

## Economic Downturn Report - February 2010 – Appendix 2

This report includes analysis taken from the SWRDA website, which publishes economic data for the sub-region on a quarterly basis, and the [Cities Outlook 2010](#)<sup>1</sup> report to provide both a regional and national context to Bath & North East Somerset's overall economic position.

### Summary

It is now being reported nationally that the recession has technically come to an end, albeit that growth at 0.1% was lower than widely forecast and there is a risk of a double dip recession. The local economy in Bath has so far been relatively well protected as a result of the impact of the high levels of public sector employment and good visitor numbers including foreign visitors. In common with most of the rest of the country, retailers experienced a good Christmas and start to the New Year.

The level of voids in the Council's retail commercial estate (accounting for more than half of all retail estate in the city centre) currently stands at only 1.9%, comparing very favourably to the sector average (6.8%) and demonstrating that Bath retail has been much less adversely affected than most other parts of the country.

Increases in unemployment and benefits claims appear to have reached a plateau and are now falling back, while house prices are starting to rise, showing a 2.2% improvement over the last 12 months.

According to the findings of the cities report, (which unfortunately did not include Bath<sup>2</sup>), areas that have the potential to bounce back from the recession relatively quickly are typically those with a high skills base (cities with high levels of people educated to NVQ4 and above), high levels of entrepreneurship, good transport links and located close to other prosperous urban areas. Brighton, Milton Keynes, Cambridge and Reading have been identified as "cities to watch." When measured against these *factors for success*, the prospects for Bath & North East Somerset's recovery look promising:

- |   |
|---|
| ✓ <b>Private sector growth</b><br>Significant share of knowledge driven employment - growing employment sectors include ICT and Creative & Cultural Industries with Bath a national centre for publishing. Bath is also home to a cluster of large leading software consultancies, some of which operate internationally including Praxis High Integrity Systems, IPL and AMDOCS. |
| ✓ <b>Highly educated workforce / high skills base</b><br>Residents in B&NES are generally better qualified than residents based in other local economies across the South West. 34% of residents have degree-level qualifications compared with 28% regionally and 29% nationally.  |
| ✓ <b>High levels of entrepreneurship</b><br>B&NES has traditionally been a place of innovation and entrepreneurship, increasingly in sectors such as the creative industries. It has the highest concentration among Upper Tier Local Authorities of creative industries in the South West:   |

<sup>1</sup> Produced by the Centre for Cities, the report surveys the very demanding ground on which UK cities are going to have to build their recovery. It is based on an assessment of 64 major towns and cities over the past two years. Although it does not feature Bath, there are references to several of the City's nearest and geographical neighbours, including Bristol

<sup>2</sup> The Cities Outlook report uses the Department for Communities & Local Government definition of a city for the English urban areas - **built up or urban areas with a population of 125,000 or more.**

- ⇒ 700 employing business units with 4,200 employees
- ⇒ 2,500 further individuals in self-employment
- ⇒ 6,700 people reliant upon the creative industries for their livelihood
- ⇒ 3,200 separate 'enterprises'
- ⇒ Total enterprise turnover circa £800 million per annum

*The Council is on track to meet the LAA stretch targets for the number of businesses assisted across Bath & North East Somerset in the creative / ICT sectors, and the number of businesses assisted generally in Norton Radstock.*

✓ **Good transport links**

Location within the West of England sub-region provides B&NES with accessible transport links by road, rail, air (Bristol International Airport provides a steadily increasing number of domestic and international destinations) and sea (Royal Portbury and Avonmouth Docks is one of the most productive and technically advanced in Europe). *However there are concerns about increasing congestion hence the need to invest substantially in local transport infrastructure including Bath Transport Package.*

✓ **Location to other prosperous urban areas**

The West of England sub-region has been designated a core city-region, which forms the regional focus for businesses, with 26% of registered companies, 20% of the South West's total population and four Universities.

As attention now turns to the cuts that will follow in the public sector (economic analysts suggest perhaps for the next 10 years), a particular concern for Bath & North East Somerset is the relatively high percentage of its working population currently employed by the public sector (36% compared with to a national average of 20%). The cities report suggests that areas heavily dependent on public sector jobs and with little private sector employment growth over the past decade will be especially vulnerable when the public spending squeeze bites in the years ahead.

It remains too early to say whether the recession is behind us, and there remains the significant risk of a double dip, with key initiatives such as the Bank of England's<sup>3</sup> Quantitative Easing program to stimulate the economy now ceasing alongside the end of the temporary reduction in the rate of VAT. There is also the possibility that the initial ONS GDP figure of a 0.1% increase will be revised down on the second iteration, with a further detrimental impact on business and consumer confidence.

## **Council Finances**

### **The financial risk areas and financial impacts for the Council are:**

- Loss of income from parking, land charges, planning, heritage, rents and Council Tax – these effects are significant but not nearly as large as for many other Council's and continue to be closely monitored – losses in the region of £500K appear to be due to the recession but at least £200K of these have been offset by savings elsewhere. There is the potential need to draw down £300K from the recession reserve.
- Loss of interest earnings on balances has already been allowed for with only a 1% return on investments assumed
- Income for the Council's Heritage properties including the Roman Baths has been holding up well as a result of good visitor numbers
- Business rates and Council Tax collection rates are holding up well and achieving targets
- Failure to meet LAA NEET Stretch Target (2010/11 count) could result in loss of £325k reward grant for the Local Strategic Partnership but this has already been taken into account

<sup>3</sup> <http://news.bbc.co.uk/1/hi/business/8496830.stm>

- Increase in housing benefits case load management costs has been substantially funded through an increased administration grant from government and by improvements in efficiency, the benefits themselves are government funded
- The impact of the economic downturn has a disproportionate effect on the circumstances of the most vulnerable and young people with evidence suggesting they are more likely to be scarred by unemployment, affecting their long-term employment prospects. The council needs to target its help and resources appropriately.

The Council's recession reserve has been used to help fund some community initiatives and mitigate the impact of the recession on the Council's finances through loss of car parking and other income. At one stage it had a balance of £650K; while at the end of the year it looks likely that it will still have a balance of £150K.

**In the medium term** when the recession ends the major impacts will be in respect of the pension fund deficit and the squeeze on public expenditure - which are covered in the budget report and medium term plans. It is likely that there will be national changes in pensions and pensions funding to reduce the first of these impacts but loss of government grant for general and capital expenditure should be expected. The cumulative impact will require a radical reshaping of local public services.

## Key Concerns

### Car Park Entries

Figures for entries to Avon St and Charlotte car parks were down for the first half of 2009/10 compared with the previous year. Income for Q3 does show an increase compared to the same period last year; however in light of the increase in parking charges, there remains a reduction in entries in real terms.

### Unemployment

Unemployment levels across B&NES remain higher than in previous years however more positively the number of people claiming Jobseeker's Allowance is now reducing. There were 2,324 claimants in December, an increase of 48% on the previous year's figure (1,570) but nearly 7% lower than the end of Q2 (2,488). The table on page 8 shows which cities that have seen the lowest and highest rise in the claimant count over the course of the recession.

Job losses among the area's main private sector employers include:

- ⇒ **Wessex Water** – following the loss of 200 jobs in 2009, on 28<sup>th</sup> January 2010, Bath's biggest private employer announced a fresh round of job cuts that will see the loss of a further 85 jobs by the end of this year. The latest cuts have been forced by the recession and moves by regulator Ofwat to reduce its spending to keep a lid on bills. A spokesman has stated, "The reduction of staff numbers will involve a review of agency and contract staff, voluntary arrangements, normal staff turnover and some compulsory redundancies."
- ⇒ **Helphire** – following job losses of 180 between February and April 2009, on 3<sup>rd</sup> February 2010, the company announced a further potential 300 job losses as a result of cost reductions. A consultation exercise is currently underway with affected employees.
- ⇒ **Cadbury** – following the announcement in October 2007 that the Somerdale factory would close with the loss of 500 jobs by the end of 2010, there have so far been 100 job losses. It had been hoped that the recent takeover by Kraft would lead to a reprieve and enable the factory to remain open, however Kraft announced on 9<sup>th</sup> February 2010 that in light of the advanced state of the transfer of work to Poland, the company would stick to the plans originally put in place by Cadbury. The Somerdale factory is therefore expected to close by the end of the year with the

loss of the remaining 400 jobs. Kraft has formally stated that it will honour Cadbury's previous undertakings to employees concerning the terms and conditions of the closure and a commitment to a £30 million investment plan to rebuild the Fry Club on the Somerdale site.

### Young People NEET

In December 2009, the percentage of 16-19 year olds NEET fell to 4.1%, with cohort numbers reducing to 5374 compared with 5690 in December 2008. Despite this gradual improvement, the LAA indicator (NI117) for 16 to 18 year olds who are NEET is forecast to miss its end of year target (3.9%), with the resultant loss of reward grant noted above. The cities report confirms unemployment has risen most sharply among young people with nearly a million now unemployed. The table below shows which five cities have the lowest (plus Bristol for local comparison) and highest numbers of unemployed 16-24 years olds, with the figure for B&NES added for comparative purposes:

| Lowest Youth Unemployment |                             |                          | Highest Youth Unemployment |                 |                          |
|---------------------------|-----------------------------|--------------------------|----------------------------|-----------------|--------------------------|
| Rank                      | Top 5 Cities (plus Bristol) | 16-24 Claimants Nov 2009 | Rank                       | Bottom 5 Cities | 16-24 Claimants Nov 2009 |
| 1                         | Cambridge                   | 1.7                      | 60                         | Hastings        | 9.2                      |
| 2                         | Oxford                      | 1.9                      | 61                         | Middlesbrough   | 9.4                      |
| 3                         | Aberdeen                    | 2.6                      | 62                         | Birmingham      | 9.7                      |
| -                         | B&NES                       | 3.1                      | 63                         | Grimsby         | 9.9                      |
| 4                         | Reading                     | 3.2                      | 64                         | Hull            | 10.6                     |
| 5                         | York*                       | 3.5                      |                            |                 |                          |
| 8                         | Bristol*                    | 4.0                      |                            | England         | 5.9                      |

\*Denotes Audit Commission nearest neighbour or geographical neighbour

The extract below (see table on page 17) provides a breakdown of the economically active for the South West region. Bath & North East Somerset is performing favourably in the 16-19 year olds age range however the picture is less positive for 20-24 year olds:

| Position by Age Group | 16-19           | 20-24           | 25-34            | 35-49           | 50-64 M<br>50-59 F | 65+ M<br>60+ F  |
|-----------------------|-----------------|-----------------|------------------|-----------------|--------------------|-----------------|
| B&NES                 | 1 <sup>st</sup> | 9 <sup>th</sup> | 12 <sup>th</sup> | 3 <sup>rd</sup> | 10 <sup>th</sup>   | 8 <sup>th</sup> |

### Benefit Claims

Live benefit claims are starting to show signs of improvement with the number of claims in December falling back and a slowdown in the year on year rate of increase. During Q1 to Q3 2008/09, the number of claims increased by 4.5% (521) while for the same period this year, the rate of increase slowed to 2.6% (343).

