1,831	2,009	2,016	1,970	1,887	1,791	1,674	1,678
Reading	4,351	4,463	4,257	4,418	4,099	3,972	4,192	4,212	4,168	4,075	3,946	3,790	3,779
Slough	3,488	3,481	3,443	3,541	3,377	3,277	3,583	3,571	3,544	3,510	3,322	3,174	3,220
West Berkshire	2,454	2,469	2,258	2,288	2,230	2,134	2,302	2,290	2,197	2,130	1,997	1,936	1,932
Windsor & Maidenhead	2,251	2,293	2,220	2,198	2,092	2,091	2,205	2,175	2,056	1,962	1,883	1,799	1,720
Wokingham	2,125	2,163	2,032	2,046	1,852	1,714	1,869	1,864	1,818	1,743	1,668	1,555	1,544
BERKSHIRE	16,578	16,863	16,125	16,408	15,499	15,019	16,160	16,128	15,753	15,307	14,607	13,928	13,873

Source: Berkshire Observatory, ONS

There were 13,873 people claiming JSA in Berkshire in July 2010, only 55 fewer than the previous month.

Table 2 shows the change in claimants from July 2009 to July 2010, by unitary authority:

Table 2: Change in JSA Claimants, Jul 09 Compared to Jul 10, per Berkshire Unitary Authority

Area	Change From Jul 09-Jul 10	% Change From Jul 09-Jul 10
Bracknell Forest	-231	-12%
Reading	-572	-13%
Slough	-268	-8%
West Berkshire	-522	-21%
Windsor & Maidenhead	-531	-24%
Wokingham	-581	-27%
BERKSHIRE	-2,705	-16%
South East	-21,514	-14%
England	-133,426	-10%

Source: Berkshire Observatory, ONS

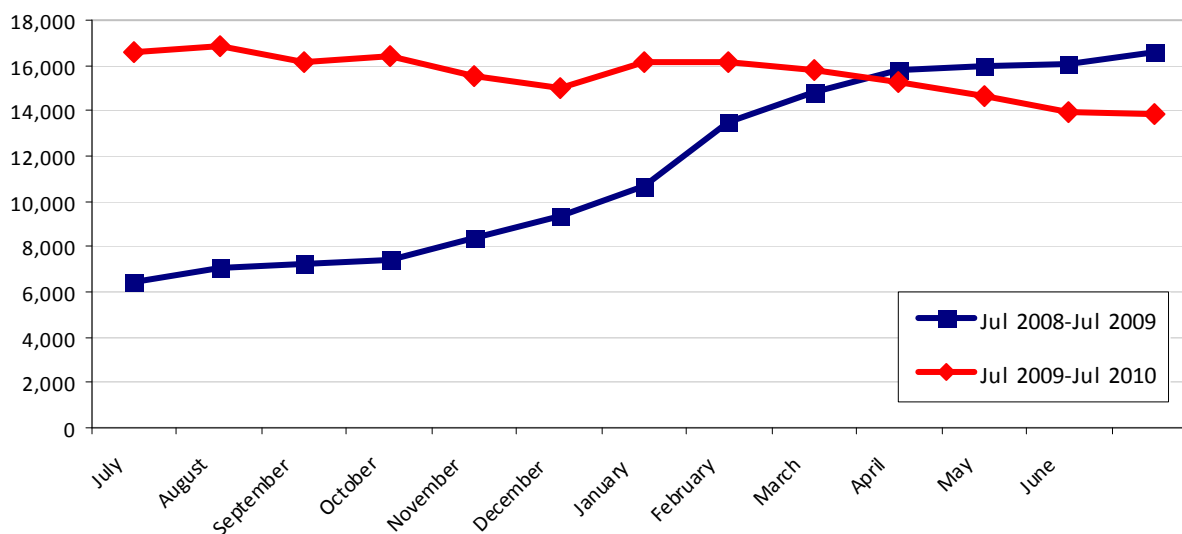
All six of the UAs have less JSA claimants than they did a year ago, with West Berkshire, Windsor & Maidenhead and Wokingham all having more than 20% fewer claimants this year than last. **Across Berkshire, this has meant a decrease of over 2,500 JSA claimants in the past 12 months.**

Berkshire's unemployment rate has decreased by 16% over the last year, better than both the South East and England averages (14% and 10% respectively). Berkshire is now bucking the trend of lagging behind the South East and England averages when it comes to decreasing unemployment. The reason why unemployment is now decreasing faster in Berkshire is unclear, although it appears no singular initiative or activity is causing this.

