



Report to: Cabinet

Subject: Impact of the economic downturn within Gedling Borough

Date: 5 February 2009

Author: Policy and Performance Officer on behalf of Head of Strategy & Performance

1. PURPOSE OF REPORT

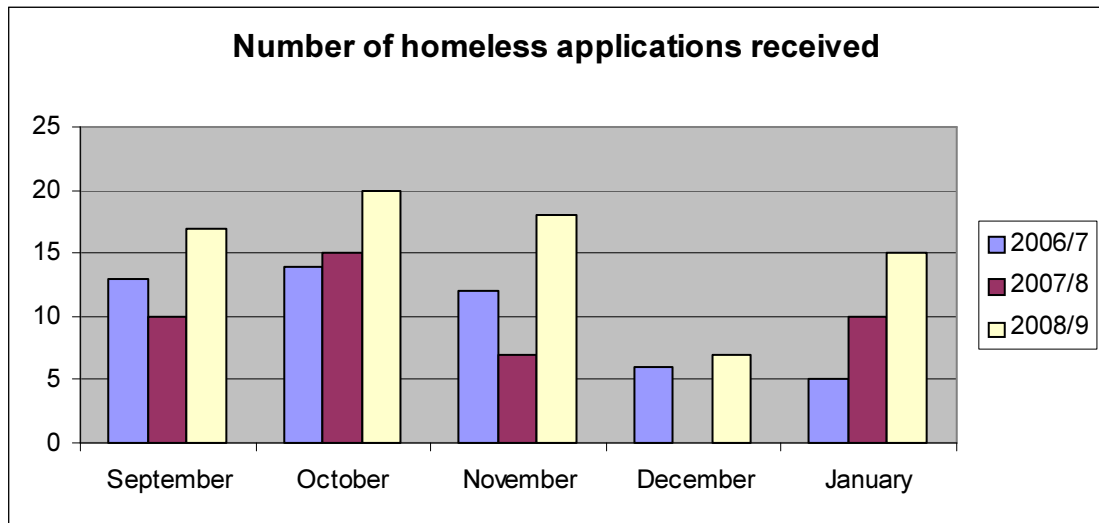
To provide information to Cabinet on the effect of the current national economic downturn within the Borough. The report has been discussed by the Senior Management Team, and will be reported to them on an ongoing monthly basis. In future a monthly economic indicator report will be circulated to all members for their information instead of via reports to Cabinet.

2. BACKGROUND

In response to the economic difficulties within the country, data has been collected against economic indicators to assess the impact within Gedling Borough. In some ways the economy is holding up, but it is showing signs of strain around unemployment levels and the number of benefit claims.

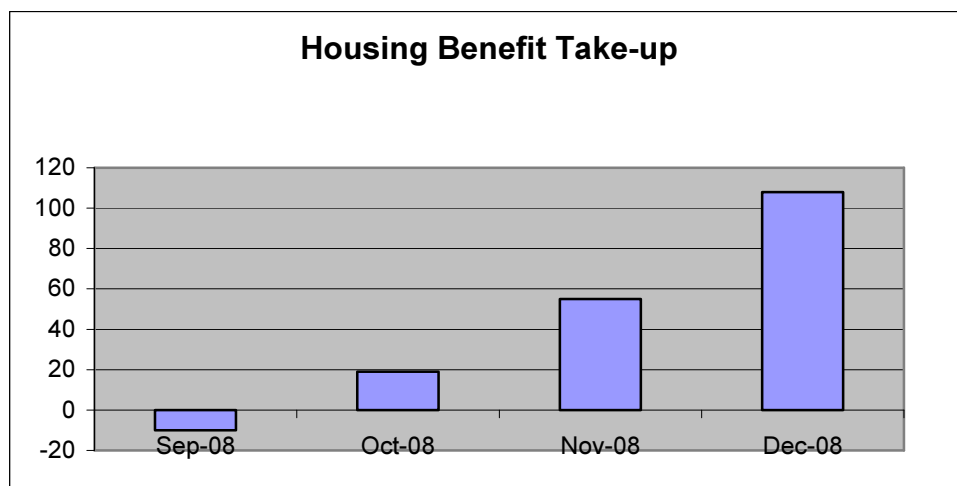
The indicators identified are shown below with data relating to the period September to December 2008 and will be reported on a monthly basis to the Senior Management Team to enable a picture to be built of the impact within the Borough. Some data is available a month in arrears but where possible all current data has been included.