### Affordable Housing

Since December 2008, there have been a very high number of applications for the Homesearch register with demand for affordable housing by this route continuing to greatly exceed the limited supply available. At the start of January 2010, there were 8,285 applications on the register compared with 6,560 last January, an increase of 26%. An average of 49 households per week applied to the register in Q3; in contrast the supply of social housing properties reduced from an average of 13 per week to eight, with nearly a quarter of this housing for older people.

While the LAA indicator (NI155) for the 'number of affordable homes delivered' has already exceeded its end of year target (115 units) with an end Q3 figure of 121, the performance measures for 'net additional homes provided' (NI154) and 'a supply of ready to develop housing sites' (NI159) are both struggling and forecast to miss their end of year targets.

### **Commercial Estate**

As at 15<sup>th</sup> January 2010, the void rate for the whole commercial estate was 2.9%. The Investment Property Databank (IPD) figure for December 2009 was 10.9%. On a retail basis alone, (assuming 75% of the Council's total income is derived from retail property), the level of voids in the commercial estate is 1.9%. The IPD sector analysis provides a retail void of 6.8%.

## **Positives**

### **Public Transport**

Park & Ride usage in November reached a new record high of patronage. The four weeks ending 29th November 2009 saw 170,898 journeys on the service, an increase of 6.3% on the same period in 2008. This increase in usage was partly due to opening on Sundays from the 8th November (three weeks earlier than last year). The current forecast for P&R patronage suggests an increase of 1.2% in 2009/10 compared to 2008/9.

### **Tourism**

By the end of Q3, visitors to the Roman Baths were pleasingly above target, reaching 73,512 in December 2009, their highest level since March 2000 and a notable success in the current economic climate. This figure shows an increase of 5.7% for the same period last year (69,562) and compares favourably with the 72,801 visitors received at the end of Q2.

The Tourist Information Centre tends to follow a trend similar to the Roman Baths and during Q1 and 2 of this year, walk-in numbers were generally up on 2008. While visitor numbers to the Roman Baths remain at their highest level, the Centre walk-in figures for Q3 are down 13% against the same period last year.

### **Homelessness**

Q3 has seen the continuation of a downward trend in the number of households in temporary B&B accommodation and there have been no families in hostel accommodation since the third week of December. Prevention activities are helping to reduce the number of households in temporary accommodation. For example, the LAA stretch target (S25) for the 'Homefinders Scheme (households who have held a tenancy for 6 months or more)' is currently on track to meet its end of year target (90 households) with an end Q3 figure of 85.

### **Employment**

Following the completion of phase 1 of the Southgate development, Jobcentre Plus has confirmed the following employment figures:

- ⇒ 199 jobs have been created under phase 1 of the Southgate development
- ⇒ The second phase is expected to drip feed further job openings with the main thrust coming in September 2010 with around 300 new jobs generated when Debenhams opens
- ⇒ Of the 199 jobs created so far, where possible positions have been offered to suitable candidates in priority wards to mitigate unemployment concerns in the worse affected areas:

| Ward                 | People Employed | Ward             | People Employed |
|----------------------|-----------------|------------------|-----------------|
| Foxhill / Combe Down | 5               | Twerton          | 13              |
| Keynsham             | 3               | Walcot           | 6               |
| Midsomer Norton      | 8               | Weston           | 3               |
| Newbridge            | 3               | Widcombe         | 6               |
| Oldfield Park        | 7               | Other Bath Wards | 26              |
| Southdown            | 8               | Outside Bath     | 51              |

*Insufficient information from some employers to complete 59 of the records with unemployment status*

***Advisory note: Jobcentre Plus has advised that these figures do not paint a complete picture of the employment opportunities created by the first phase of the Southgate development. These represent the jobs where they have played an active role in recruitment; some employers may have adopted an alternative approach to recruiting staff.***

### **Economic Resilience Strategy - Action Plan**

The Council has been working closely with the business community and its partner GWE Business West to provide anti-recession advice and guidance, while Communications & Marketing have recently launched a publicity campaign to support individuals, families, businesses and communities through the recession. For example:

- Comprehensive advice and assistance covering topics ranging from money and benefits advice to reducing travel costs and saving energy has been published on the public website [www.bathnes.gov.uk/BathNES/recessionadvice/default.htm](http://www.bathnes.gov.uk/BathNES/recessionadvice/default.htm).
- Council News has been revamped as a lifestyle magazine and has been used to promote anti-recession based activities specifically aimed at helping people weather the recession
- Telephone operators in Council Connect have been scripted to provide callers with suitable sources of information and help
- Leaflets have been prepared for distribution via Council (and its partners) offices and public buildings / facilities such as libraries and leisure centres to ensure people without access to the internet have equal opportunities to access to recession advice

Economic Development has been involved in the following Economic Enterprise and Business Recession support actions. For example:

- Worked closely with Cadburys on the future of the Somerdale site
- Provided support and advice to local retailers in Keynsham who will be displaced by the Council office redevelopment
- Issued a business survey to over 8,200 local businesses in response to the recession
- Ensured via our business partners that local businesses had access to a wide range of business advice and support during the recession, for example, Adapt to Survive
- With the West at Work Partnership Recession Action Group, helped businesses and employees that faced redundancy – 14 business were helped across Bath & North East Somerset including Cadburys
- Meet the Buyer event arranged for April 2010 to enable local businesses access procurement opportunities with public sector organisations

## Summary of Key Economic Indicators for the South West Region

The following table provides a snapshot of Bath & North East Somerset's relative performance in key areas compared with the South West region as a whole.

**Note:** The information has been taken from the [SWRDA](#) sub regional economic data analysis and in some instances, figures may not be as up-to-date as the graphs and charts throughout the remainder of this report.

|                           | Average house price Q2 2009 (£) | Average council tax Band 2009-2010 (£) | Economic activity rate 2008/09 (%) | Claimant Count October 2009 (%) | Male Gross weekly FT earnings 2009 (£) | Female Gross weekly FT earnings 2009 (£) |
|---------------------------|---------------------------------|--|------------------------------------|---------------------------------|--|--|
| <i>England</i>            | 206,034                         |  |                                    | 4.2                             | 531.1                                  | 426.4                                    |
| <i>South West</i>         | 204,520                         | 1,438                                  | 81.9                               | 2.9                             | 498.3                                  | 386.5                                    |
| <b>Bath &amp; NES</b>     | <b>240,137</b>                  | <b>1,423</b>                           | <b>78.8</b>                        | <b>2.1</b>                      | <b>515.9</b>                           | <b>415.0</b>                             |
| Bournemouth               | 201,547                         | 1,453                                  | 79.0                               | 3.9                             | 542.2                                  | 395.5                                    |
| Bristol                   | 186,087                         | 1,533                                  | 77.2                               | 3.8                             | 554.1                                  | 424.1                                    |
| N. Somerset               | 197,156                         | 1,392                                  | 84.0                               | 2.6                             | 573.3                                  | 392.2                                    |
| Plymouth                  | 151,449                         | 1,428                                  | 77.8                               | 4.1                             | 512.8                                  | 397.3                                    |
| Poole                     | 247,471                         | 1,406                                  | 83.1                               | 2.8                             | 503.8                                  | 400.0                                    |
| South Gos                 | 184,218                         | 1,489                                  | 87.4                               | 2.3                             | 546.4                                  | 437.1                                    |
| Swindon                   | 158,281                         | 1,366                                  | 85.1                               | 4.9                             | 557.2                                  | 413.8                                    |
| Torbay                    | 177,159                         | 1,450                                  | 79.0                               | 4.5                             | 370.2                                  | 353.1                                    |
| Cornwall                  | 208,901                         | 1,411                                  | 78.1                               | 2.7                             | 424.1                                  | 362.9                                    |
| Devon                     | 220,538                         | 1,493                                  | 84.0                               | 2.2                             | 450.0                                  | 350.5                                    |
| Dorset                    | 230,981                         | 1,570                                  | 81.7                               | 2.0                             | 460.0                                  | 379.7                                    |
| Gloucestershire           | 206,912                         | 1,449                                  | 83.4                               | 4.6                             | 523.3                                  | 383.3                                    |
| Somerset                  | 187,951                         | 1,434                                  | 83.0                               | 2.5                             | 462.7                                  | 366.1                                    |
| Wiltshire                 | 219,710                         | 1,475                                  | 84.1                               | 2.7                             | 497.5                                  | 387.0                                    |
| <b>B&amp;NES Position</b> | <b>2<sup>nd</sup> highest</b>   | <b>5<sup>th</sup> lowest</b>           | <b>11<sup>th</sup> lowest</b>      | <b>2<sup>nd</sup> lowest</b>    | <b>7<sup>th</sup> highest</b>          | <b>3<sup>rd</sup> highest</b>            |

Further information about each of the following are set out below.