JSA Claimants: Trend Over the Last Two Years

Graph C: JSA Claimants: Trend Over the Last Two Years, Jul 08-Jul 10

Unemployment in Berkshire



Source: Berkshire Observatory, ONS

Graph C shows the levels of JSA claimants in Berkshire from July 2008 to July 2010. July 2008-July 2009 saw significant and consistent increases in unemployment. July 2009-July 2010 has been relatively stable, with a general downward trend.

During this two year period, the lowest level of unemployment was recorded in July 2008 (6,400 claimants) and the highest level was in August 2009 (16,800 claimants).

Unemployment Summary

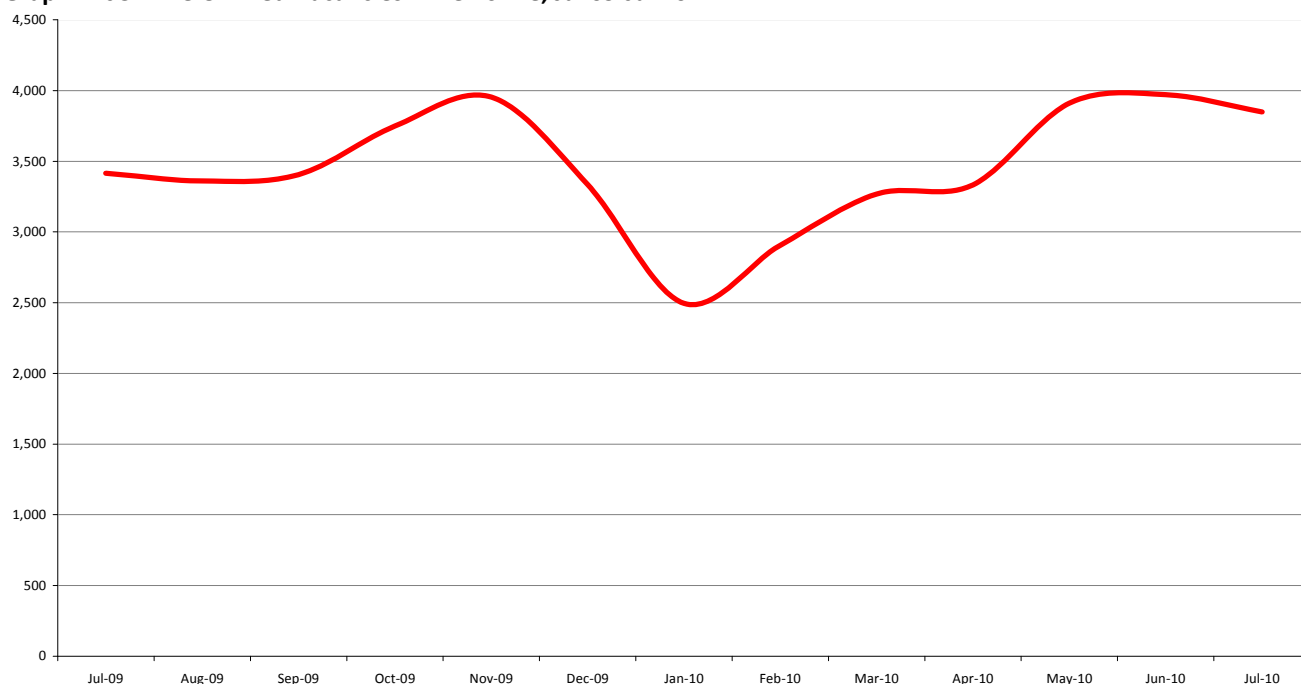
Comparing July 2008 (pre-recession) to July 2010, Berkshire's JSA claimants have risen by 117%:

- This is far above the South East average for the same period (81%)
- And nearly double the England average (63%)

Therefore, to put the recent falls to Berkshire's unemployment levels into context, it still has some way to go to come down to the average unemployment rates being experienced across the South East. This is further evidence, if it were needed, that Berkshire was hit harder by this recession than most other areas of the country.