Homeless numbers



The figures show people presenting themselves to the Council as homeless. As can be seen from the above graph, there has been significant increases during 2008/9 compared to the same periods in 2006/07 and 2007/08. The fall in the number during December follows an annual pattern, but levels rise again during January.

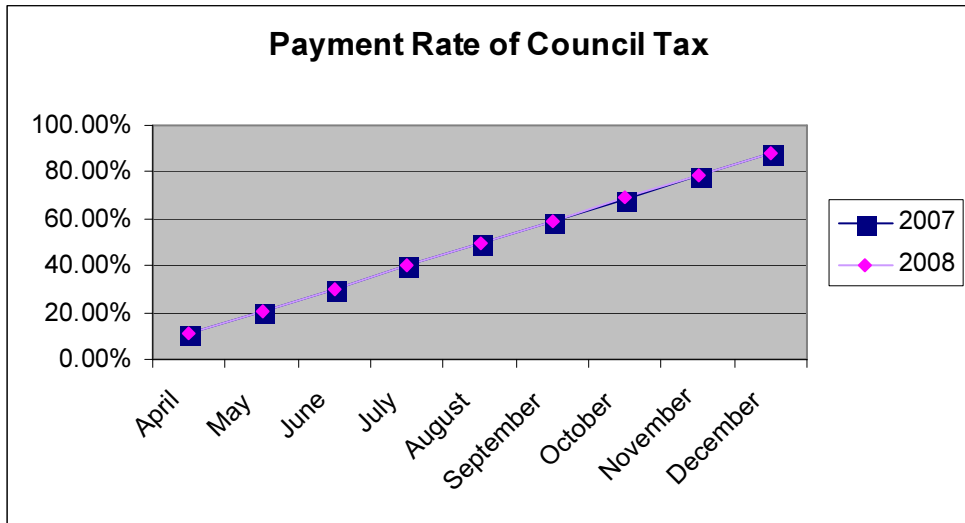
Housing Benefit Take up



There has been a significant increase in the number individuals now entitled to payment of Housing and Council Tax Benefit during October to December 2008 as can be seen in the above graph.

Payment rate of Council Tax

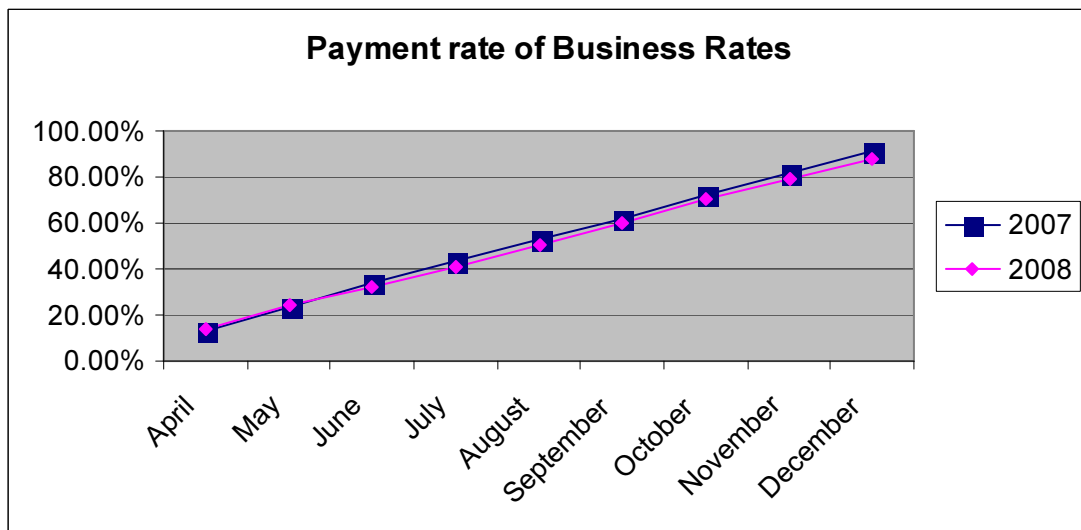
There is no significant changes in the rate of Council Tax collected compared to the same period in 2007.



