The Economic Task Group

A Partnership Response to the Recession

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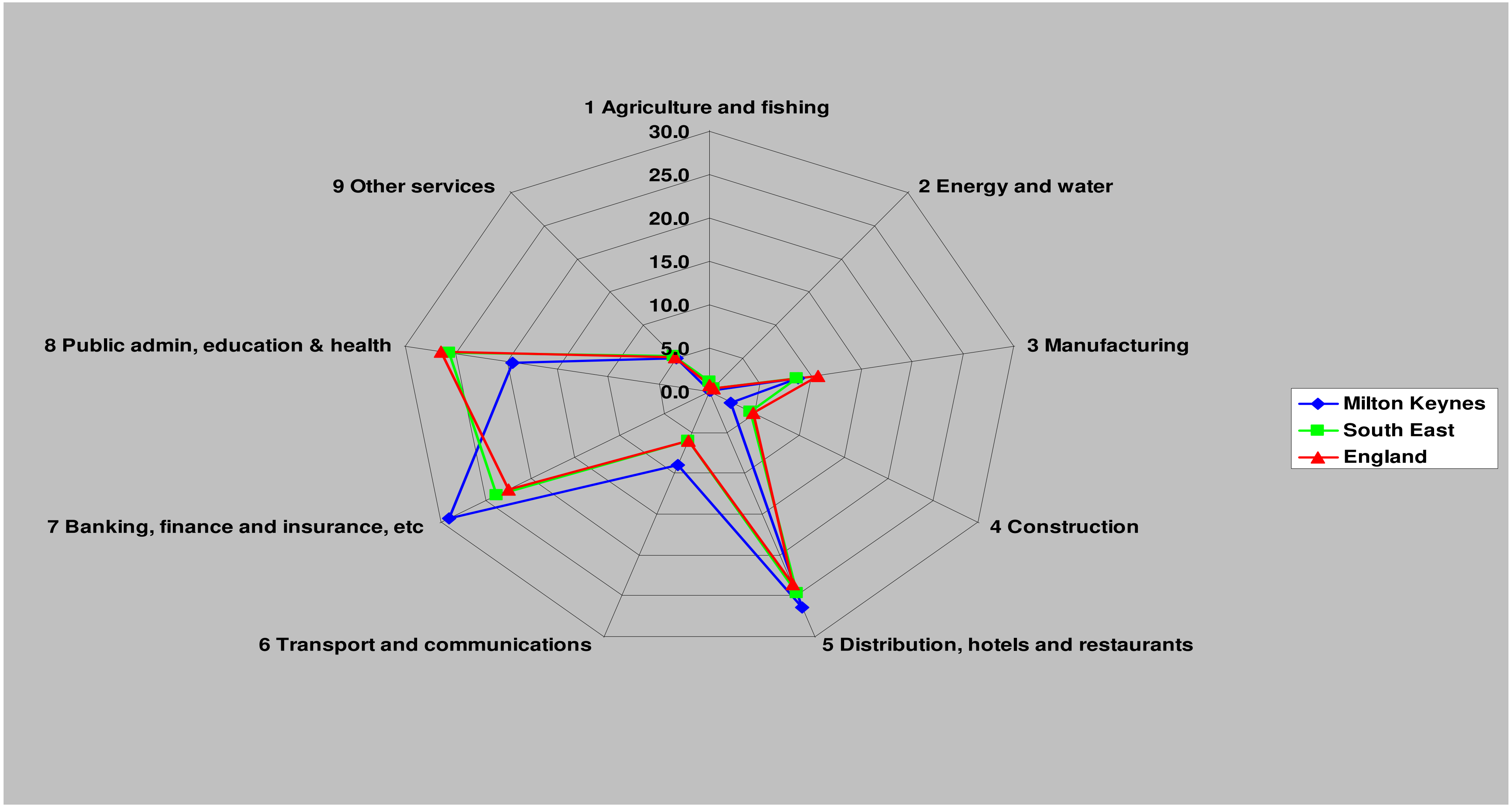
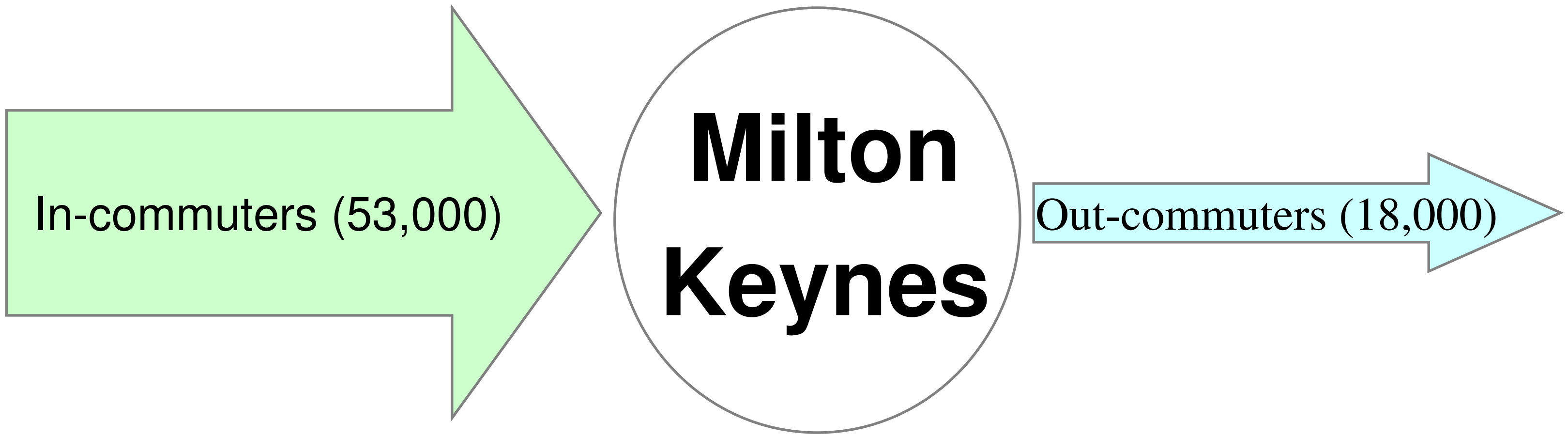
Overview of MK Economy