Job Centre Plus (JCP) Live Unfilled Vacancies

Graph D: JCP Live Unfilled Vacancies in Berkshire, Jul 09-Jul 10



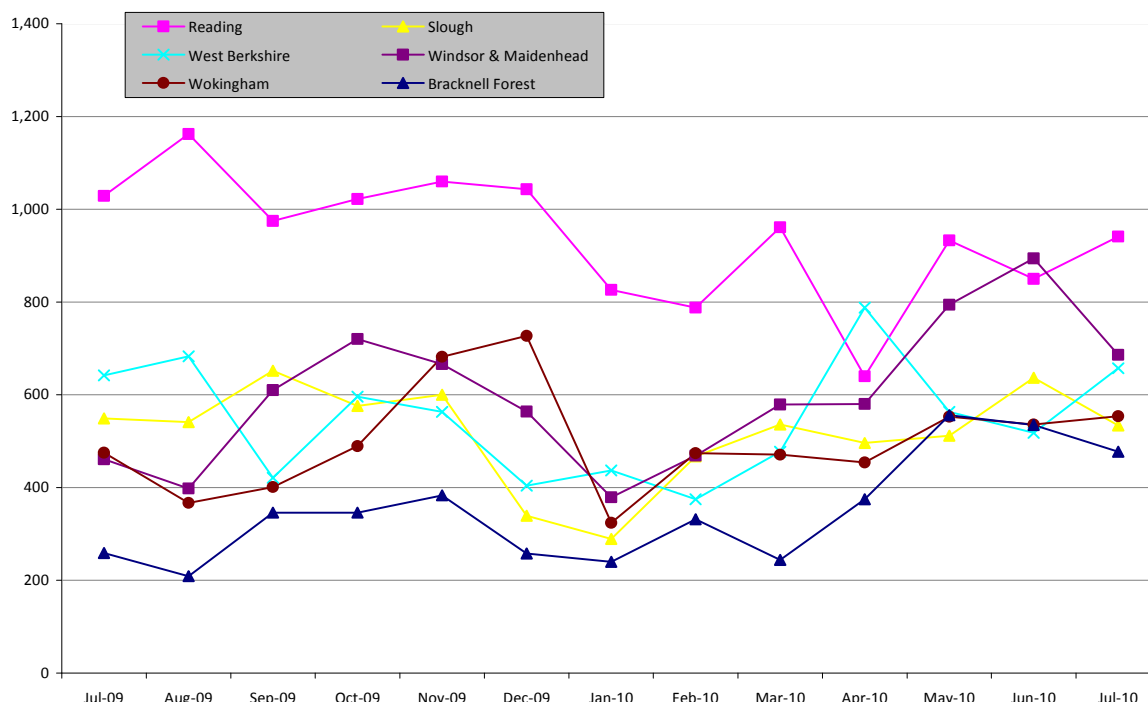
Source: Berkshire Observatory, ONS

Note: Unfilled vacancies can be split into Live Unfilled Vacancies and Suspended Unfilled Vacancies. Only figures for Live Unfilled Vacancies have been used as a jobseeker can actively apply for these.

After the dramatic fall in January 2010, the first half of 2010 saw consistent increases in vacancies across Berkshire which has now plateaued and even started to slightly decrease. There were just under 3,500 vacancies advertised through JCP across Berkshire in July 2009. **There are now just over 3,800 vacancies advertised, which is over 400 more than 12 months earlier.**

Graph E displays the number of JCP live unfilled vacancies in more detail, breaking them down by Berkshire unitary authority, over the last 12 months.

Graph E: JCP Live Unfilled Vacancies in Berkshire, per Unitary Authority, Jul 09-Jul 10



Source: Berkshire Observatory, ONS

Note: Unfilled vacancies can be split into Live Unfilled Vacancies and Suspended Unfilled Vacancies. Only figures for Live Unfilled Vacancies have been used as a jobseeker can actively apply for these.

Graph E shows the volatility of the level of live unfilled vacancies across the six UAs. Over the last 12 months, each of the UAs has seen significant increases and decreases to vacancy numbers. In July 2010, Windsor & Maidenhead had the most significant increase, compared to one year previous, with nearly 230 more vacancies. Reading had the most significant decrease with nearly 90 vacancies less in July 2010 than a one year earlier.

Table 3 shows the detailed figures for JCP live unfilled vacancies, per Berkshire unitary authority, July 2009 to July 2010:

Table 3: JCP Live Unfilled Vacancies in Berkshire, per Unitary Authority, Jul 09-Jul 10

Area	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10
Bracknell Forest	259	209	346	346	383	258	240	332	244	375	556	535	477
Reading	1,029	1,162	975	1,022	1,060	1,043	826	788	961	640	933	850	941
Slough	549	541	652	576	600	339	289	467	536	496	512	637	534
West Berkshire	642	683	421	596	563	404	437	375	477	788	563	518	657
Windsor & Maidenhead	461	398	610	720	666	564	379	469	579	580	794	894	686
Wokingham	475	367	401	489	682	727	324	474	471	454	553	536	554
Berkshire	3,415	3,360	3,405	3,749	3,954	3,335	2,495	2,905	3,268	3,333	3,911	3,970	3,849

Source: Berkshire Observatory, ONS

Note: Unfilled vacancies can be split into Live Unfilled Vacancies and Suspended Unfilled Vacancies. Only figures for Live Unfilled Vacancies have been used as a jobseeker can actively apply for these.