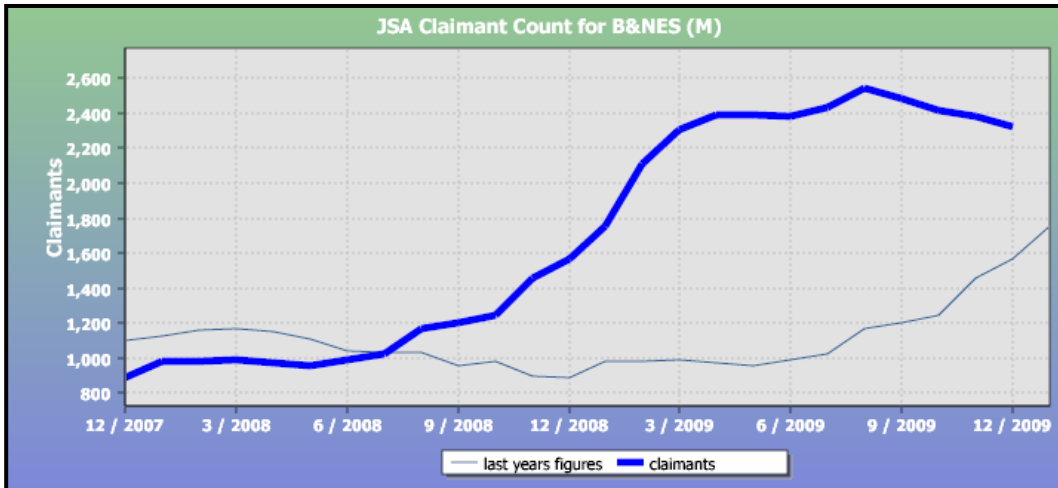
1. Unemployment\* and personal circumstances\*
2. Contacting the Council
3. Service usage / financial implications
4. Other financial indicators
5. Wider impacts – e.g. community safety, young people NEET\*

\*includes information about the relative position of Bath & North East Somerset compared with other local authorities across the South West.

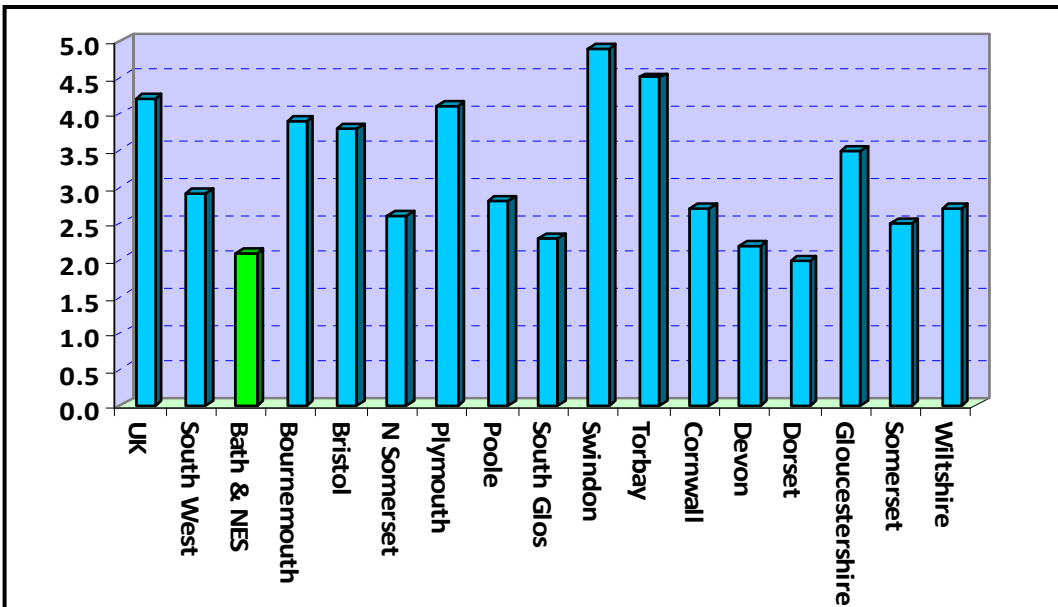
# 1. Unemployment and Personal Circumstances

## 1.1 Unemployment

**Jobseeker’s Allowance (JSA) Claimants:** After peaking in August 2009 (2,541), JSA claimant numbers are steadily falling back, ending Q3 at 2,324, possibly due in part to the employment opportunities created by the first phase of the Southgate development.



Although JSA claimant levels are higher than in recent years, they are still significantly lower than elsewhere in the country. The following graph shows the annual claimant count for the South West region as a percentage of the resident working age population for October 2009. Bath & North East Somerset has the second lowest count at 2.1%:



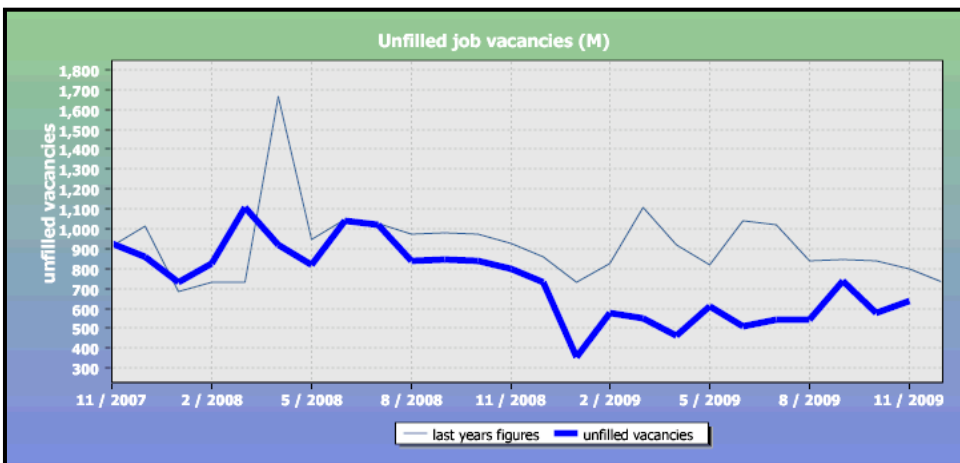
Taken from the cities report, the table below shows the five cities that have seen the lowest and highest rise in the claimant count over the course of the recession, with the figure for B&NES added for comparative purposes:



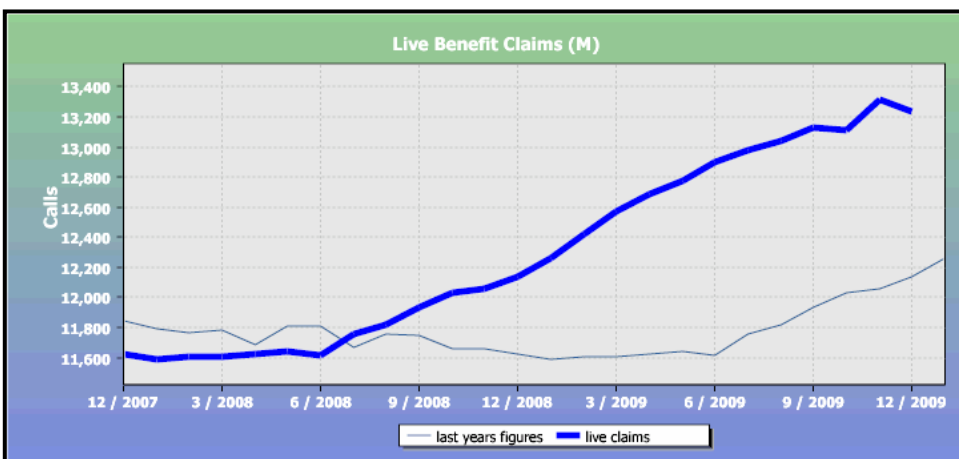
| Rank  | Cities     | Change in number of claimants Feb 2008 - Nov 2009 | Claimant count rate Nov 2009 | Change in JSA claimant count rate Feb 2008 - Nov 2009 |
|---|------------|---|------------------------------|---|
| <b>5 cities that have seen the lowest rise in JSA claimant count</b>  |            |   |                              |   |
| 1   | Cambridge  | 705   | 2.1                          | 0.8   |
| 2   | Aberdeen   | 1,338   | 2.2                          | 1.0   |
| 3   | Blackpool  | 2,360   | 3.6                          | 1.2   |
| 4   | Oxford     | 1,333   | 2.5                          | 1.2   |
| -   | B&NES      | 1,374   | 2.1                          | 1.2   |
| 5   | Preston    | 2,882   | 3.3                          | 1.3   |
| <b>5 cities that have seen the highest rise in JSA claimant count</b> |            |   |                              |   |
| 60  | Doncaster  | 4,799   | 5.7                          | 2.7   |
| 61  | Birmingham | 41,301  | 7.3                          | 2.9   |
| 62  | Swindon    | 3,813   | 4.7                          | 3.1   |
| 63  | Grimsby    | 2,929   | 6.8                          | 3.1   |
| 64  | Hull       | 6,164   | 8.4                          | 3.7   |
| <b>England</b>  |            | <b>601,954</b>                                    | <b>4.1</b>                   | <b>1.9</b>  |

Source: Cities Outlook 2010 - NOMIS, 2009, claimant count (February 2008 and November 2009 data)

**Unfilled Job Vacancies:** Following a sharp increase during Q2, unfilled job vacancies slipped back in December, ending the third quarter at 662 and approaching levels similar to the previous year.