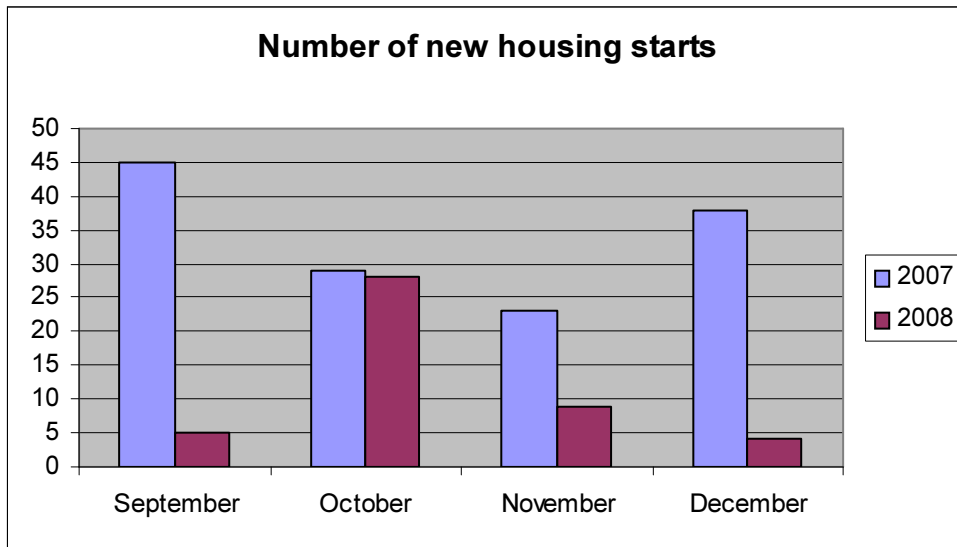
Payment rate of Business Rates

There has been a drop in the cumulative levels of Business Rates collected from April 2008 to December 2008 compared to the same period during 2007. The level collected, as at December 2008 is 88.2% year to date, compared to 91.05% in December 2007.

This level is significantly down by 2.5% against target figures for this period.



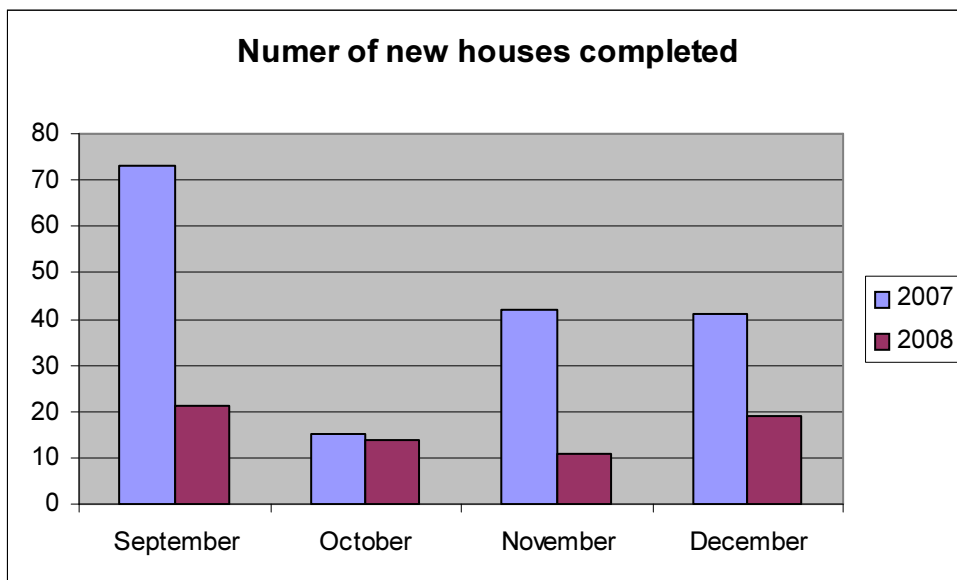
Number of new housing starts



October 2008 shows a 'boost' in its figure because a site for 23 apartments (in a three and four-storey block) has commenced during that month at Hillside Rest Home, Carlton Hill, Carlton.

Historically the number of new housing starts can vary significantly from one month to the next, although September, November and December 2008 have seen significantly lower figures compared to the previous year.