There were 3,850 live unfilled vacancies available across all of Berkshire in July 2010.

Table 4 shows the change in JCP live unfilled vacancies from July 2009 to July 2010, by unitary authority:

Table 4: Change in JCP Live Unfilled Vacancies, Jul 09 compared to Jul 10, per Berkshire UA

Area	Change From Jul 09-Jul 10	% Change From Jul 09-Jul 10
Bracknell Forest	218	84%
Reading	-88	-9%
Slough	-15	-3%
West Berkshire	15	2%
Windsor & Maidenhead	225	49%
Wokingham	79	17%
Berkshire	434	13%
South East	9,665	35%
England	69,418	39%

Source: Berkshire Observatory, ONS

In July 2010, **Bracknell Forest's vacancy numbers increased by nearly 220** compared to July 2009, an increase of 84%. Conversely, **Reading has decreased by nearly 90 vacancies** over the same period of time, a decrease of 9%. With varying amounts of losses and gains across the remaining UAs, this has meant an **overall increase in Berkshire of 434 vacancies** in July 2010, compared with July 2009.

Berkshire has increased the amount of vacancies it has in July 2010 than at the same time last year by 13%. This compares very unfavourably to the South East which has 35% more vacancies than a year ago, more than double the increase seen in Berkshire. England has increased by 39% over this same 12 month period, which is 3 times more than Berkshire.

This highlights that the South East and England are recovering, in terms of having more job vacancies, far faster than Berkshire.

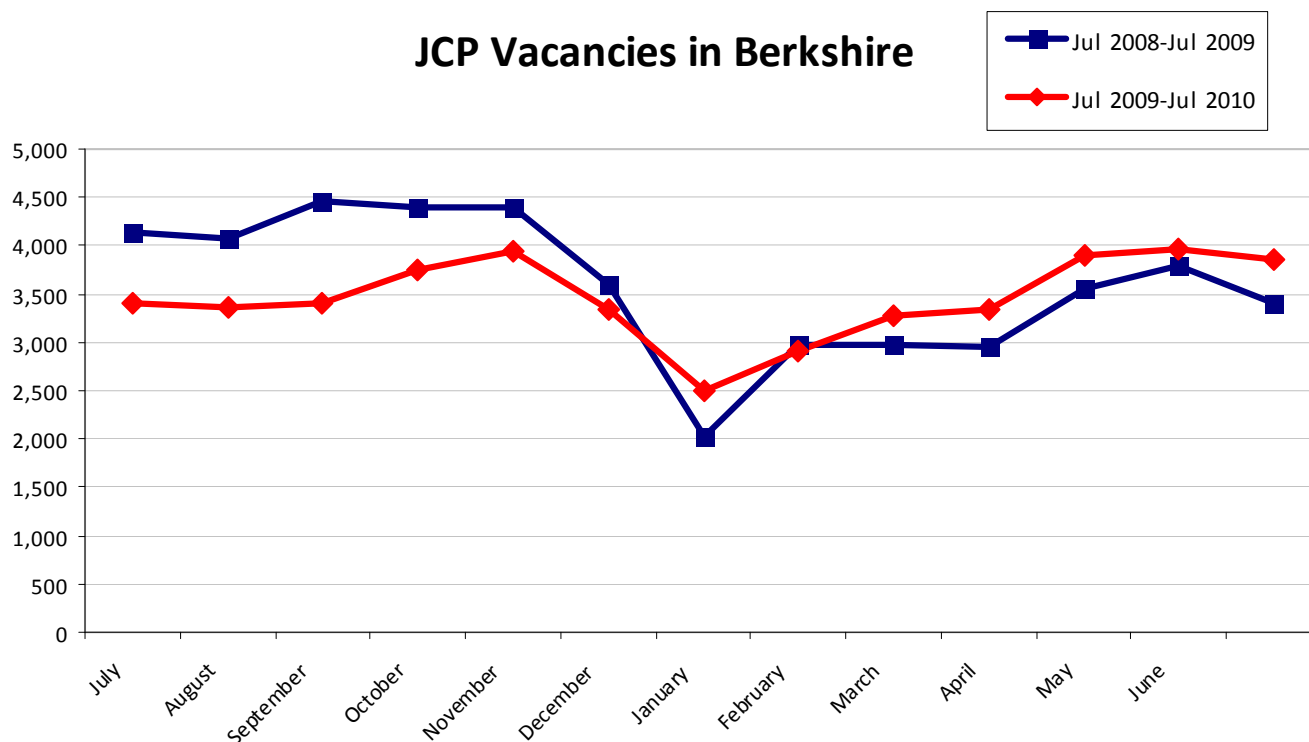
Why is Berkshire not enjoying the same level of recovery as the South East or England? The reason is unclear but in order to assist in rectifying this, private sector job creation must become a fundamental goal for businesses and local authorities.

