



City of Westminster

Westminster in a recession

Socio-economic impact
on residents and businesses

June 2009



Westminster in the Recession – June 2009

As part of our City Recovery Programme, the council is monitoring the socio-economic impacts of the recession on Westminster's residents and businesses, including levels of worklessness, the number of jobseekers and redundancy and business closure levels. The following report summarises Westminster's position, in comparison to the rest of London.

Worklessness – Residents

1. Jobseekers Allowance (JSA)

Summary - June 2009

The situation in Westminster is worsening, but more slowly than in the rest of London and England as a whole. There is a significant risk of localised JSA worsening if redundancy figures hit residents hard.

Westminster wide

- As at April 2009 Jobseekers Allowance (JSA) claimants are up 50% from April 2008.
- The worst results were observed in Q1 of 2009 with 870 more people claiming JSA.
- The April figures showed an increase but signs that the rate of increase is slowing.
- At the end of May 2009 almost 4,700 people were claiming JSA – approx 2/3 of them males, although the proportion of claimants who are female has been growing (albeit very slowly).
- Westminster has been helped by few residents being reliant on the construction industry, which has taken the initial brunt, however most announced finance industry cuts are still to filter through. Main work sought includes sales occupations, elementary administration and other admin posts.

Within Westminster

- All wards have experienced growth in worklessness over the past 12 months.
- Biggest numerical increases are in Westbourne, Queen's Park, Harrow Road and Lancaster Gate – all experienced over extra 100 people claiming JSA since April 2008.
- Worst unemployment rates are in Queen's Park (6.3%), Harrow Road (5.7%) and Westbourne (4.4%), which have all seen rises of around 30%. The most robust wards in terms of lowest % rises in unemployment, are also the 3rd and 5th wards with highest JSA - Church Street (20%) and St James's (11%).
- All six wards with the highest numbers of claimants had the lowest % rise due to the higher unemployment base to start with.

London wide

- Westminster has proved much more resilient than other London boroughs up until now.
- The JSA rate in Westminster, at 2.70%, is 28th out of 33 boroughs – compared to 20th in April 2008. Westminster also has the second lowest JSA increase in London after the City. Camden experience very similar rates to Westminster.
- Highest JSA rates are in Tower Hamlets, Hackney and Haringey.
- Biggest % increases are in East London - Barking, Greenwich, Havering and Bexley.

Note - JSA is not unemployment. Unemployment rates are much higher, as some people out of work do not claim JSA.
Note – JSA is not worklessness, as it does not include Incapacity Benefit Claimants.

2. Job Opportunities

Summary

Less jobs are available, especially part-time work.

- Vacancies advertised through Jobcentre Plus in April 2009 stood at around 1,300 (from 1,900 in April 2008). Part-time vacancies are lowest since tracking started in Jan 2008 at just 180 - 13% of the total.

Worklessness – Businesses

Redundancies and closures

Summary

- Little historical context for redundancies but April 2009 was the worst month recorded in the last 6 months for Westminster.
- Over 15,000 redundancies since Nov 2008 – but over 5,400 in April alone.
- 70 businesses have defaulted on business rates through liquidation or administration since January 2009 – 49 in the past two months.
- Impact on residents:
 - Around 50% of residents work in Westminster, 75% in Westminster / City / K&C / Camden and 95% in London
 - Almost 10% of all workers in Westminster are residents.

Other socio-economic impacts on residents

- Not in Education, Employment or Training (NEET) numbers have shown no growth at all. Either the way NEETS are collected makes it impossible to link to wider issues or there has not been an impact yet on this group.
- The proportion of children taking free school meals is almost unchanged (latest data from Jan 2009).
- There is no evidence yet that significant numbers of children of Westminster residents are being pulled out of private school to go into the state sector. This is in contrast to a number of boroughs such as Wandsworth and Kingston who have reported huge problems with capacity due to this type of activity.
- Housing Benefit, paid to households on low income, has risen by 1,500 since April 2008, a 6% growth across the city, with a 12.5% growth in people in private rented accommodation.
- There is no evidence from the Central London Court figures that mortgage repossessions have increased, indeed quarter one figures for 2009 are the lowest for some time.
- Temporary accommodation numbers have steadily fallen since the final quarter of 2006, the downturn has not affected this fall.
- All property types continue to see a decline in prices since a peak in May 2008, with a fall of 22% overall recorded.
- Although both robbery and burglary numbers appear to be increasing there is little movement with respect to thefts.

Council income

- Council Tax collection rates at the end of 2008/9 were slightly improved on the previous year.
- Planning application numbers have fallen from a monthly average of 700 in March 2008 to 500 in March 2009. There is no indication of a slowing of this slump.

Note – the observatory used to put together this report has no link to financial data and is therefore only able to report activity.