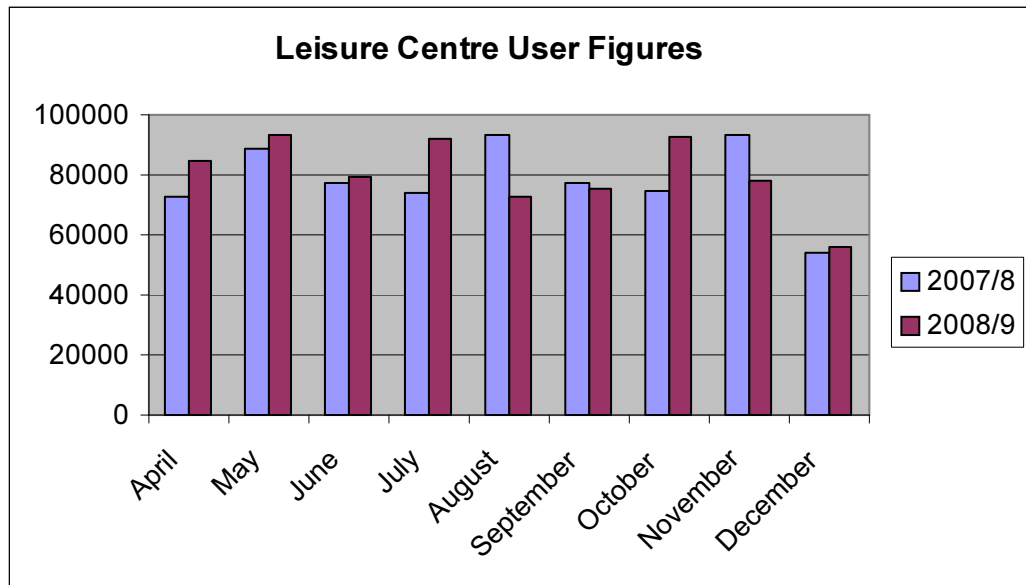
Number of new houses completed



NB The figures for 'new houses completed' are net completions (new build houses + changes of use (e.g. from retail shop to flat) + conversions (e.g. from house to flats) - demolitions (houses lost) = net completions).

Compared to the same period during 2007, there has been a 38.46% decrease in the number of new houses completed.

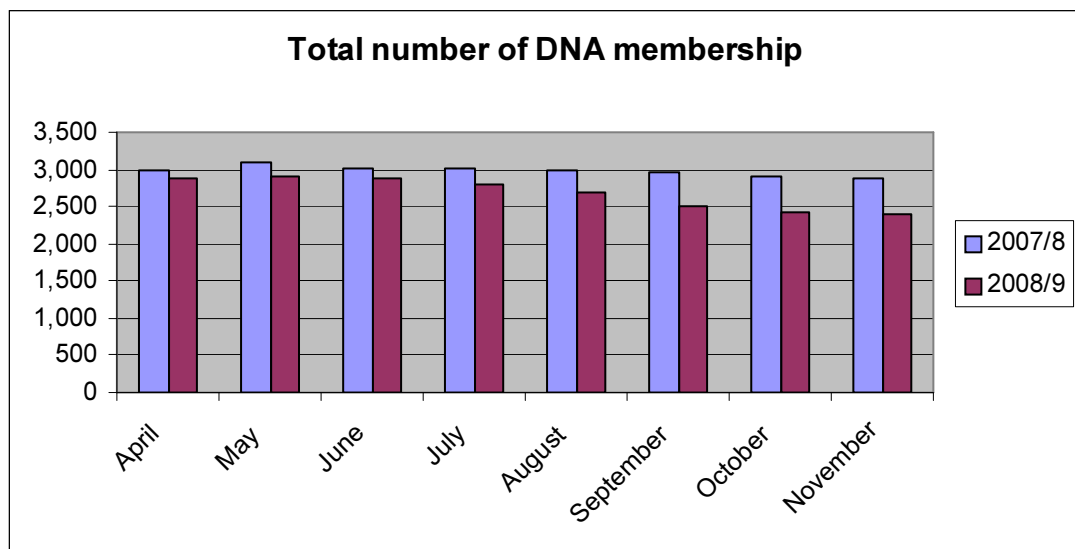
Leisure Centre Attendance



NB Figures exclude all school usage

The figures for the same period compared to 2007 for November 2008 shows a drop of 16%, but December 2008 figures show a slight increase compared to December 2007.