It is important to remember that the above figures for job vacancies are only those being advertised through JCP.

As a rough guide, vacancies advertised through JCP equate to approximately 40% of all available positions. This would mean that **there are approximately 9,600 total vacancies across Berkshire. However, there are nearly 14,000 JSA claimants.**

JCP Live Unfilled Vacancies: Trend Over the Last Two Years

Graph F: JCP Live Unfilled Vacancies: Trend Over the Last Two Years, Jul 08-Jul 10



Source: Berkshire Observatory, ONS

Graph F shows the levels of **JCP live unfilled vacancies from July 2008 to July 2010**. Both 12 month periods seem to follow a general seasonal trend throughout the year. **During this two year period, the lowest level of vacancies was recorded in January 2009 (2,017 vacancies) and the highest level was in October 2008 (4,407 vacancies).**

Vacancies Summary

Comparing July 2008 (pre-recession) to July 2010, Berkshire’s JCP vacancies have fallen by 7%.

- This is worse than the South East average for the same period (6%)
- But not much better than the England average (20%)

Over the last two years, Berkshire’s vacancy levels have fallen slightly more than the South East average. However, England, on average has seen vacancies fall by almost 3 times more than Berkshire. Therefore, although Berkshire has been hit hard by this recession and appears, in terms of vacancies, not to be recovering as quickly as other areas of the South East, **Berkshire is recovering 3 times faster than the rest of England.**

BUSINESS SPECIFIC INTELLIGENCE

Positive News

Positive Forecasts

Rank Group is planning to invest £50m in new casinos in Birmingham, Liverpool, Manchester, Scarborough, Stockton, Birkenhead, Edinburgh, Reading, Southend and the West Midlands over the next few years.

Source: South East Activity Report, 13 August 2010

Bespoke Hotels is to take over the management of six former Merchant Inns hotels in Oxfordshire, Berkshire, Wiltshire and Essex.

Source: South East Activity Report, 20 August 2010

Shoppingvouchers.co.uk is planning to create 15 jobs at its new discount vouchers office in Winkfield, Berkshire, this year.

Source: South East Activity Report, 13 August 2010

Small businesses have backed Government plans to encourage bankers to lend money to firms – or face losing their bonus. Firms in Bracknell Forest have welcomed the news, which came after Mr Cable accused banks of “not acting in the national interest”.

Source: The Wokingham Times, 3 August 2010

Negative News

Royal Berkshire Hospital Trust is to shed up to 600 jobs in Reading, in order to save £60 million over the next few years.

Source: South East Activity Report, 13 August 2010

100 council jobs will be axed before the end of March next year in a bid to make £1.2 million budget savings. The losses come as part of Wokingham Borough Council’s revised three-year plan to meet cuts called for by the coalition Government.

Source: The Wokingham Times, 29 July 2010

Negative Forecasts

Employers warn of 'jobless recovery' - The UK's unprecedentedly wide embrace of short-time working to save jobs in the recession has created spare labour capacity that will slow down job creation in the recovery, employers and economists warn.

Source: FT.com, 10 August 2010

The economy is growing at twice the rate it did when coming out of the recession in the 1990s, but public service cuts will hit hard, according to business experts. Robin Lawrence, Thames Valley Regional Chairman, Federation of Small Businesses, said: “It is good news that the economy is growing at a much stronger rate than expected. However, small and micro firms are not expressing the same confidence.”

Source: The Wokingham Times, 11 August 2010

Summary

A quiet month in terms of economic activity and updates, and quiet for both unemployment and vacancy levels, both of which have remained roughly the same as last month. August seems to be a time when no real activity happens as it is holiday season. We should see some changes next month, with hopefully a rise in vacancy levels and a further, significant shift in unemployment numbers.

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