• **High output**	In 2006 GVA per head was 45% above the UK average
• **Heavily service-based**	Services account for over 85% of employment
• **High labour market activity**	in 2008, the employment rate was 6% above the UK average
• **Skills deficit**	Residents are on average less qualified and in lower occupational groups than the regional average. Many skilled workers commute to MK from elsewhere.
• **Relatively high unemployment**	Before the recession claimant count unemployment rate was 1.8% compared to 1.3% average in the South East

Employment Structure, Milton Keynes, SE & England 2007



Milton Keynes as a regional employment hub



In-commuters: usually higher skilled, less likely to lose job; excluded from unemployment statistics

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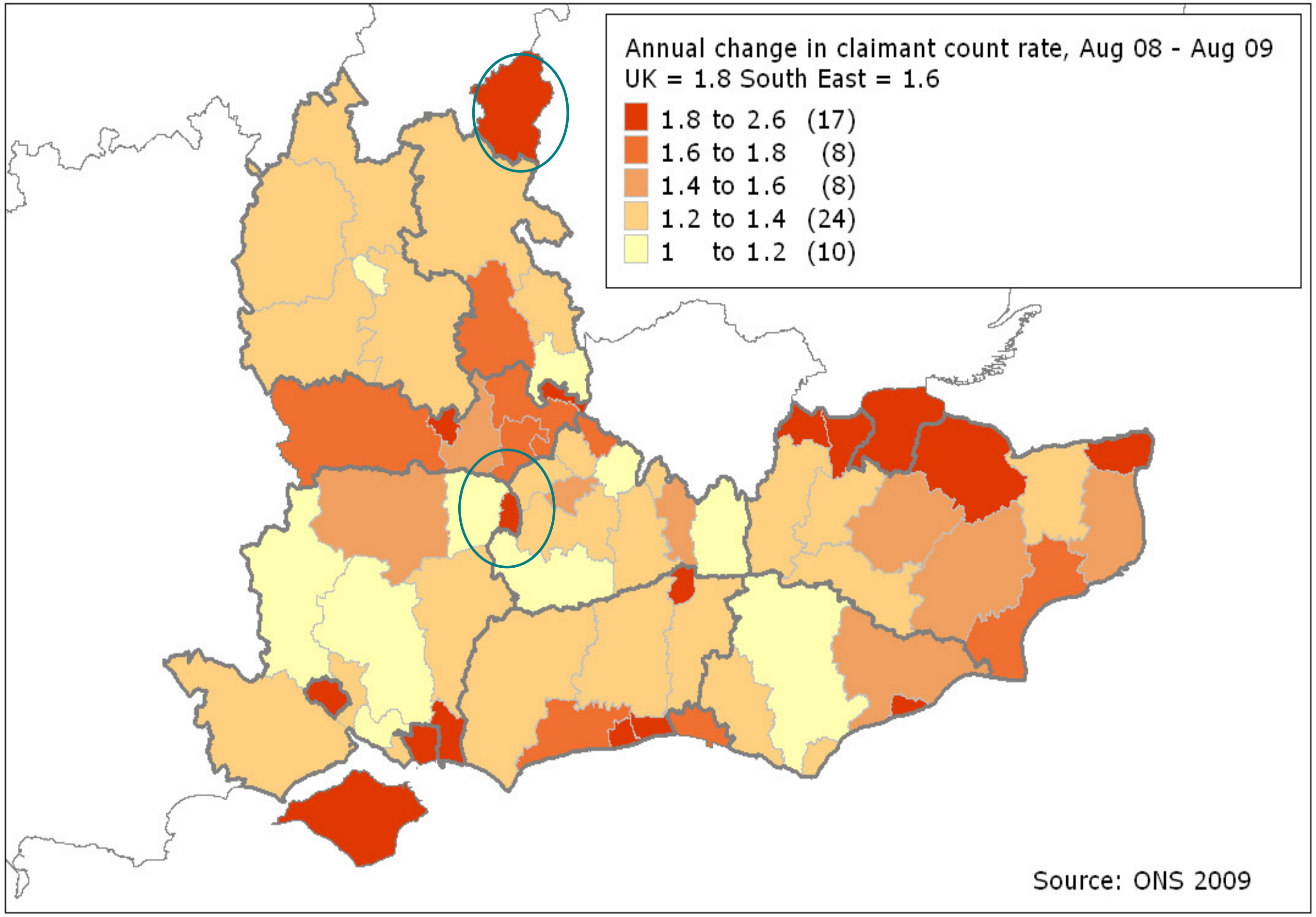
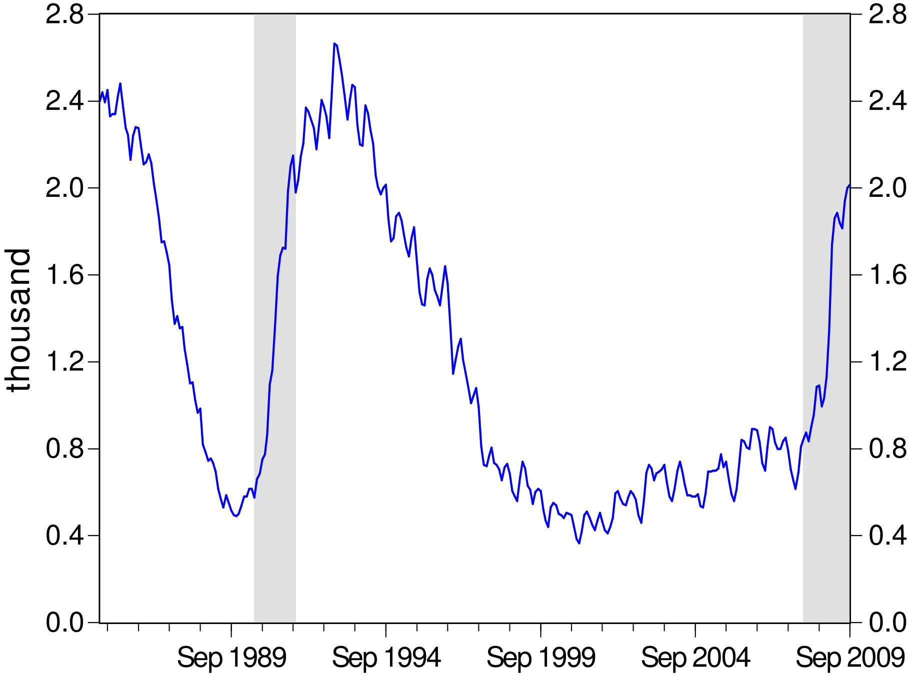
Faster increase in unemployment in urban than rural areas



