

<b>To: REGENERATION SERVICES COMMITTEE</b>		<b>Subject: North Lanarkshire Economic Update</b>
<b>From: HEAD OF REGENERATION SERVICES</b>		
<b>Date: 17 February 2010</b>	<b>Ref: 1486</b>	

**1. Purpose of the Report**

1.1 The purpose of this report is to provide Committee with an update on the impact that the economic recession is having on the numbers of Job Seeker Allowance (JSA) claimants in North Lanarkshire.

**2. Background**

2.1 The current economic recession has had a significant impact on the North Lanarkshire labour market. The impact has been seen most clearly in the increasing number of people claiming Job Seekers Allowance, which has risen almost constantly for the last two years. The impact of the economic recession therefore has important implications for employability services delivered by the Council and partners.

**3. Job Seeker Allowance claimant rates**

3.1 The upward trend in the number of people claiming Job Seekers Allowance has continued. Despite the small reductions in September and October, November saw an increase of 245 claimants to a new total of 11,131.

3.2 The following table reflects the changes in broad age groups. Significant focus has been on the increase in youth groups because of the long term impact unemployment can have at an early age, however, the increase in unemployment has been seen across all age groups. The number of claimants in the aged 50 and over category has seen the largest increase, with a 144% rise since January 2008.

<b>Age Group</b>	<b>January 2008</b>	<b>January 2009</b>	<b>November 2009</b>	<b>Increase since January 2008 (%)</b>
Total claimants	4,910	8,535	11,131	127%
Aged 16-19	590	960	1,310	122%
Aged 18-24	1,485	2,520	3,280	121%
Aged 25-49	2,700	4,785	6,020	123%
Aged 50 and over	630	1,135	1,540	144%

3.3 Annexe 1 reflects the trend in unemployment across North Lanarkshire's multimember wards. Motherwell South East has the highest number of JSA claimants in North Lanarkshire with around 727 people as at November 2009. This is a doubling of JSA levels since January 2008. On the other hand, while Cumbernauld North has the lowest number of claimants, the area has seen the highest percentage rise since January 2008 with the number of claimants has almost doubling from 103 to 293 claimants.

3.4 A number of wards have seen a small reduction in JSA numbers in the five months between June 2009 and November 2009. Cumbernauld North, Abronhill, Thorniewood and Strathkelvin all saw slight reductions of between 7% and 10%. Yet, Airdrie Central, Wishaw and Motherwell South East all saw slight increased in JSA claimants between June and November 2009.

3.5 The economy is forecast to recover in 2010, with very modest economic growth. The likelihood is that the economic recovery does not lead to a rebound in unemployment levels, where unemployment continues to rise despite a small amount of economic growth. It could be early 2011 before sustained falls in unemployment begin.

#### **4. Actions Undertaken by Regeneration Service**

4.1 Committee has previously noted the actions that the Service is undertaking in response to the challenges posed by the economic downturn. Since the last North Lanarkshire Economic Update, the Future Jobs Fund has been fully implemented in North Lanarkshire, with 385 applications received, 241 posts advertised and 71 individuals securing a work placement to date. The Future Jobs Fund is subject of a more detailed Committee Report.

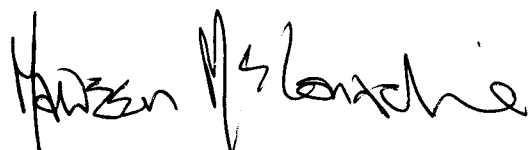
4.2 The North Lanarkshire's Working Employability Service continues to support increasing numbers of unemployed people in North Lanarkshire. Since its launch in 2008 the Service has supported over 6,500 individuals with employability advice and guidance. In this time, over 2,000 individuals have been supported into employment, with almost 500 individuals having sustained employment for six months. Over 700 individuals have achieved a qualification. In the last quarter, 790 individuals registered with the Service, while just over 400 individuals achieved an employment outcome. These are significant achievements for the Service, particularly when unemployment is rising and local businesses are facing more and more difficult circumstances.

#### **5. Conclusion**

5.1 The economic recession continues to have significant impacts on the North Lanarkshire labour market and wider economy. The Regeneration Service continues to monitor these effects and work closely with funders and partners to ensure that resources are re-directed to provide additional capacity to support an increase in the number of unemployed residents during these challenging times.

#### **6. Recommendation**

i) Committee is asked to note the content of the report.



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Local Government Access to Information Act: for further information on this report please contact Stuart MacMillan, Regeneration Strategy Officer (Tel: 01698 302814).

**Annex 1 Number of JSA Claimants in North Lanarkshire Wards, January 2008 and November 2009**