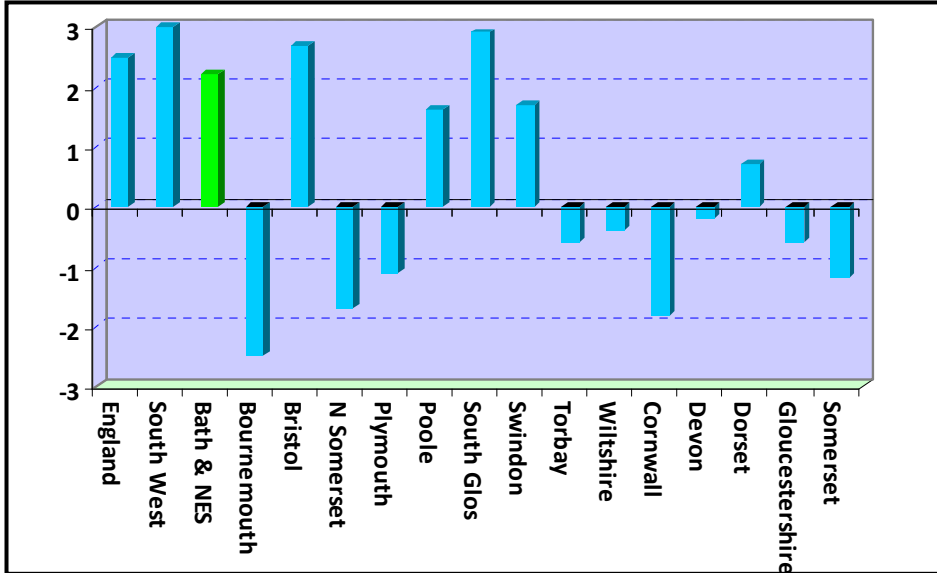


**Benefit Claims:** After reaching a high of 13,312 in November, Housing and Council Tax Benefit live claims fell back to 13,240 at the end of Q3, while the year on year increase reduced from 10% to 9%. Taken in conjunction with the fall in JSA claimants, benefit claims appear to have reached a plateau.



### 1.2 House prices (see also Housing Services)

House price and house price index information is available from Land Registry. A custom report for Bath & North East Somerset for the 12 months to December 2009 is available [here](#). Average house prices increased by 2.2% in the 12 months to December; this is comparable with national trends which saw UK house prices experience an increase of 2.5%, but below the regional average of 3%:



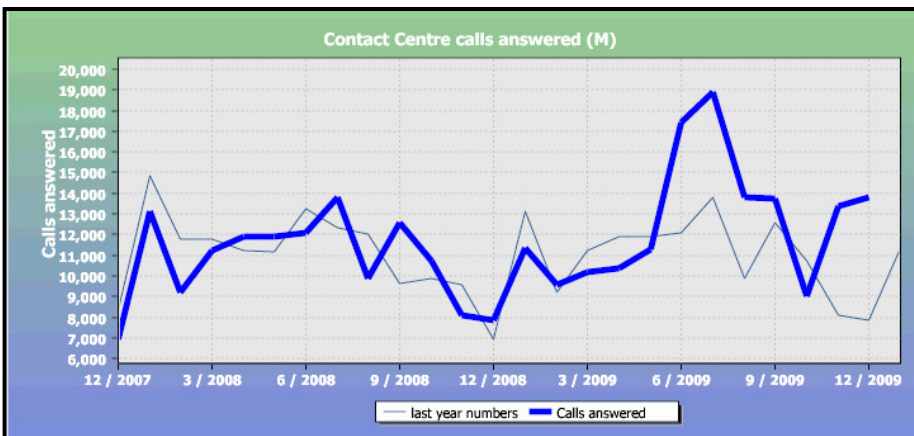
Prices are continuing to improve with an increase of 2% in the last quarter (average price end Q2 was £213,078 compared to £218,164 end Q3). Sales volumes for October (latest data available) were compared to 122 for October 2008, an increase of 72%.

### 1.3 Mortgage repossessions

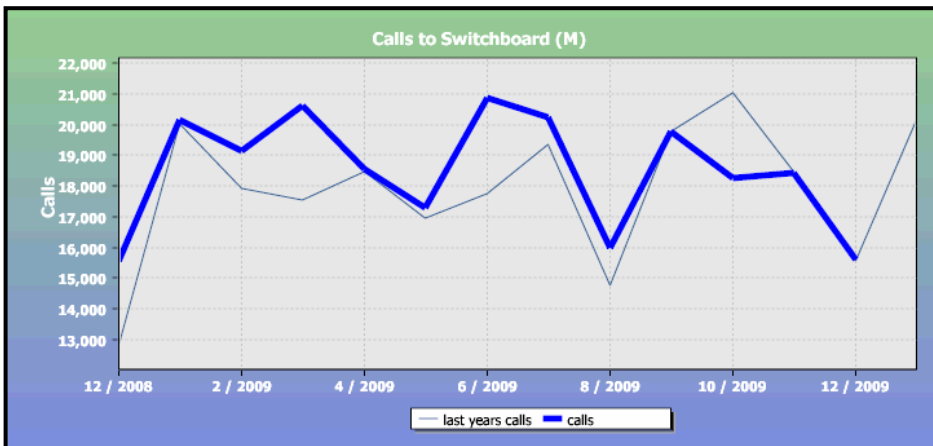
Mortgage possession claims issued for Bath County Court for the year to June 2009 were down 39% on 2007 at 110, in line with regional and national trends. The number of repossession orders made for the same period has also fallen, with just 15 made during Q2, compared with 80 for the previous year. (Source: [Ministry of Justice](#).) **Q3 figures not yet available on website**

## 2. Contacting the Council

The two main routes into the Council by phone are Council Connect and the general switchboard. Following a significant increase in calls during the summer (37% higher in July 2009 compared to 2008), calls to Council Connect in Q3 have fallen back although still remain higher than for the same period the previous year. This appears to be due to calls about the bad weather and also recycling.



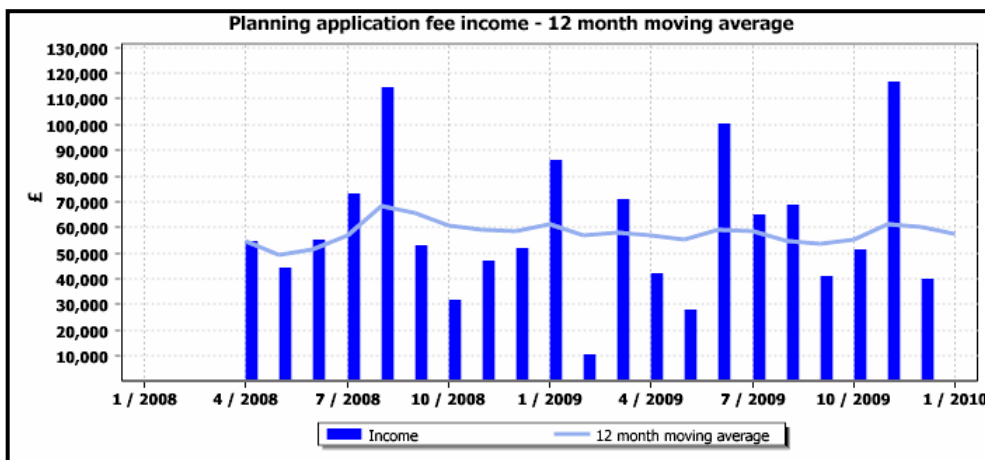
During the summer months, the switchboard experienced an increase in traffic, with calls in excess of 20,000 in both June and July. Calls have now fallen back to levels similar to 2008, with 15,603 calls in December 2009, compared with 15,550 in December 2008.



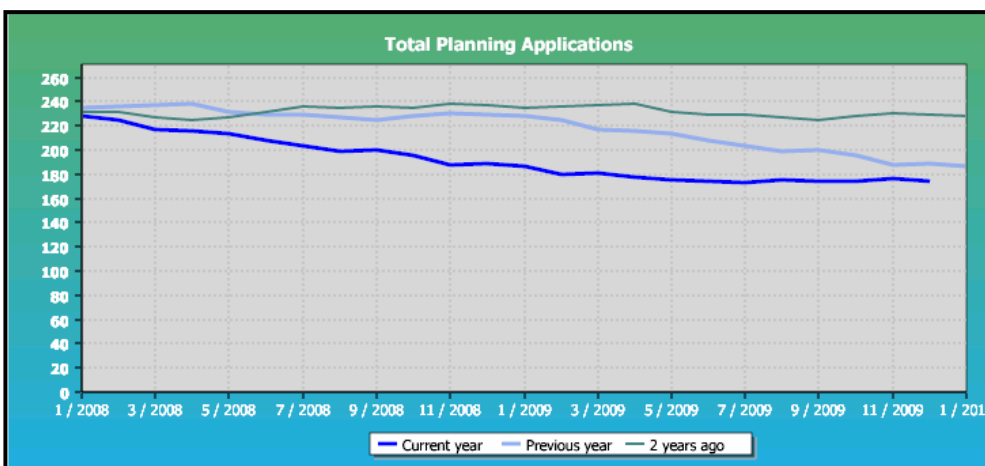
### 3. Service Usage / Financial Implications

#### 3.1 Planning applications

The trend for planning application fee income is difficult to predict as can be seen by the spike in November 2009, which saw a significant increase in planning income due to a one of fee of around £46k. Despite this, income for both October and December was lower than for the same period in 2008. The 12 month rolling average remains around £60k.

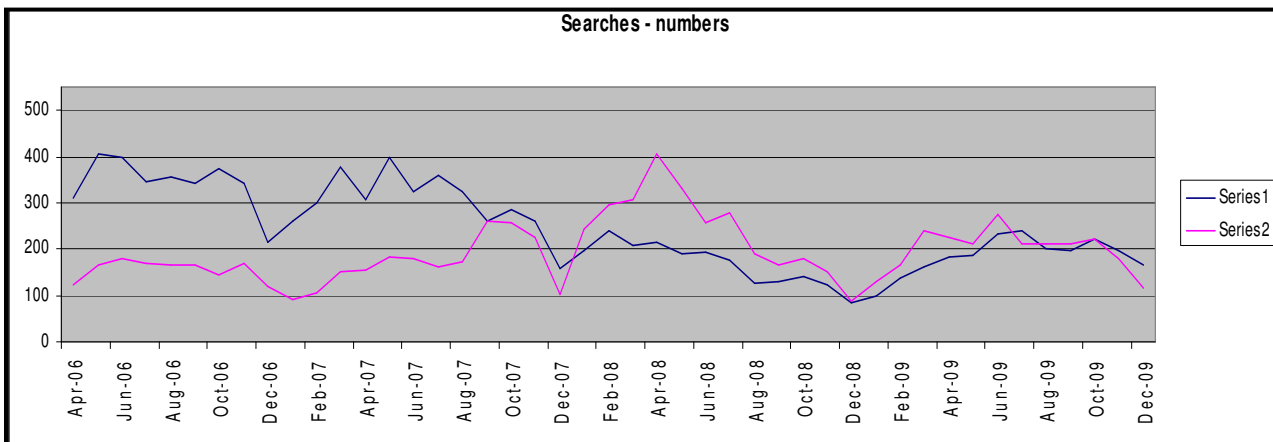


The number of planning applications has remained broadly the same over the last 12 months, tailing off slightly in December, attributable to the time of year.