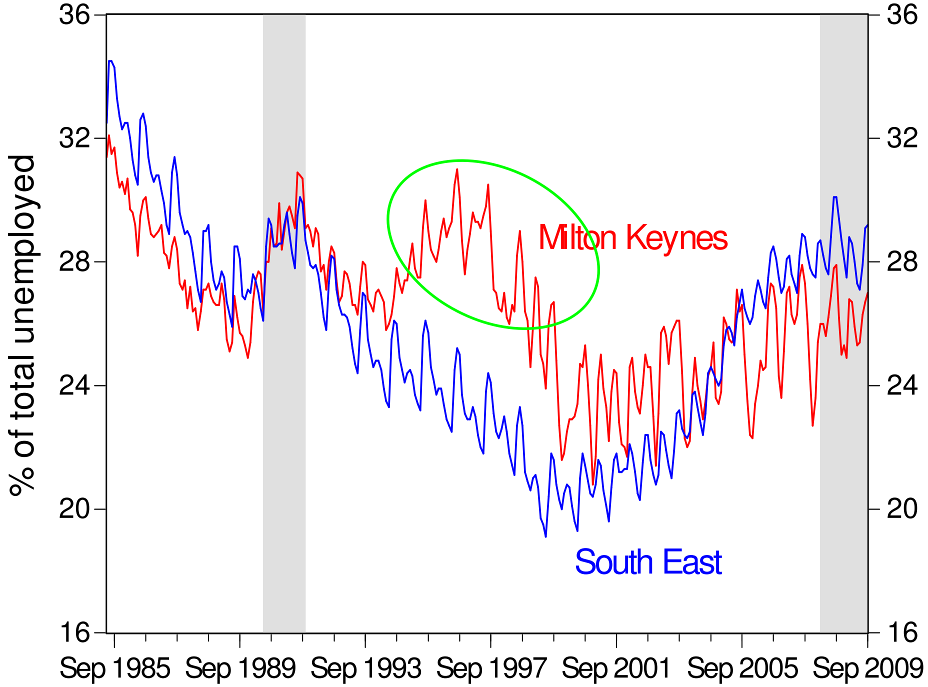
Sharp increase in unemployment amongst young people

Unemployment amongst young people (18-24 year olds)



Source: ONS 2009

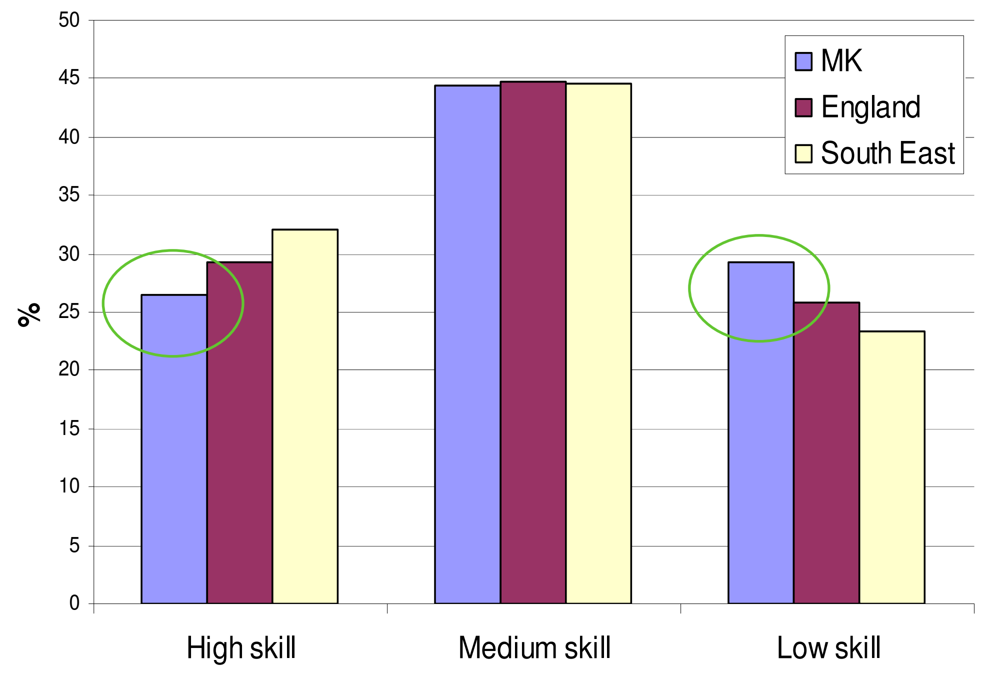
Unemployment amongst young as % of total unemployment



Source: ONS 2009

More jobs in MK in lower skill occupations

Employment by skill level, MK residents



Source: Annual Population Survey, 2008 data

Compared to both the South East and UK average, residents of MK are significantly more likely to be in low-skill occupations.