DNA Membership

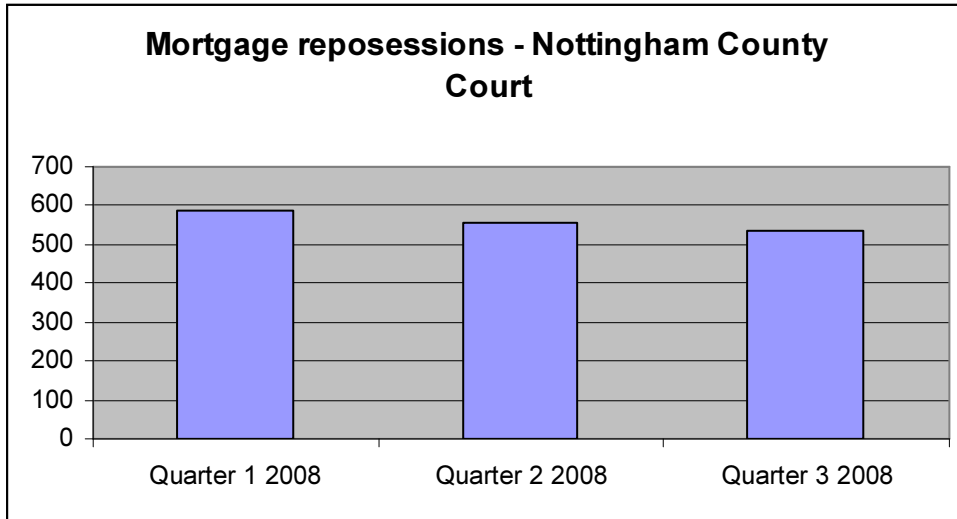


Data for December will be available later in January.

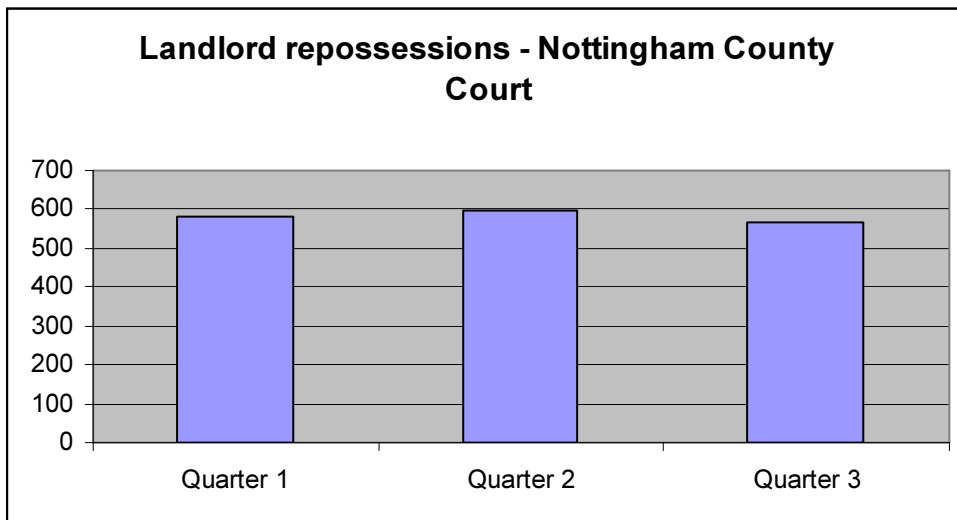
The above graph demonstrates that there has been a gradual decline in DNA membership levels during 2008 compared to the same period in 2007, and figures have fallen by 12% from June to December 2008.

Number of home repossessions

Figures from Nottingham County Court do not provide figures broken down to districts, so data for Gedling Borough as an area are not currently available. However, the County Court is being contacted to see if data can be provided in the future.



The number of homes repossessed shows a slight decline from Quarter 1 to Quarter 3 2008. However, compared to the combined figures for Quarters 1-3 for 2007, there is a 16% increase for the same period in 2008.