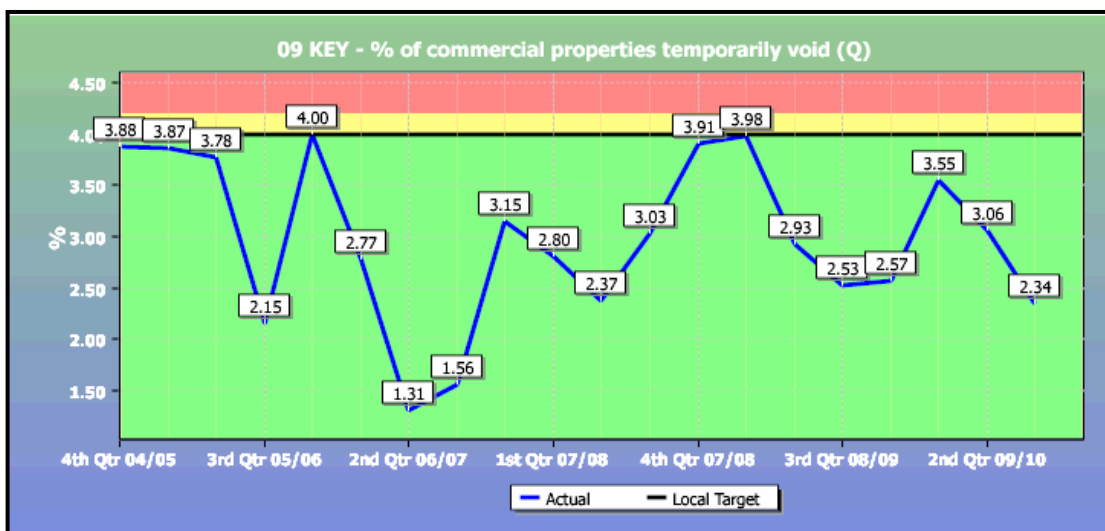
### 3.2 Land charges

Following an increase in searches for the first half of the year, the number of personal (series 1) and local (series 2) searches have reduced in Q3, a trend that is comparable to the previous two years. The Council's market share rose to 58% in December and currently stands at 50% for the financial year.



### 3.3 Commercial Estate Void Rate

As at 15<sup>th</sup> January 2010, the void level was reported at 2.90% (figures for January not yet uploaded to QPR so graph shows the position on 16<sup>th</sup> December 2009). As a comparison, last month the voids were quoted at 2.34% and 2.67% for this time last year. This reflects voids in the whole of the commercial estate and remains within target (4%). Retail voids only stand at 1.87%.

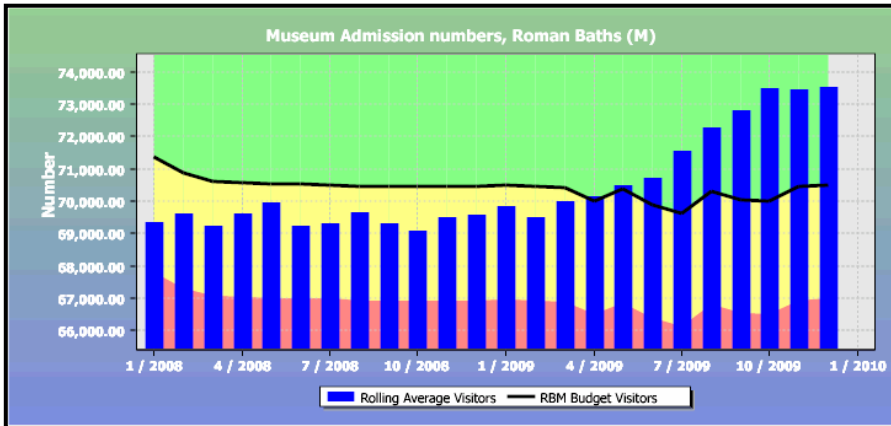


There are currently eight units available on the market. Two units have been handed back to the Council in Broad St however interest has been received for these and we are hopeful they will be under offer in the short term. Of the eight units, three are under offer at present.

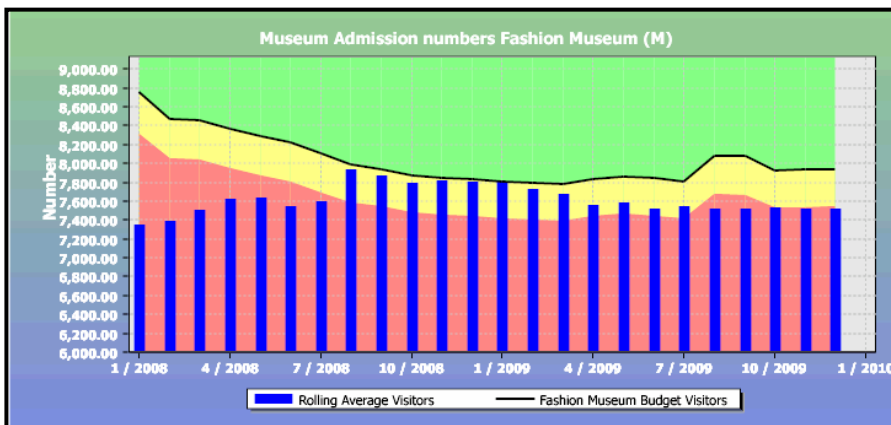
Although interest in industrial units and office space generally remains low, with these now making up the majority of the void percentage, we have received some positive interest for three empty industrial units.

### 3.4 Visitor numbers

Visitor numbers to the Roman Baths have maintained record levels with the 12 month rolling average for December 2009 reaching 73,512, nearly 6% higher than the same period last year and comfortably ahead of target.

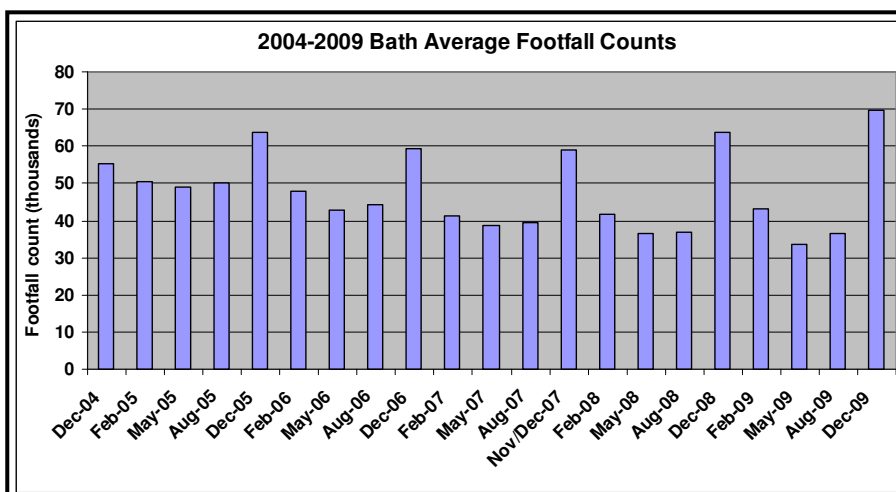


Visitor numbers to the Fashion Museum have remained around 7,500 each month since August, around 300 down each month on 2008 figures and below target.

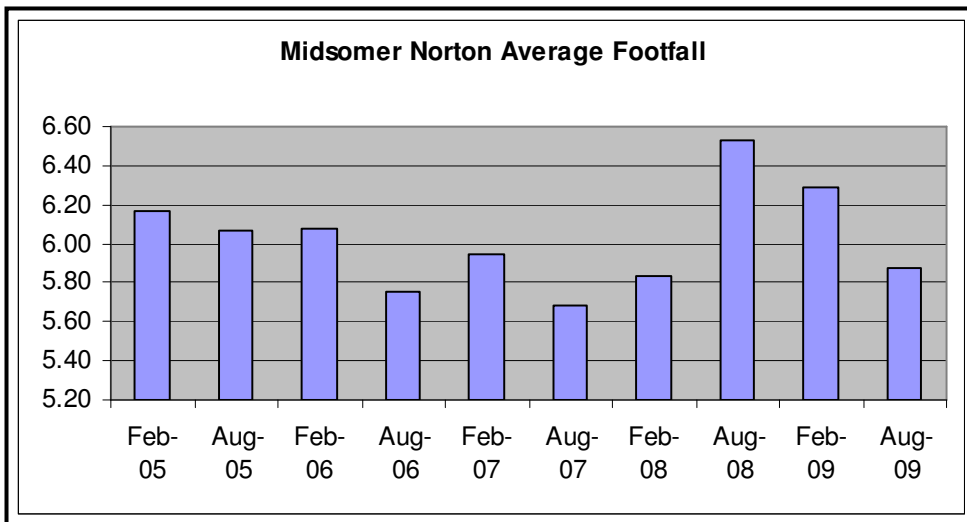


### 3.5 Pedestrian footfall count averages

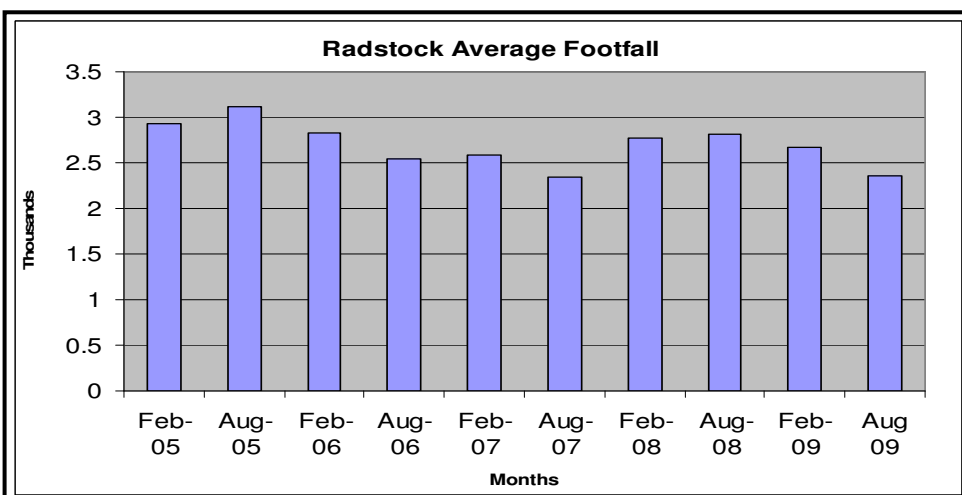
**Bath average footfall** – In line with a trend that has developed over the last four years, Bath has seen a reduction in footfall during the summer period, with August showing a drop in footfall of 28% between 2005 and 2009. However December 2009 shows the highest recorded footfall for Bath since our records began. This may be due in part to the opening of Southgate Phase One. It remains to be seen how Southgate will affect the remainder of the year.