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Why faster increase in unemployment in MK than across much of the region?

•Large urban areas affected more than smaller towns or rural areas

•Structural shift in the economy towards services benefited Milton Keynes over the past 25 years

• Industrial structure – less manufacturing but more transport & distribution and certain services (retail).

•Skills deficit and occupational structure less favourable than elsewhere.

•Lower skilled more likely to lose jobs and more likely to remain unemployed.

Milton Keynes Economic Prospects

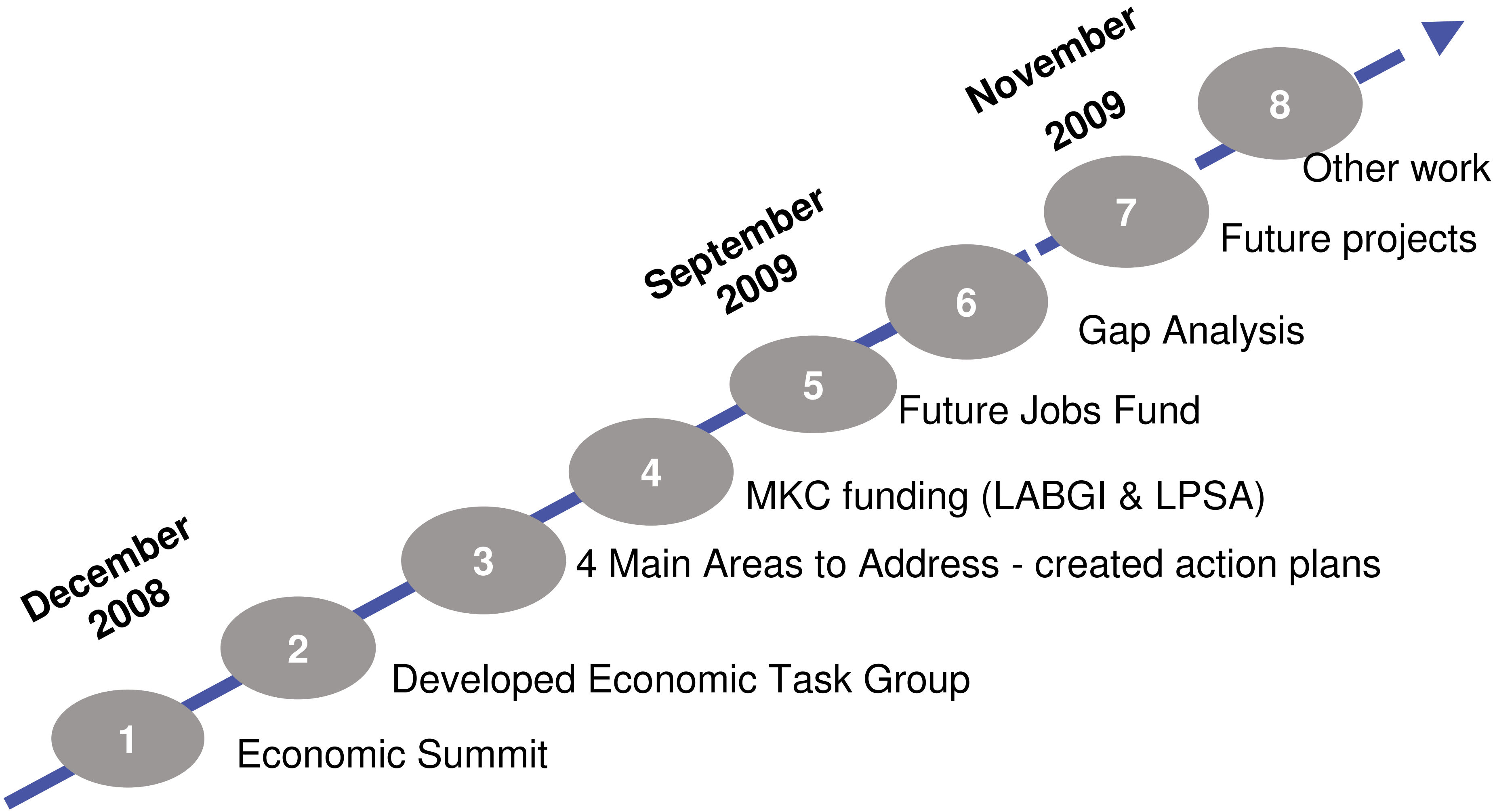
MK – remains a premier location for investment