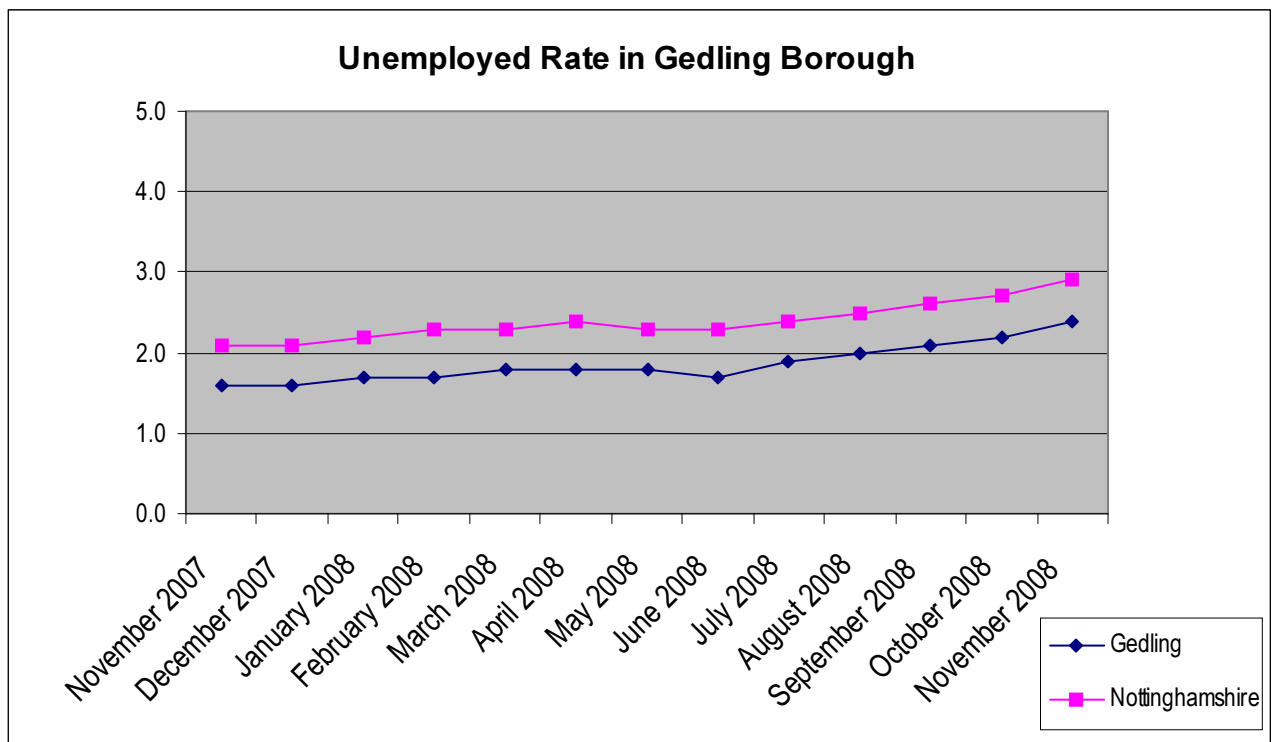
The number of landlord owned properties repossessed from tenants shows a small decrease in quarter 3 from the first and second quarters during 2008. However, compared to Quarters 1-3 for 2007, there is a 13% increase for the same period in 2008.

Number of business closures

Data source has not yet been identified to provide this information, DWP (Arnold Job Centre) has been contacted to see if this data can be provided and is assessing if this is possible. A representative from Job Centre plus will attend Gedling Partnership away half days during January and March 2008 and will act as the link person to develop partnership plans to tackle the economic downturn.

Unemployment rate in Gedling

The following figures are based on the number of claimants.



For November 2008 unemployment rate stood at 2.4%. From October to November 2008 unemployment increased by 8.71% within Gedling Borough, with a 45.7% increase during the period April to November 2008.

There were five Gedling wards in the top 25 wards for Nottinghamshire County for levels of unemployment. This is second behind Mansfield who had nine in the top 25 wards. Killisick remains the second highest within Nottinghamshire at 6.2%, the level of unemployment in Daybrook has increased to 3.8%, the ward is now 11th highest within the County, its relative position improving from 8th highest in October

The biggest increases in the number of unemployed between April and November 2008 are seen in Carlton Hill, Carlton and Calverton.

Gedling has the joint third highest rate of unemployment out of the districts equalling Bassetlaw, behind Mansfield at 2.9% and Ashfield at 2.8%. Nottingham City's rate is 4.3%.

Action being taken by Gedling Borough Council in response to the economic situation

In response to the above issues, Gedling has taken the following actions to support local businesses:

- The Council held a business conference in December 2008 aimed at helping local businesses survive the current financial crisis (Gedling is the only Local Authority in Nottinghamshire to do this). A wide range of agencies were present at the conference to provide specialist advice to businesses.
- The council is hosting one-to-one business advice surgeries provided by Business Link.
- The Council has also committed to pass on the 2.5% VAT savings to customers, and has also announced that it will commit to pay all invoices to suppliers within 10 days, instead of the current 30 days.
- The Council is reviewing its tendering arrangements to make it as easy as possible for local businesses to bid for council contracts.
- The Council will allow small businesses to pay business rates over 12 instalments rather than the usual 10, to assist with cash flow,

3. RECOMMENDATION

That Cabinet notes the information contained within this report. In future a monthly economic indicator report will be circulated to all members for their information instead of via reports to Cabinet.