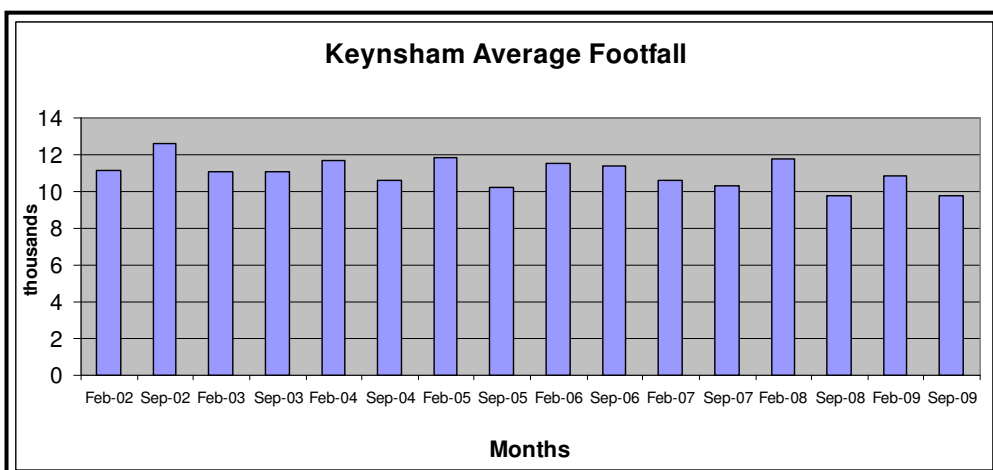
**Midsomer Norton average footfall** - Latest figures for Midsomer Norton (August 2009) show that the high level of footfall count experienced in August 2008 and February 2009 has fallen to just below the overall average for the period 2005 to 2009.



**Radstock average footfall** - Figures show the town is continuing to weather the storm with a consistent level of footfall across the year. Most recent footfall figures are holding up well against pre-recession years.

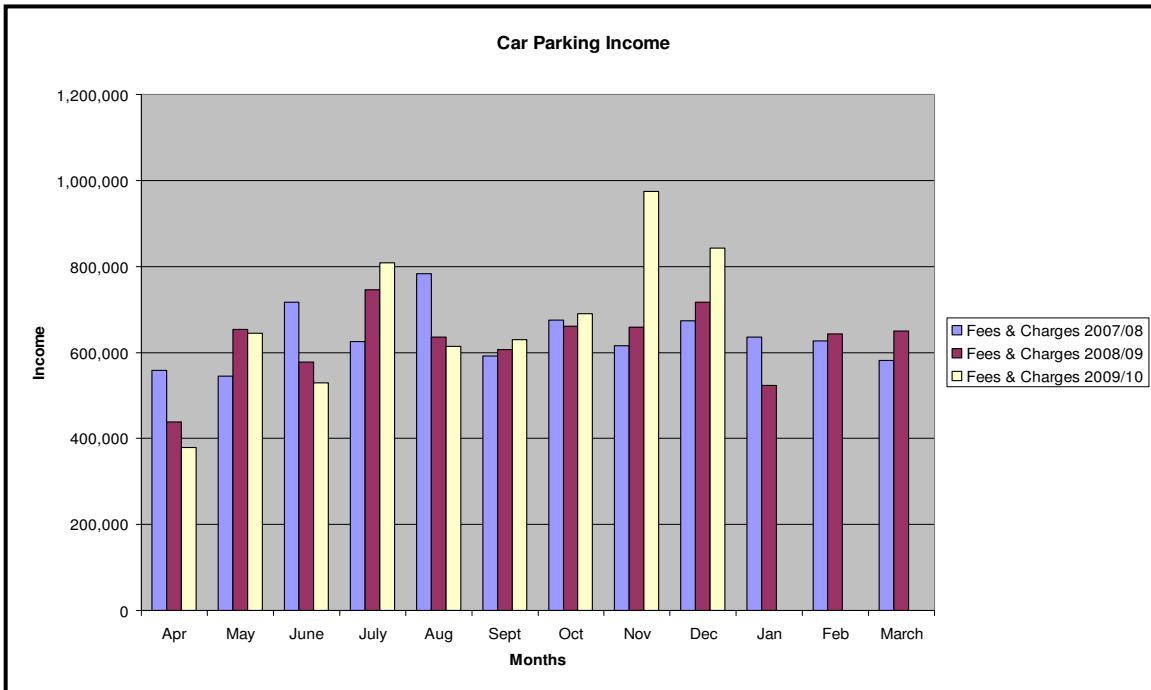


**Keynsham average footfall** - Latest figures show September 2009 is in line with September 2008 with a slight drop for February 2009 compared with the previous year. The count for Keynsham remains relatively consistent and current figures remain close to the running average.



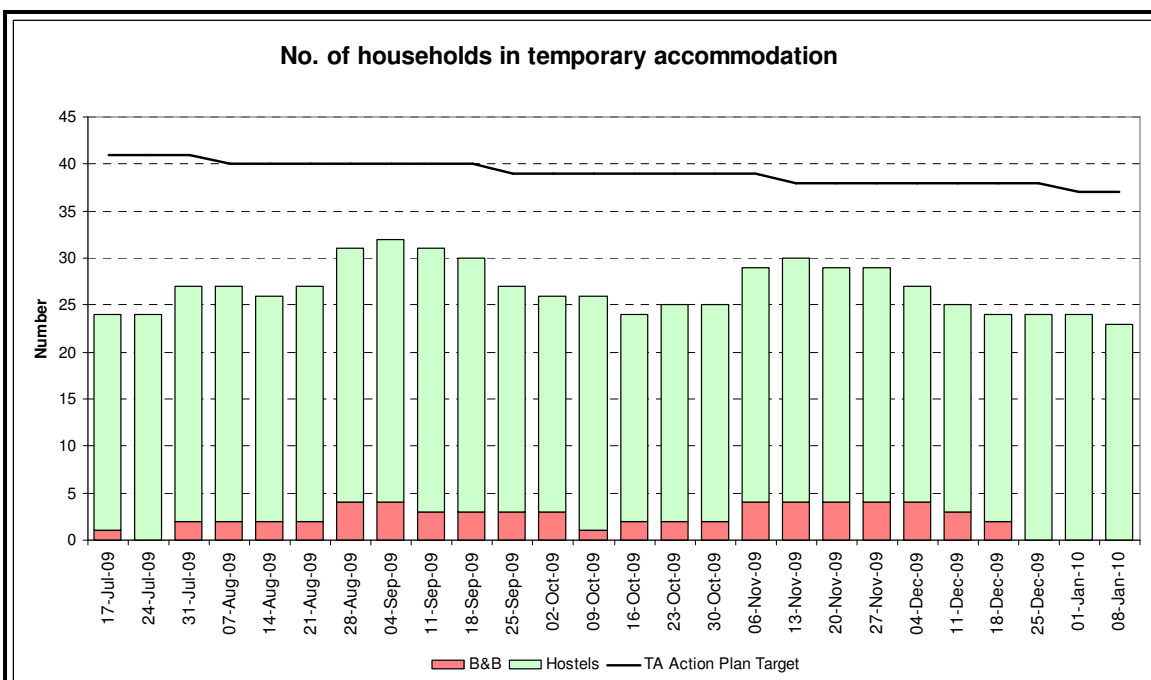
### 3.6 Car parking

The use of car parks is difficult to directly measure, although it can be used as an indication of visitor numbers. There is no definitive income trend - compared with the same period for the previous two years, Q3 2009/10 shows a significant increase in parking income, especially in November and December, which could be attributed to greater car usage due to the persistent bad weather and shopping for Christmas after a year of low spending.



### 3.7 Housing services

Q3 has seen a reduction in the number of households in temporary accommodation, reaching a low of 23 during the first week of January 2010 and no families in hostel accommodation. This is largely due to the prevention agenda that has been implemented by Housing Services. The LAA stretch target (S25) for the Homefinders Scheme is currently on track to meet its the end of year target (90 households) – end Q3 figure was 85. This does not mean the economic slowdown has not affected the housing situation in the area, merely that we are successfully mitigating its adverse effects.