- Deloitte – 500 jobs
- Network Rail – Operations HQ – 3,000 + jobs
- Domino Pizzas UK & Ireland HQ - 500 jobs
- Commonwealth & Foreign Office – 200 jobs

Future Sectoral Growth Prospects:

- Transport & Communication
- Financial & Business Services
- Public Services
- Distribution, Retail, Hotels & Catering

Our journey so far…



Action plans - 4 Main Areas

Key Task Group Projects

Supporting Individuals and Communities

- Recession Buster Web-site: 10,000 hits per month
- Kitchen Report on voluntary sector context
- CAB advice hours increase from 146 to 197 hours and trained advisors increased from 23 to 26
- Survive and Thrive (fund to help community groups weather the recession)

Supporting Businesses

- Small businesses rate relief scheme: £110,000 relief to 132 local businesses in February 2009
- Social Enterprise Support
- Business Start Up support for young people

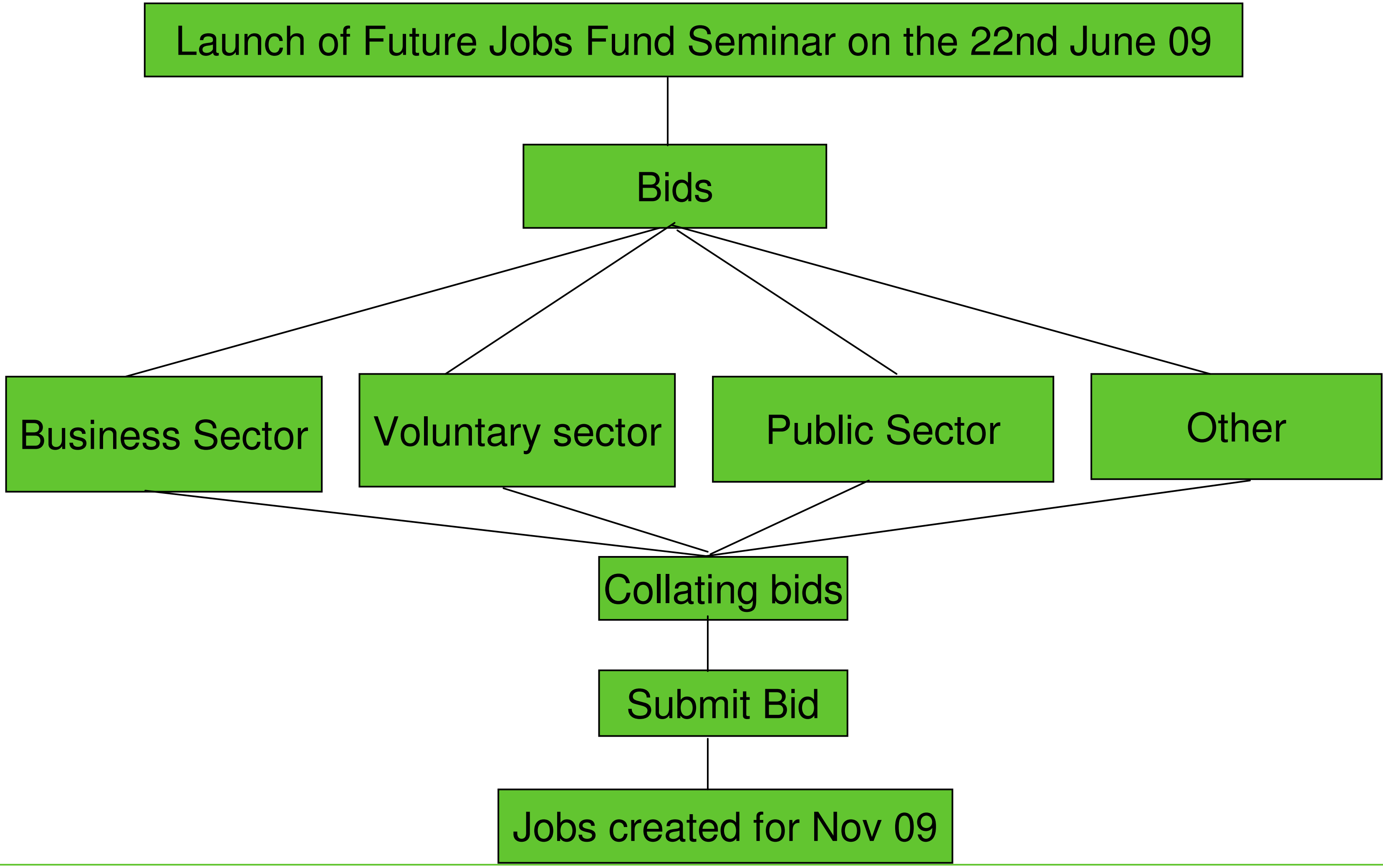
Developing Skills and Employment Opportunities

– New Routes to Success: outreach model to engage recently made redundant and unemployed people in learning opportunities to support into employment
– Future Jobs Fund: successful bid

Developing the MK Offer

- Brand Toolkit November 2009
- World Cup bid

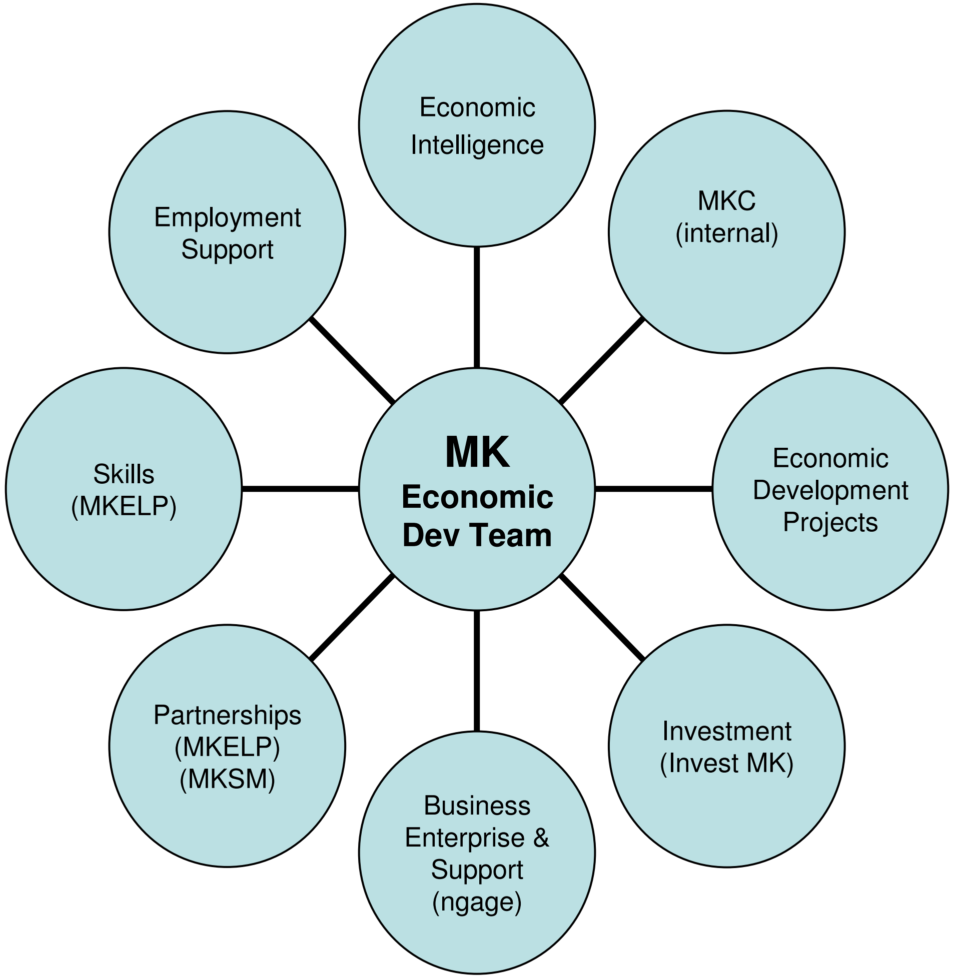
Future Jobs Fund



Future Jobs Fund Success

- Sector leads and co-ordination
- Creation of c.70 new jobs starting November 2009
- Applied for £624,000 funding from DWP
- Common training programme for all 70 new employees
- Looking at another bid early next year

Economic Development Capacity



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Key Lessons for Partnerships

- Shared issue (crisis!)
- Joint early engagement
- Strength of existing capacities
- Sectoral leads
- Grow future out of present