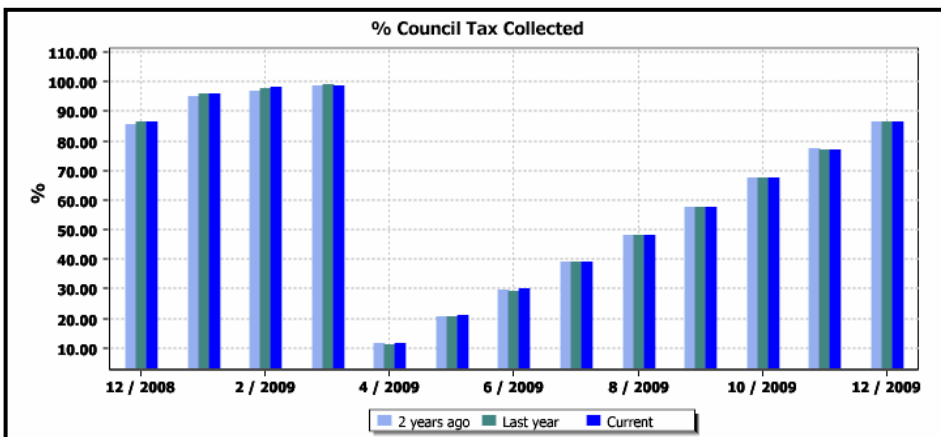
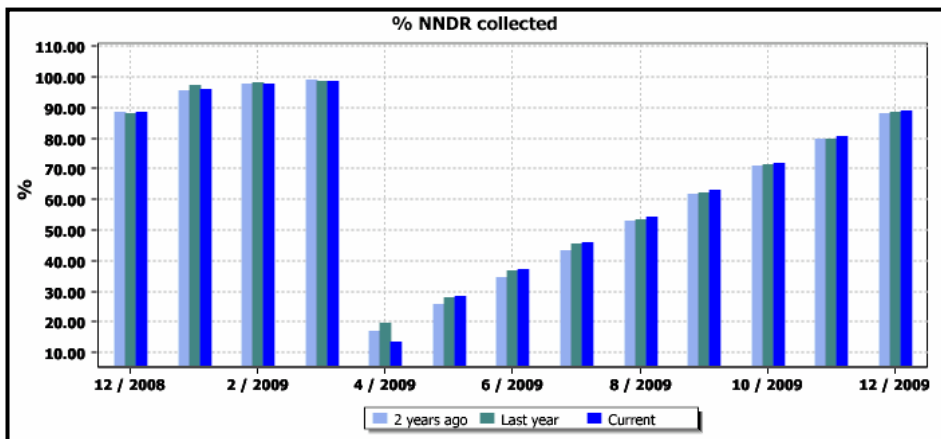


Another key indicator in this area is the number of people registered on the Homesearch register, which is in excess of 8,200 and increased by 26% in the 12 months to December 2009. In Q3, around 49 households each week joined the Homesearch register. In contrast the supply of social housing properties averaged around 8 per week, with nearly 23% of these being in sheltered accommodation.

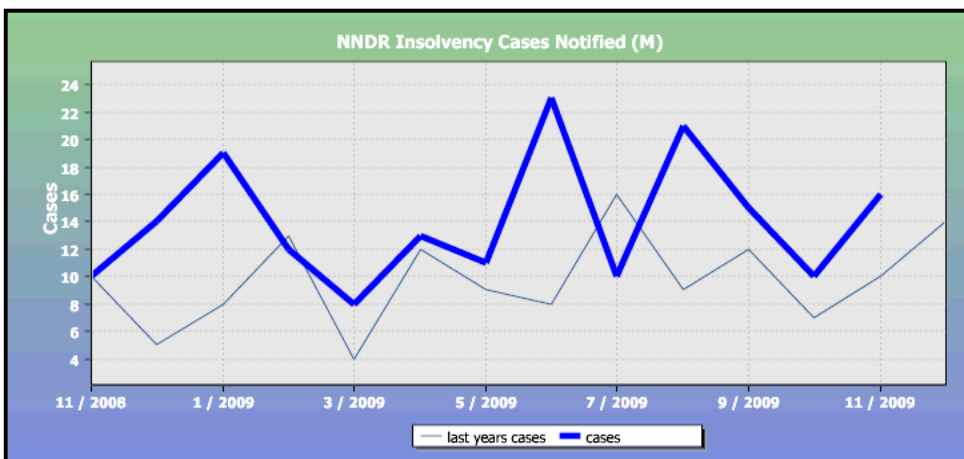
#### 4. Other financial indicators

##### 4.1 % NNDR (business rate) and Council Tax collected

The percentage of NNDR and Council Tax collected has been successfully ahead of target all year and is on track to meet the year end target.

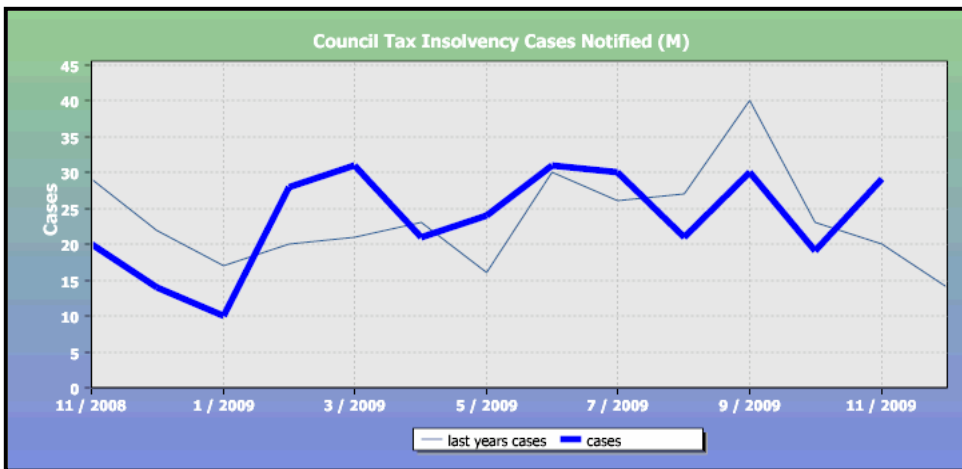


August saw the number of NNDR insolvency cases more than double compared to the same period last year. It has been difficult to establish a trend for this measure – on a like for like basis, the number of cases for 2009 is higher although the difference has reduced from 50% more cases to one third.



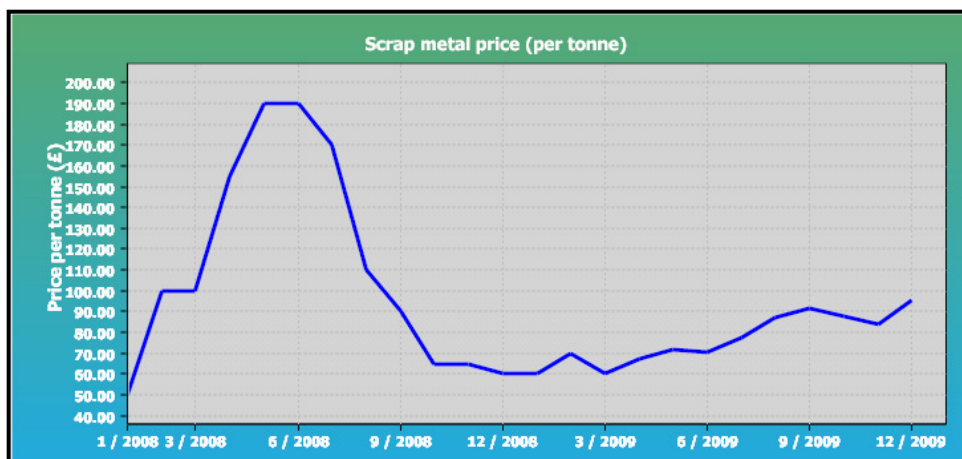


The trend for this measure is also hard to predict although it would appear individual bankruptcy cases are not yet filtering through into non payment of Council Tax. To date, the high for 2009/10 occurred in June with 31 cases, falling back to 19 in October, slightly lower than the same period last year. November saw a sharp increase to 29, a trend similar to 2008 although the number of cases was lower.



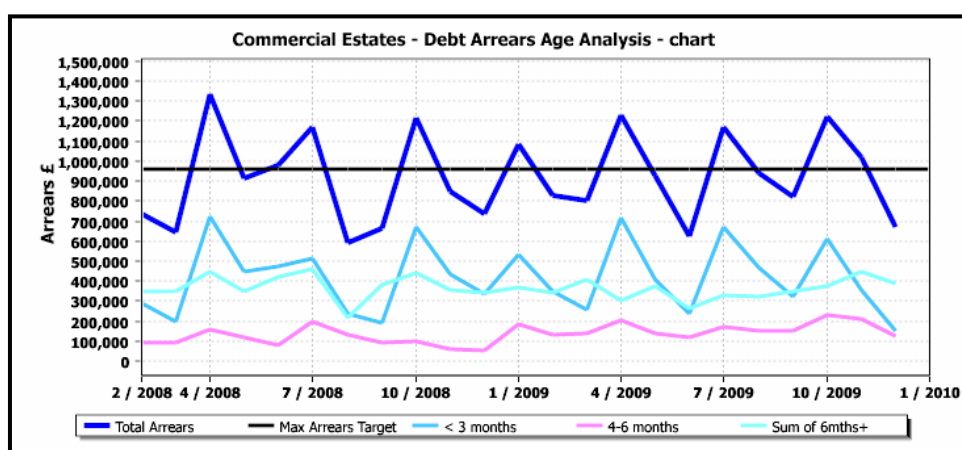
#### 4.2 Recycling

While the market for scrap and metal has almost collapsed, the Council benefits from some protection via a fixed price contract. The price per tonne has steadied over the last six months increasing to £95 in December, compared to £60 for the same period in 2008.



#### 4.3 Commercial Estate arrears

The city is currently holding up well. In December 2009, the arrears as a percentage of total rent roll (£12,895,000) stood at 5.2%. The level of commercial estate debts are lower than for the same period last year and continue to remain within reasonable limits.

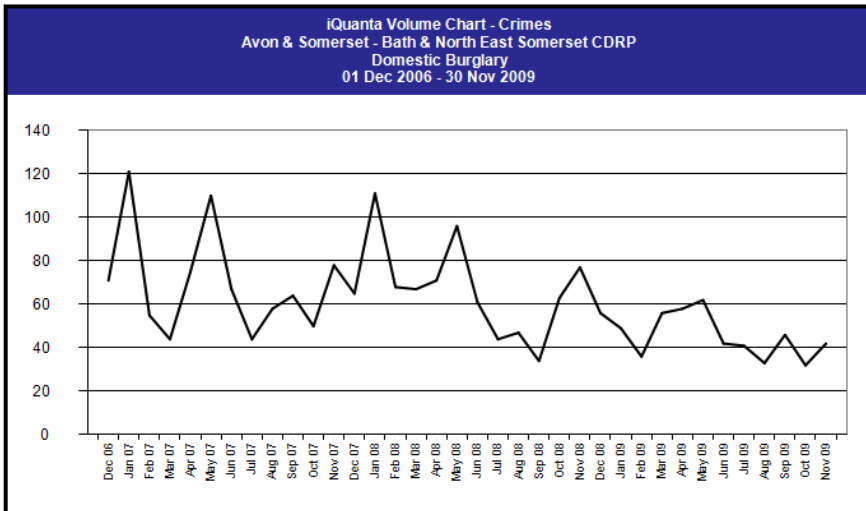


## 5. Wider impacts

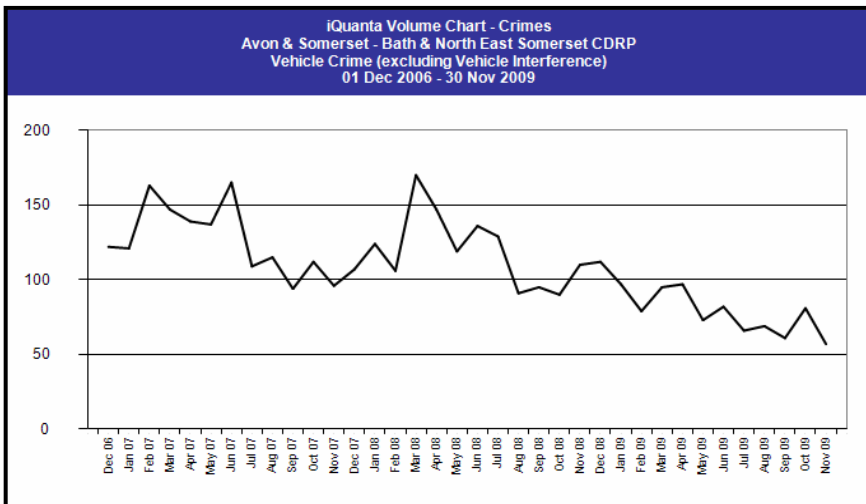
### 5.1 Community Safety

There is no intelligence to suggest the recession is having an impact on any other reported crime and disorder issues at this stage. Both Domestic Burglary and Vehicle Crime remains significantly low compared to historical trends, and Robbery rates remain static.

#### Domestic Burglary



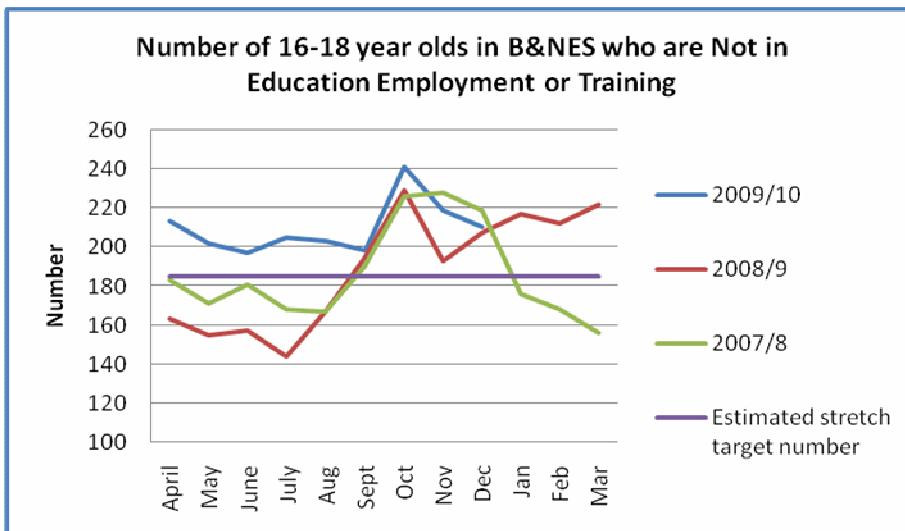
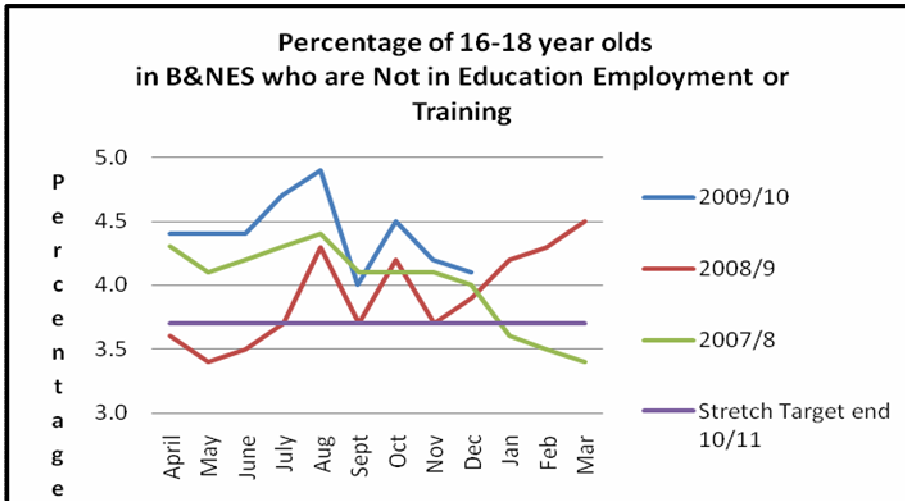
#### Vehicle Crime



*(Source: Data reproduced from Home Office "iQuanta" reporting; information is for performance purposes and does not represent official recorded crime)*

## 5.2 Young People NEET

The percentage of 16-18 year olds who are NEET has fallen by 0.4% since October 2009 to 4.1% as at December 2009. The cohort number of 5,374 has seen a reduction of 6% in the 12 months to December 2009. The percentage of young people in this cohort that we have not contacted recently has also fallen and now stands at 2.1% compared with 3% in December 2008 and well below the maximum of 5% set by National Government.



In line with national trends, the economic downturn is impacting on employment opportunities in the area and nationally, 16-24 years olds have been hardest hit. Fewer employers are able to offer work related learning opportunities to young people and the number of employment opportunities, including placements for apprenticeships, has decreased. Therefore although young people are not currently coming into the group in increased numbers they are staying in it for longer due to the limited employment opportunities.

The following table shows that as at November 2009, Bath & North East Somerset had the highest percentage of economically active 16-19 year olds in the South West and also compares very favourably to the national average. The picture is less positive for 20-24 year olds, where B&NES is 9<sup>th</sup> out of 15, and below both the regional and national average.

| Local Authority | Economically Active % of population | Economic |
|-----------------|-------------------------------------|----------|
|-----------------|-------------------------------------|----------|

|                           | 16-19                 | 20-24                 | 25-34                  | 35-49                 | 50-64<br>M<br>50-59 F  | 65+ M<br>60+ F        | activity rate<br>16+ ('000s) |
|---------------------------|-----------------------|-----------------------|------------------------|-----------------------|------------------------|-----------------------|------------------------------|
| United Kingdom            | 5.4                   | 10.2                  | 21.4                   | 36.9                  | 21.9                   | 4.3                   | 31,119                       |
| South West                | 5.9                   | 9.7                   | 18.8                   | 35.7                  | 24.4                   | 5.6                   | 2,672                        |
| <b>B&amp;NES</b>          | <b>7.5</b>            | <b>9.4</b>            | <b>17.2</b>            | <b>38.2</b>           | <b>22.1</b>            | <b>5.6</b>            | <b>93</b>                    |
| Bournemouth               | 5.3                   | 11.5                  | 22.4                   | 37.5                  | 17.8                   | 5.7                   | 81                           |
| City of Bristol*          | 4.2                   | 12.9                  | 26.1                   | 34.7                  | 19.0                   | 3.1                   | 225                          |
| Cornwall                  | 4.9                   | 10.5                  | 17.8                   | 33.2                  | 27.9                   | 5.7                   | 257                          |
| Devon                     | 6.7                   | 10.2                  | 16.5                   | 35.8                  | 25.1                   | 5.8                   | 386                          |
| Dorset                    | 6.2                   | 7.3                   | 14.6                   | 35.5                  | 28.2                   | 8.2                   | 195                          |
| Gloucestershire           | 6.1                   | 8.4                   | 18.3                   | 36.3                  | 24.1                   | 6.8                   | 313                          |
| North Somerset*           | 5.5                   | 8.9                   | 17.7                   | 35.9                  | 26.5                   | 5.6                   | 108                          |
| Plymouth                  | 6.4                   | 11.0                  | 22.0                   | 35.6                  | 21.7                   | 3.3                   | 128                          |
| Poole*                    | 6.3                   | 9.8                   | 19.9                   | 34.8                  | 24.5                   | 4.8                   | 69                           |
| Somerset                  | 6.9                   | 10.1                  | 17.4                   | 32.5                  | 26.2                   | 6.9                   | 268                          |
| South Glos*               | 5.8                   | 10.9                  | 21.5                   | 36.7                  | 20.8                   | 4.3                   | 145                          |
| Swindon                   | 5.8                   | 6.6                   | 23.7                   | 39.1                  | 21.8                   | 3.1                   | 106                          |
| Torbay                    | 6.9                   | 8.3                   | 14.0                   | 36.0                  | 28.5                   | 6.1                   | 63                           |
| Wiltshire                 | 5.0                   | 8.1                   | 17.3                   | 38.4                  | 25.6                   | 5.6                   | 235                          |
| <b>B&amp;NES Position</b> | <b>1<sup>st</sup></b> | <b>9<sup>th</sup></b> | <b>12<sup>th</sup></b> | <b>3<sup>rd</sup></b> | <b>10<sup>th</sup></b> | <b>8<sup>th</sup></b> |                              |

Source: SWRDA

\*Denotes Audit Commission nearest neighbour or geographical neighbour

Extensive work is underway to support young people into EET however it is unlikely that sufficient time remains for the Council and its partners to positively influence local opportunities to the extent that the LAA stretch target of 3.7% for November 2010 to January 2011 will be met, (the LAA indicator (NI117) for 16 to 18 year olds who are NEET is forecast to miss its end of year target of 3.9%). This means the Local Strategic Partnership will not receive a reward grant of £325k.